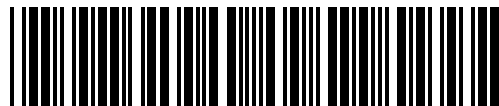




Registration of a Charge

Company Name: **PRIORY CENTRAL SERVICES LIMITED**

Company Number: **04391278**



Received for filing in Electronic Format on the: **01/03/2022**

XAYW90KB

Details of Charge

Date of creation: **16/02/2022**

Charge code: **0439 1278 0013**

Persons entitled: **BARCLAYS BANK PLC**

Brief description:

Contains fixed charge(s).

Contains negative pledge.

Chargor acting as a bare trustee for the property.

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: **CHRISTINA BANZ**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 4391278

Charge code: 0439 1278 0013

The Registrar of Companies for England and Wales hereby certifies that a charge dated 16th February 2022 and created by PRIORY CENTRAL SERVICES LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 1st March 2022 .

Given at Companies House, Cardiff on 3rd March 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**

DATED ¹⁶____ February 2022

PRIORY CENTRAL SERVICES LIMITED
as Chargor

BARCLAYS BANK PLC
as Security Agent

SECURITY AGREEMENT

This Deed is entered into subject to the terms of the Intercreditor Agreement referred to in this Deed.

Certified as a true copy of the original instrument,
save for the material redacted pursuant to
section 859G of the Companies Act 2006

Freshfields Bruckhaus Deringer LLP
.....
Freshfields Bruckhaus Deringer LLP



Freshfields Bruckhaus Deringer

Freshfields Bruckhaus Deringer LLP
65 Fleet Street
London EC4Y 1HS

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THIS DEED is made on ¹⁶ February 2022

BETWEEN:

- (1) **PRIORY CENTRAL SERVICES LIMITED** whose corporate details are listed in Schedule 1 (*Chargor*) as chargor (the *Chargor*); and
- (2) **BARCLAYS BANK PLC** for itself and as agent and trustee for each of the other Secured Parties (as defined below) (the *Security Agent*).

WHEREAS:

The Chargor is required to enter into this Deed as a condition of the Finance Documents.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this Deed, unless the context otherwise requires or a contrary indication appears:

- (a) terms defined in the Intercreditor Agreement or the Senior Facilities Agreement have the same meanings when used in this Deed; and
- (b) in addition:

Account means:

- (i) a Collection Account;
- (ii) any Blocked Account; or
- (iii) any other account of the Chargor (other than any Exempt Account) with any bank, financial institution or other person at any time,

and, in each case, all Related Rights.

Account Bank means any bank, building society, financial institution or other person with whom an Account is maintained by the Chargor.

Agent means the Agent as defined in the Senior Facilities Agreement.

Blocked Account means:

- (i) any account of the Chargor designated as a mandatory prepayment account in accordance with the Finance Documents and all Related Rights; or
- (ii) any other account of the Chargor specified as a Blocked Account in respect of the Chargor in Part A (*Accounts*) of Schedule 2 (*Security Assets*) or otherwise designated as a Blocked Account by the Security Agent and all Related Rights,

in each case, as that account may be redesignated, substituted or replaced from time to time and including any subaccount of that account.

Borrower means any Borrower as defined in the Senior Facilities Agreement.

CA 2006 means the Companies Act 2006.

Cash Pool Amounts means all present and future monetary amounts (whether actual or contingent and whether arising under contract or in any other manner whatsoever) due, owing or payable under or in connection with any Cash Pool Arrangement by any member of the Group to any Account and, in each case, all Related Rights.

Cash Pool Arrangement means any cash pooling arrangement between any member of the Group and the Chargor.

Collection Account means, in relation to the Chargor:

- (i) any account of the Chargor specified as a Collection Account in Part A (Accounts) of Schedule 2 (Security Assets) and all Related Rights; or
- (ii) any other account (other than a Blocked Account or an Exempt Account) maintained or opened by it and all Related Rights,

in each case, as that account may be redesignated, substituted or replaced from time to time and including any subaccount of that account.

Costs and Expenses means any fees, costs, charges, losses, liabilities, expenses and other amounts (including legal, accountants' and other professional fees) and any Taxes thereon.

Debtor has the meaning given to it in the Intercreditor Agreement and includes, for the avoidance of doubt, each Obligor.

Default Rate means the rate of interest determined in accordance with clause 13.4 (Default interest) of the Senior Facilities Agreement.

Dissolution means any event or circumstance described in clause 27.7 (Insolvency proceedings) of the Senior Facilities Agreement.

Enforcement Event means an Event of Default has occurred and any of the Secured Obligations has become due and payable and remains unpaid.

Event of Default means an Event of Default as defined in the Senior Facilities Agreement.

Exempt Accounts means the following accounts of the Chargor:

Account Bank	Account Name	Account number	Sort code	Description
Barclays Bank plc	Priory BPA	[REDACTED]	[REDACTED]	This account makes direct debit payments to counterparties of Aspris Children's Services Limited (formerly Priory Education Services Limited) and its subsidiaries (<i>Aspris Group</i>) under the terms of transitional

				arrangements put in place following the disposal of the Aspris Group. The account is funded by the Aspris Group. The arrangement avoided the need to cancel and recreate these direct debit arrangements and the account will shortly be transferred properly into the control of the Aspris Group.
Barclays Bank plc	Barclays Bank Plc re Priory Central Services Limited			This account holds cash deposits in support of standby letters of credit provided by Barclays Bank Plc to support insurance products provided to the Priory Group currently: (i) by Zurich Insurance Plc and (ii) by Riverstone Managing Agency Limited in respect of the Trustee of a Lloyds Syndicate. This account is secured under a specific charge registered at Companies House in the name of Barclays Bank PLC under charge code 043912780012.

provided that, in the case of the Aspris Account, such account (i) is only used to make payments to or on behalf of the Aspris Group and (ii) will be transferred into the control of the Aspris Group on or after the date of this Agreement.

Finance Documents has the meaning given to it in the Intercreditor Agreement.

Group Liabilities means, in relation to the Chargor, all the Liabilities and all other present and future obligations and liabilities which at any time are, or are expressed to be, or may become, due, owing or payable by any member of the Group and/or any (direct or indirect) Holding Company or Subsidiary of any member of the Group and/or by any Debtor and/or any (direct or indirect) Holding Company or Subsidiary of any Debtor, in each case, to the Chargor, both actual and contingent and whether

incurred solely or jointly or severally, and as principal or surety or in any other capacity, including any Parent Liabilities and/or Intra-Group Liabilities and, in each case, all Related Rights.

IA 1986 means the Insolvency Act 1986.

Liabilities has the meaning given to it in the Intercreditor Agreement.

LPA 1925 means the Law of Property Act 1925.

LPMPA 1994 means the Law of Property (Miscellaneous Provisions) Act 1994.

Obligor means any Obligor as defined in the Senior Facilities Agreement.

Party means a party to this Deed.

Receiver means:

- (i) a receiver and manager or other receiver appointed under this Deed in respect of any Security Asset and shall, if allowed by law, include an administrative receiver; or
- (ii) any delegate or sub-delegate of any person referred to in paragraph (i) above appointed pursuant to the terms of this Deed.

Related Rights means, in relation to any asset:

- (i) all rights under any licence, agreement for sale, agreement for lease or other use or any supplemental or collateral agreement in respect of all or any part of that asset;
- (ii) all rights, easements, powers, benefits, claims, contracts, warranties, remedies, covenants for title, security, guarantees or indemnities in respect of, or appurtenant to, all or any part of that asset;
- (iii) all other assets or rights at any time receivable or distributable in respect of, or in exchange or substitution for, that asset;
- (iv) the proceeds of sale of all or any part of that asset;
- (v) any other monies or proceeds paid or payable in respect of all or any part of that asset; and
- (vi) in respect of any contract, agreement or instrument, any interest in that contract, agreement or instrument, whether or not the Chargor is party to that contract, agreement or instrument.

Secured Obligations means all the Liabilities and all other present and future liabilities and obligations, in each case, at any time due, owing or incurred by any member of the Group or by any Obligor to any Secured Party under or in connection with the Finance Documents (including all monies covenanted to be paid under this Deed), in each case, both actual and contingent and whether incurred solely or jointly or severally, and as principal or surety or in any other capacity.

Secured Parties means the Security Agent, any Receiver or Delegate and the Agent, the Arranger and the Senior Creditors from time to time but, in the case of the Agent,

each Arranger or the Senior Creditors, only if it is a party to the Intercreditor Agreement or (in the case of the Agent or a Senior Creditor) has acceded to the Intercreditor Agreement, in the appropriate capacity, pursuant to clause 21.13 (*Creditor/Agent Accession Undertaking*) of the Intercreditor Agreement.

Security Assets means all the assets and undertaking of the Chargor from time to time mortgaged, charged or assigned (or expressed to be mortgaged, charged or assigned) pursuant to this Deed.

Senior Facilities Agreement means the term and revolving facilities agreement dated 8 October 2021 and as amended and restated pursuant to an amendment and restatement agreement dated 16 November 2021 and as further amended and restated pursuant to an amendment and restatement agreement dated 10 February 2022 and made between (1) Rehab and Mental Healthcare Group BV as the Parent, (2) Median BV as the company (3) the Original Borrowers (as defined in the Senior Facilities Agreement); (4) the Original Guarantors (as defined in the Senior Facilities Agreement); (5) each of Barclays Bank Ireland plc, Goldman Sachs Bank Europe SE, Skandinaviska Enskilda Banken AB (PUBL) Frankfurt Branch, Natwest Markets N.V. and The Governor and Company Of The Bank Of Ireland (as mandated lead arrangers); (6) each of Barclays Bank Ireland plc, Goldman Sachs Bank Europe SE as physical lead bookrunners; (7) Skandinaviska Enskilda Banken AB (PUBL) Frankfurt Branch as physical joint bookrunner; (8) each of Natwest Markets N.V. and The Governor and Company Of The Bank Of Ireland as non-physical bookrunner (9) the Original Lenders (as defined in the Senior Facilities Agreement); (10) Barclays Bank plc as agent of the other Finance Parties; and (11) Barclays Bank plc as security agent for the Secured Parties pursuant to which the Original Lenders agreed to make certain facilities available to the Borrowers.

Subsidiary means a subsidiary within the meaning of section 1159 of the CA 2006.

TA 2000 means the Trustee Act 2000.

Third Parties Act means the Contracts (Rights of Third Parties) Act 1999.

Transaction Security means the security interests constituted, created or evidenced (or expressed to be constituted, created or evidenced) in favour of the Security Agent (whether on its own account or as agent or trustee for the Secured Parties) under this Deed or any other Transaction Security Document.

Transaction Security Documents has the meaning given to it in the Senior Facilities Agreement.

1.2 Construction

- (a) Unless the context otherwise requires or a contrary indication appears in this Deed, the provisions of clause 1.2 (*Construction*) of the Senior Facilities Agreement shall apply to this Deed as if set out in full in this Deed except that references to “this Agreement” shall be construed as references to this Deed and:
 - (i) **authorisation** or **consent** includes any authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration;

- (ii) a *company* includes any company, corporation or other body corporate, wherever and however incorporated or established;
 - (iii) this *Deed* or any other *Finance Document* or any other agreement, document or instrument, is a reference to this Deed or other Finance Document or other agreement, document or instrument, in each case, as it may have been varied, amended, supplemented, replaced, extended, restated or novated from time to time and includes a reference to any document which varies, amends, supplements, replaces, extends, restates, novates or is entered into, made or given pursuant to, or in accordance with, any of the terms of this Deed or, as the case may be, the relevant Finance Document or agreement, document or instrument;
 - (iv) *law* includes any present or future common or customary law, principle of equity, and any constitution, decree, judgment, decision, legislation, statute, order, ordinance, regulation, by-law or other legislative measure in any jurisdiction or any present or future official directive, regulation, guideline, request, rule, code of practice, treaty or requirement (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the general practice of a person to whom the directive, regulation, guideline, request, rule, code of practice, treaty or requirement is intended to apply) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (v) a *nominee* includes any nominee or custodian;
 - (vi) *qualified person* means a person who, under the IA 1986, is qualified to act as a receiver of any asset of any company with respect to which he/she is appointed or an administrative receiver of that company;
 - (vii) *rights* includes all rights, title, benefits, powers, privileges, interests, claims, authorities, discretions, remedies, liberties, easements, quasi-easements and appurtenances (in each case, of every kind, and whether present, future or contingent); and
 - (viii) *security* includes any mortgage, charge, pledge, lien, security assignment, hypothecation or trust arrangement for the purpose of providing security and any other encumbrance or security interest of any kind, in each case, having the effect of securing any obligation of any person (including the deposit of monies or property with a person with the intention of affording that person a right of lien, set-off, combination or counter-claim) and any other agreement or any other type of arrangement having a similar effect (including any "flawed asset" or "hold back" arrangement), and *security interest* shall be construed accordingly.
- (b) Unless the context otherwise requires or a contrary indication appears:
- (i) a reference in this Deed to a Security Asset includes:
 - (A) any part of that Security Asset;
 - (B) any proceeds of that Security Asset; and

- (C) any present and future assets of the same type as that Security Asset;
 - (ii) in this Deed a defined term includes its other cognate forms;
 - (iii) where this Deed refers to any provision of any other Finance Document and that Finance Document is amended in a manner that would result in that reference being incorrect, this Deed shall be construed so as to refer to that provision as renumbered in the amended Finance Document.
- (c) The terms of the other Finance Documents and of any side letters relating to the Finance Documents are incorporated in this Deed to the extent required for any contract for the purported disposition of any Security Asset contained in this Deed to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- (d) The fact that the details of any asset in any Schedule are incorrect or incomplete shall not affect the validity or enforceability of this Deed in respect of any asset of the Chargor.
- (e) References in this Deed to a *Clause* or *Schedule* are to a clause of, or schedule to, this Deed.
- (f) A person will not cease to be a member of the Group if it ceases to be a Subsidiary of the Parent and continues to owe any Secured Obligations, Group Liabilities, Parent Liabilities and/or Intra-Group Liabilities to any Secured Party or other relevant Creditor (as defined in the Intercreditor Agreement).
- (g) Where the terms of this Deed permit the Chargor to exercise a right or remedy under or in respect of any Security Asset which has been assigned to the Security Agent under the terms of this Deed, the Chargor does so with the limited authority of the Security Agent pursuant to the terms of this Deed and the Parties do not intend such limited authority to prevent, prejudice or impair any such assignment to the Security Agent from satisfying in full all of the conditions set out in section 136 of the LPA 1925. Further, the Parties intend that such assignments are made on terms which satisfy in full all of those conditions.

1.3 Trustee Act 1925 and Trustee Act 2000

- (a) Section 1 of the TA 2000 shall not apply to any function of the Security Agent. Where there are any inconsistencies between the Trustee Act 1925 or the TA 2000 and the provisions of this Deed, the provisions of this Deed shall, to the extent allowed by law, prevail and, in the case of any inconsistency with the TA 2000, the provisions of this Deed shall constitute a restriction or exclusion for the purposes of the TA 2000.
- (b) The Security Agent may retain or invest in securities payable to bearer without appointing a person to act as a custodian.
- (c) Sections 22 and 23 of the TA 2000 shall not apply to this Deed.

1.4 Third parties

- (a) Except as otherwise expressly provided in this Deed, the terms of this Deed may be enforced only by a Party and the operation of the Third Parties Act is excluded.

- (b) Notwithstanding any term of this Deed and subject to clause 28 (*Consents, amendments and override*) of the Intercreditor Agreement, no consent of a third party is required to rescind, terminate or amend this Deed.

1.5 Distinct security and trusts

All Transaction Security, and any trust created or expressed to be created under this Deed, shall be construed as creating separate and distinct security, or a separate and distinct trust, over each relevant asset within any particular class of assets defined or referred to in this Deed. The failure to create effective security, or an effective trust, whether arising out of any provision of this Deed, any act or omission by any person or otherwise, over any one such asset shall not affect the nature or validity of the security, or any trust, imposed on any other such asset, whether within that same class of assets or otherwise.

1.6 Chargor intent

Without prejudice to the generality of any other provision of this Deed, the Chargor expressly confirms that it intends that this Deed and the Transaction Security shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any present or future facility or amount made available under any of the Finance Documents, including for the purposes of, or in connection with, any of the following: business acquisitions of any nature; increasing the commitments under any Finance Document; increasing the indebtedness (including adding a new facility) under any Finance Document; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any Costs and Expenses associated with any of the foregoing.

1.7 Implied covenants for title

The obligations of the Chargor under this Deed are in addition to the covenants for title deemed to be included in this Deed by virtue of Part 1 of the LPMPPA 1994.

1.8 Inconsistency between this Deed and the Intercreditor Agreement

If there is any conflict or inconsistency between any provision of this Deed and any provision of the Intercreditor Agreement, the provision of the Intercreditor Agreement shall prevail.

2. COVENANT TO PAY

- (a) Whenever any Obligor does not pay any Secured Obligation when due under or in connection with any Finance Document, the Chargor shall immediately on demand pay the amount due in respect of such Secured Obligation as if it was the principal obligor.
- (b) The Chargor confirms to the Security Agent that the amount secured by this Deed is the full amount of the Secured Obligations.

3. CREATION OF SECURITY

3.1 Accounts

The Chargor charges by way of a first fixed charge in favour of the Security Agent all its present and future right, title and interest in and to each of its Accounts and any amount standing to the credit of, and the debt represented by, each such Account.

3.2 Miscellaneous

To the extent that a Security Asset is not effectively assigned, charged or mortgaged in favour of the Security Agent in accordance with the applicable provisions of Clause 3.1 (*Accounts*), the Chargor shall hold on trust for the benefit of the Security Agent, subject to the terms of this Deed, all its present and future right, title and interest in and to that Security Asset.

4. RELEASE AND REASSIGNMENT

Subject to paragraph (e) of Clause 5 (*Provisions relating to Transaction Security*) and provided that, at the time of the request, no Event of Default has occurred and is continuing, promptly after the Final Discharge Date, the Security Agent shall, at the request and cost of the Parent:

- (a) release and reassign to the Chargor its rights, title and interest in and to the Security Assets; and
- (b) execute such notices and directions to any persons as the Chargor may reasonably require in order to give effect to that release and reassignment,

in each case, without recourse to or any representation or warranty by any Secured Party or any other person.

5. PROVISIONS RELATING TO TRANSACTION SECURITY

- (a) All Transaction Security:
 - (i) is created in favour of the Security Agent for itself and on behalf of each of the other Secured Parties;
 - (ii) is created free from any security interest (other than any Transaction Security);
 - (iii) is created over the present and future assets of the Chargor; and
 - (iv) is a continuing security for the payment, discharge and performance of all of the Secured Obligations, shall extend to the ultimate balance of all amounts payable under the Finance Documents and shall remain in full force and effect until the Final Discharge Date. No part of the Transaction Security shall be considered to be satisfied or discharged by any intermediate payment, discharge or satisfaction of the whole or any part of the Secured Obligations.
- (b) If the Chargor purports to mortgage, assign or, by way of a fixed charge, charge an asset (a *restricted asset*) under this Deed and that mortgage, assignment or fixed

charge breaches a term of a written agreement (a *Restrictive Contract*) binding on the Chargor in respect of that restricted asset because the consent of a person (other than any member of the Group, any Affiliate of any member of the Group or any Sponsor Affiliate, each a **counterparty**) has not been obtained, then:

- (i) the Chargor shall notify the Security Agent of the same immediately; and
 - (ii) unless the Security Agent otherwise requires, the Chargor shall obtain the consent of each relevant counterparty and, once obtained, shall promptly provide a copy of that consent to the Security Agent.
- (c) The Security Agent holds the benefit of this Deed and the Transaction Security on trust for itself and each of the other Secured Parties from time to time on the terms of the Intercreditor Agreement.
- (d) The Transaction Security created pursuant to this Deed by the Chargor is made with full title guarantee under the LPMPA 1994.
- (e) If the Security Agent reasonably considers that any payment, security or guarantee provided to it or any other Secured Party under or in connection with any Finance Document is capable of being avoided, reduced or invalidated by virtue of any applicable law, notwithstanding any reassignment or release of any Security Asset, the liability of the Chargor under this Deed and the Transaction Security shall continue as if those amounts had not been paid or as if any such security or guarantee had not been provided.
- (f) Each undertaking of the Chargor (other than a payment obligation) contained in this Deed:
- (i) shall be complied with at all times during the period commencing on the date of this Deed and ending on the Final Discharge Date; and
 - (ii) is given by the Chargor for the benefit of the Security Agent and each other Secured Party.
- (g) Notwithstanding anything contained in this Deed or implied to the contrary, the Chargor remains liable to observe and perform, and shall observe and perform, all conditions and obligations assumed by it in relation to any of its Security Assets. The Security Agent is under no obligation to perform or fulfil any such condition or obligation or to make any payment in respect of any such condition or obligation.
- (h) If any Security Asset of the Chargor is held by any person (including any nominee) on behalf of the Chargor, the Chargor shall procure that any such person performs the obligations of the Chargor in respect of that Security Asset under this Deed.

6. RESTRICTION ON DEALINGS

6.1 Restriction on dealings

The Chargor shall not:

- (a) create or permit to subsist any security or Quasi-Security on any of the Security Assets; or

- (b) enter into a single transaction or series of transactions (whether related or not) and whether voluntarily or involuntarily to sell, lease, transfer, assign, charge or otherwise dispose of all or any part of its right, title and interest in and to any Security Asset,

unless permitted to do so under the Senior Facilities Agreement.

6.2 Moratorium – disposals

The obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under the IA 1986 shall not, by itself, cause restrictions in this Deed or any other Finance Document that would not otherwise apply to be imposed on the disposal of property by the Chargor.

7. REPRESENTATIONS AND WARRANTIES

7.1 General representations and warranties

The Chargor represents and warrants to each Secured Party that:

- (a) it is the sole legal and beneficial owner of, and absolutely entitled to, the assets that it purports to mortgage, charge or assign under this Deed;
- (b) it has not mortgaged, charged or assigned or otherwise encumbered or disposed of any of the assets that it purports to mortgage, charge or assign under this Deed, in each case, other than as expressly permitted under the Senior Facilities Agreement;
- (c) its Security Assets exist and, to the extent that any of its Security Assets is comprised of rights and/or remedies under or in respect of any instrument, document, agreement or arrangement (including any Account), that instrument, document, agreement or arrangement is valid, legally binding and, subject to the Legal Reservations, enforceable in accordance with its terms and no such instrument, document, agreement or arrangement has been terminated, rescinded or revoked (in whole or in part);
- (d) no instrument, document, agreement or arrangement to which the Chargor is a party contains any prohibition on the creation, perfection or enforcement (or purported creation, perfection or enforcement) of any Transaction Security (including any transfer of title in any Security Asset pursuant to any such enforcement); and
- (e) to the best of its knowledge and awareness (having made reasonable enquiries), it has no reason to believe that its entry into or accession to this Deed would, based on the circumstances applicable at the time of that entry or accession, detrimentally affect in a material way the likelihood of accrued Pension Scheme benefits being received. For this purpose, "Pension Scheme" means any "occupational pension scheme" which is not a "money purchase scheme" (as both of those terms are defined in the Pension Schemes Act 1993), in respect of which any company in the Group is an "employer" (as that term is defined for the purposes of the Pensions Act 2004 and the Pensions Act 1995) or is otherwise required to provide funding or financial support including on a contingent basis.

7.2 Times for making representations and warranties

The representations and warranties set out in this Deed (including in Clause 7.1 (*General representations and warranties*)) are:

- (a) made by the Chargor on the date of this Deed (or the date on which that Chargor accedes to this Deed); and
- (b) (unless expressed to be given at a specific date) deemed to be repeated by the Chargor on each date before the Final Discharge Date on which any of the representations and warranties set out in clause 23 (*Representations*) of the Senior Facilities Agreement are repeated,

in each case by reference to the circumstances existing at that time.

8. ACCOUNTS

8.1 No other Accounts and preservation

- (a) The Chargor shall not have any Accounts other than in accordance with the Senior Facilities Agreement or the terms of this Deed.
- (b) The Chargor shall take all reasonable and practicable steps to preserve and enforce its rights and remedies under or in respect of its Accounts, provided that the exercise of those rights and remedies is not inconsistent with the terms of the Finance Documents.
- (c) Without limiting any assignment under this Deed, the Chargor shall not, or shall not purport to:
 - (i) amend, supplement, vary or waive any provision of any agreement governing the terms of any of its Accounts (or agree to do so);
 - (ii) exercise any right to rescind, cancel or terminate any agreement governing the terms of any of its Accounts; or
 - (iii) release, compromise or waive any counterparty from its obligations or liabilities under any agreement governing the terms of any of its Accounts or any debt represented thereby,

in each case, other than as permitted under the Senior Facilities Agreement.

8.2 Notice – Accounts

- (a) The Chargor shall deliver to the Security Agent on the date of this Deed (or, in respect of any Account opened or change occurring after the date of this Deed, on the date of opening of that Account or that change), details of any Account maintained by it (unless those details are set out in Part A (*Accounts*) of Schedule 2 (*Security Assets*)). Such details shall include the name of the Account Bank with whom each Account is maintained, together with the account number, sort code, IBAN (if applicable) and description of that Account.
- (b) The Chargor shall within five Business Days after the date of this Deed (or, in respect of any Account opened after the date of this Deed, within five Business Days after the date of opening of that Account):
 - (i) give notice to each Account Bank substantially in the form set out in Schedule 3 (*Form of Notice and Acknowledgment for Accounts*); and

- (ii) use all its reasonable endeavours to procure that the Account Bank delivers to the Security Agent a duly completed acknowledgment of that notice substantially in the form set out in Schedule 3 (*Form of Notice and Acknowledgment for Accounts*).
- (c) The entry into this Deed by the Parties shall constitute written notice to the Security Agent and acknowledgment by the Security Agent of that notice, in each case, substantially in the form set out in Schedule 3 (*Form of Notice and Acknowledgment for Accounts*), of any charge created pursuant to this Deed over any Account maintained by the Chargor with the Security Agent on the date of this Deed.

8.3 Change of Account Bank

- (a) An Account Bank may only be changed with the prior written consent of the Security Agent.
- (b) The change shall only become effective if the proposed new Account Bank agrees to fulfil the role of Account Bank in accordance with the terms of this Deed.
- (c) Upon a change of Account Bank becoming effective, the net amount (if any) standing to the credit of any Account maintained with the old Account Bank shall be immediately transferred to a corresponding Account maintained with the new Account Bank.
- (d) The Chargor shall take such action as the Security Agent may reasonably require to facilitate a change of Account Bank and any transfer of credit balances and irrevocably appoints the Security Agent as its attorney to take any such action in the event it fails to do so.

8.4 Collection Accounts

- (a) The Chargor shall:
 - (i) collect and realise all Cash Pool Amounts in a prudent manner (as agent for the Security Agent) and pay those Cash Pool Amounts into a Collection Account immediately upon receipt (and those Cash Pool Amounts shall be held upon trust by the Chargor for the Security Agent until that payment); and
 - (ii) not factor, sell, assign, charge, discount or otherwise deal with the Cash Pool Amounts other than as provided for in paragraph (i) above (or enter into any agreement for that factoring, assigning, charging, discounting or dealing),

in each case, other than as permitted by the Senior Facilities Agreement.

- (b) Before the occurrence of an Enforcement Event, the Chargor shall (subject to the terms of the Senior Facilities Agreement) be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Collection Account (including for the purpose of performing its obligations under any Cash Pool Arrangement).
- (c) On and after the occurrence of an Enforcement Event:
 - (i) the Chargor shall not be entitled to receive, withdraw or otherwise transfer the Cash Pool Amounts or any proceeds of collection or realisation of any

Cash Pool Amounts standing to the credit of any Collection Account or any other credit balance on any Collection Account without the prior written consent of the Security Agent; and

- (ii) the Chargor shall promptly give written notice to the debtors in respect of any Cash Pool Amounts in such form as the Security Agent may require.

8.5 Blocked Accounts

- (a) The Chargor shall not be entitled to receive, withdraw or otherwise transfer any credit balance at any time on any Blocked Account without the prior written consent of the Security Agent.
- (b) If the Chargor proposes to withdraw monies from a Blocked Account before the occurrence of an Enforcement Event:
 - (i) at least three Business Days before the proposed withdrawal date, it shall notify the Security Agent and certify the purpose for which the relevant funds are to be applied;
 - (ii) the Security Agent shall agree to the proposed withdrawal if it is satisfied that the monies to be withdrawn are permitted to be withdrawn under, and will be applied in accordance with, the terms of the Senior Facilities Agreement; and
 - (iii) if it is so satisfied, the Security Agent shall confirm to the relevant Account Bank that the proposed withdrawal is permitted.
- (c) The Chargor shall not, or shall not purport to, without the Security Agent's prior written consent, permit or agree to any variation of the rights attaching to any Blocked Account or close any Blocked Account.

8.6 Exercise of rights on Enforcement Event

On and after the occurrence of an Enforcement Event:

- (a) any permission to use amounts withdrawn from any Account (whether pursuant to this Deed or otherwise) is expressly revoked and the Chargor shall hold those amounts, including any and all Cash Pool Amounts (whether held in such Account or otherwise due, owing or payable to such Account), on trust for the Security Agent, pending payment to the Security Agent for application in accordance with Clause 15 (*Application of Proceeds*), and the Chargor waives its rights to any such amounts; and
- (b) the Security Agent shall be entitled without notice to the Chargor to receive, withdraw, apply, transfer or set-off any or all of the credit balances from time to time on any Account in or towards payment or other satisfaction of all or part of the Secured Obligations in accordance with Clause 15 (*Application of Proceeds*).

9. ENFORCEMENT OF TRANSACTION SECURITY

9.1 Timing and manner of enforcement

- (a) The Transaction Security shall become enforceable and the powers referred to in Clause 9.2 (*Extension and variation of powers under the LPA 1925*) shall become exercisable immediately upon the occurrence of an Enforcement Event.

- (b) Notwithstanding paragraph (a) above, if the giving of any notice, notification or instruction, the making of any filing or the taking of any perfection step or similar is necessary or, in the reasonable opinion of the Security Agent, desirable for the purposes of perfecting any Transaction Security or protecting any right or remedy of any Secured Party under or in connection with this Deed, the Security Agent may take that action upon the occurrence of an Event of Default which is continuing.
- (c) Without prejudice to any other provision of this Deed, immediately after the Transaction Security has become enforceable, the Security Agent may, in its absolute and sole discretion, having provided five (5) Business Days' prior written notice to the Chargor of its intention to do so, and without prior authorisation from any person, court or similar body:
 - (i) enforce all or any part of the Transaction Security and require the payment or transfer to it of any amounts, proceeds or assets held on trust by the Chargor for its benefit;
 - (ii) in the case of any right or remedy comprising or in respect of any Security Asset that has been assigned to the Security Agent under this Deed, exercise any such right or remedy as assignee; and/or
 - (iii) exercise all or any of the powers, authorities and discretions conferred on the Security Agent:
 - (A) by the Intercreditor Agreement and/or the other Finance Documents (including this Deed); or
 - (B) otherwise by law on mortgagees, chargees, assignees, receivers (whether or not the Security Agent has appointed a Receiver) and/or administrators (whether or not the Chargor is in administration),

in each case, at the times, in the manner and on the terms that it sees fit, or as otherwise directed in accordance with the terms of the Intercreditor Agreement and/or the other Finance Documents.
- (d) No Secured Party (and no agent, employee or officer of any Secured Party) shall be liable to the Chargor for any loss arising from the manner in which the Security Agent or any other Secured Party enforces or refrains from enforcing the Transaction Security, and any such person who is not a Party may rely on this paragraph (d) and enforce its terms under the Third Parties Act.
- (e) Without prejudice to any other provision of this Deed, upon and after the Transaction Security becoming enforceable, the Chargor shall hold its Security Assets on trust for the Security Agent.

9.2 Extension and variation of powers under the LPA 1925

- (a) The Secured Obligations shall be deemed to have become due and payable on the date of this Deed for the purposes of section 101 of the LPA 1925.
- (b) The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this Deed) and all other powers conferred on a mortgagee by law shall be deemed to arise immediately after execution of this Deed.

- (c) Any restriction imposed by law on the power of sale (including under section 103 of the LPA 1925) or the right of a mortgagee to consolidate mortgages (including under section 93 of the LPA 1925) shall not apply to the Transaction Security or this Deed.
- (d) The Security Agent may lease, make agreements for leases at a premium or otherwise, surrender, rescind or agree or accept surrenders of leases and grant options on such terms and in such manner as it shall consider fit without the need to comply with any of the provisions of sections 99 and 100 of the LPA 1925. For the purposes of sections 99 and 100 of the LPA 1925, the expression "mortgagor" shall include any encumbrancer deriving title under the original mortgagor and section 99(18) of the LPA 1925 and section 100(12) of the LPA 1925 shall not apply.

9.3 Contingencies

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

9.4 Exercise of powers

All or any of the powers conferred on mortgagees by the LPA 1925 as varied or extended by this Deed (and all or any of the rights and powers conferred by this Deed on a Receiver) (in each case, whether express or implied) may be exercised by the Security Agent without further notice to the Chargor at any time after the occurrence of an Enforcement Event, irrespective of whether the Security Agent has taken possession of any Security Asset or appointed a Receiver.

9.5 Restrictions on notices

Subject to paragraph (b) of Clause 9.1 (*Timing and manner of enforcement*), before the occurrence of an Enforcement Event, the Security Agent shall not give any notice, notification or instruction referred to in paragraph 2(e) of the notice served on an Account Bank in the form set out in Schedule 3 (*Form of Notice and Acknowledgment for Accounts*) to that Account Bank.

9.6 Protection of third parties

- (a) No person (including a purchaser) dealing with the Security Agent or a Receiver or any of its or their respective agents shall be concerned to enquire:
 - (i) whether the Secured Obligations have become payable;
 - (ii) whether any power which the Security Agent or that Receiver may purport to exercise has become exercisable or is being properly exercised;
 - (iii) whether any amount remains due under the Finance Documents; or
 - (iv) how any money paid to the Security Agent or to that Receiver is to be applied,

and any such person who is not a Party may rely on this paragraph (a) and enforce its terms under the Third Parties Act.

- (b) Any person (including a purchaser) dealing with the Security Agent or a Receiver shall benefit from the protections given to purchasers (as that term is used in the LPA 1925) from a mortgagee by sections 104 and 107 of the LPA 1925, and to persons dealing with a receiver by section 42(3) of the LA 1986, and any such person who is not a Party may rely on this paragraph (b) and enforce its terms under the Third Parties Act.
- (c) The receipt by the Security Agent or any Receiver of any monies paid to the Security Agent or that Receiver by any person (including a purchaser) shall be an absolute and conclusive discharge and shall relieve any person (including a purchaser) dealing with the Security Agent or that Receiver of any obligation to see to the application of any monies paid to or at the direction of the Security Agent or that Receiver, and any such person who is not a Party may rely on this paragraph (c) and enforce its terms under the Third Parties Act. Any sale or disposal of any Security Asset and any acquisition, in each case, by the Security Agent or any Receiver shall be for such consideration, and made in such manner and on such terms as the Security Agent or that Receiver sees fit.
- (d) In this Clause 9.6, **purchaser** includes any person acquiring, for money or money's worth, any interest or right whatsoever in relation to any Security Asset.

9.7 No liability as mortgagee in possession

None of the Security Agent, any Receiver or any other Secured Party (or any agent, employee or officer of any of them) shall be liable by reason of entering into possession of a Security Asset:

- (a) to account as mortgagee in possession for any loss on realisation in respect of that Security Asset; or
- (b) for any act, neglect, default, omission or misconduct for which a mortgagee in possession might be liable,

and any such person who is not a Party may rely on this Clause 9.7 and enforce its terms under the Third Parties Act.

9.8 Redemption of prior security

- (a) The Security Agent or any Receiver may at any time after the occurrence of an Enforcement Event:
 - (i) redeem any prior security on or relating to any Security Asset or procure the transfer of that security to itself; and
 - (ii) settle and pass the accounts of any person entitled to that prior security, and any account so settled and passed shall (subject to any manifest error) be conclusive and binding on the Chargor.
- (b) The Chargor shall on demand pay to the Security Agent all principal monies and interest and all Costs and Expenses incidental to any redemption or transfer under this Clause 9.8, in each case, together with interest accruing on those amounts at the Default Rate for the period from and including the date on which those amounts were incurred up to and excluding the date on which they were reimbursed.

9.9 Right of appropriation

- (a) To the extent that any of the Security Assets constitute “financial collateral” and this Deed and the obligations of the Chargor under it 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 *FCR Regulations*)), upon and after the Transaction Security becoming enforceable, the Security Agent or any Receiver shall have the benefit of all the rights conferred on a collateral taker under the FCR Regulations, including the right to appropriate without notice to the Chargor (either on a single occasion or on multiple occasions) all or any part of that financial collateral in or towards discharge of the Secured Obligations and, for this purpose, the value of the financial collateral so appropriated shall be in the case of cash, the amount standing to the credit of each Account, together with any accrued but unposted interest at the time the right of appropriation is exercised.
- (b) The Parties agree that the methods of valuation set out in paragraphs (a) above are commercially reasonable methods of valuation for the purposes of the FCR Regulations.
- (c) The Chargor irrevocably and unconditionally agrees that the Security Agent may:
 - (i) delegate its rights under paragraph (a) above to one or more persons and that such delegates may exercise such rights on behalf of the Security Agent; and
 - (ii) distribute the right of appropriation referred to in paragraph (a) above to one or more Secured Parties (in accordance with the terms of the Intercreditor Agreement) so that, immediately upon the exercise of such right of appropriation, the relevant Secured Party will become the legal and beneficial owner of the assets that have been appropriated.

9.10 Release and/or disposal of Group Liabilities

- (a) Subject to the terms of the Intercreditor Agreement, in respect of any disposal of any Group Shares of the Chargor that is effected pursuant to, or in connection with, the enforcement of the Transaction Security, the Security Agent or any Receiver shall be irrevocably authorised (at the cost of the Company and without any consent, sanction, authority or further confirmation from any other Secured Party or the Chargor) to:
 - (i) release all or any part of any Group Liabilities owing to the Chargor at that time; and/or
 - (ii) dispose of all or any part of any Group Liabilities owing to the Chargor at that time,in each case, on behalf of the Chargor (and, if necessary, any party who is a debtor in respect of those Group Liabilities), and in any manner and on such terms as the Security Agent or that Receiver sees fit.
- (b) For the purposes of paragraph (a) above, *Group Shares* means the shares of the Chargor in any member of the Group owned legally or beneficially by it or held by any nominee or the Security Agent (or the Security Agent's nominee) on behalf of the Chargor.

10. RECEIVER

10.1 Appointment of Receivers and administrators

- (a) The Security Agent may, by deed or otherwise in writing (and signed by any officer, manager or authorised signatory of the Security Agent) and without notice to the Chargor, appoint one or more qualified persons to be a Receiver or Receivers, at any time:
 - (i) upon and after the Transaction Security becoming enforceable (whether or not the Security Agent has taken possession of any Security Asset); or
 - (ii) at the written request of the Chargor.
- (b) The Security Agent may not appoint an administrative receiver over any Security Asset to the extent prohibited by section 72A of the IA 1986.
- (c) Section 109(1) of the LPA 1925 shall not apply to this Deed.
- (d) If the Security Agent appoints more than one person as Receiver, the Security Agent may give those persons power to act either jointly or severally.
- (e) Any Receiver may be appointed Receiver of all or any of the Security Assets or Receiver of a part of the Security Assets specified in the appointment. In the case of an appointment of a part of the Security Assets, the rights conferred on a Receiver as set out in Clause 10.6 (*Powers of Receivers*) shall have effect as though every reference in that Clause to any Security Assets is a reference to the part of those assets so specified or any part of those assets.
- (f) Subject to (and in the manner prescribed by) law, the Security Agent may also appoint an administrator.

10.2 Moratorium – Receivers

The Security Agent 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 IA 1986.

10.3 Removal of Receivers

The Security Agent may by notice in writing remove any Receiver appointed by it (subject to section 45 of the IA 1986 in the case of an administrative receivership) whenever it considers fit and appoint a new Receiver instead of any Receiver whose appointment has terminated for any reason.

10.4 Agent of Chargor

- (a) Any Receiver shall be the agent of the Chargor for all purposes and accordingly shall be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the LPA 1925.
- (b) The Chargor is solely responsible for the contracts, engagements, acts, omissions, defaults and losses of a Receiver and for any liabilities incurred by a Receiver.
- (c) No Secured Party shall incur any liability (either to the Chargor or any other person) by reason of the appointment of a Receiver or for any other reason.

10.5 Remuneration

- (a) The Security Agent may:
 - (i) subject to section 36 of the IA 1986, determine the remuneration of any Receiver appointed by it and any maximum rate imposed by any law (including under section 109(6) of the LPA 1925) shall not apply to this Deed; and
 - (ii) direct the payment of the remuneration of any Receiver appointed by it out of monies accruing to that Receiver in its capacity as such.
- (b) Notwithstanding paragraph (a) above, the Chargor shall be liable for the payment of the remuneration of any Receiver appointed by the Security Agent and for all Costs and Expenses of that Receiver.

10.6 Powers of Receivers

Notwithstanding any Dissolution applicable to the Chargor, any Receiver appointed pursuant to Clause 10.1 (*Appointment of Receivers and administrators*) shall have the following rights, powers and discretions:

- (a) all the rights, powers and discretions conferred by the LPA 1925 on mortgagors and on mortgagees in possession and on any receiver appointed under the LPA 1925 (in each case, to the extent that those rights, powers and discretions do not limit any other right, power or discretion granted to any Receiver under this Deed);
- (b) all the rights, powers and discretions of an administrative receiver set out in Schedule 1 to the IA 1986 as in force on the date of this Deed (whether or not in force on the date of exercise) and all rights, powers and discretions of an administrative receiver that may be added to Schedule 1 to the IA 1986 after the date of this Deed (in each case, whether or not the Receiver is an administrative receiver (as defined in the IA 1986) and to the extent that those rights, powers and discretions do not limit any other right, power or discretion granted to any Receiver under this Deed);
- (c) all the rights, powers and discretions expressed to be conferred upon the Security Agent in any Finance Document (including this Deed), including all the rights, powers and discretions conferred upon the Security Agent in the Finance Documents to release any Security Asset from the Transaction Security;
- (d) to take immediate possession of, get in and collect any Security Asset and to require payment to him/her or to the Security Agent of any Cash Pool Amounts or any credit balance on any Account;
- (e) to carry on any business of the Chargor in any manner he/she considers fit;
- (f) to enter into any contract or arrangement and to perform, repudiate, succeed or vary any contract or arrangement to which the Chargor is a party;
- (g) to appoint and discharge any managers, officers, agents, accountants, servants, workmen and others for the purposes of this Deed upon such terms as to remuneration or otherwise as he/she considers fit and to discharge any person appointed by the Chargor;

- (h) to raise and borrow money either unsecured or on the security of any Security Asset either in priority to the Transaction Security created pursuant to this Deed or otherwise and generally on any terms and for whatever purpose which he/she considers fit;
- (i) to sell, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner, and on any terms, which he/she considers fit, and for a consideration of any kind (which may be payable in a lump sum or by instalments spread over any period);
- (j) to settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of the Chargor or relating in any way to any Security Asset;
- (k) to bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Security Asset which he/she considers fit;
- (l) to give a valid receipt for any monies and execute any assurance or thing which may be proper or desirable for realising any Security Asset;
- (m) to form a Subsidiary of the Chargor and transfer to that Subsidiary any Security Asset;
- (n) to delegate his/her powers in accordance with this Deed;
- (o) to lend money or advance credit to any customer of the Chargor;
- (p) to effect any insurance and do any other act which the Chargor might do in the ordinary conduct of its business to protect or improve any Security Asset, in each case, as he/she considers fit;
- (q) to purchase or acquire by leasing, hiring, licensing or otherwise (for such consideration and on such terms as he/she may consider fit) any assets which he/she considers necessary or desirable for the carrying on, improvement, realisation or other benefit of any of the Security Assets or the business of the Chargor;
- (r) to exercise in relation to any Security Asset all the powers, authorities and things which he/she would be capable of exercising if he/she were the absolute beneficial owner of that Security Asset;
- (s) to make any payment and incur any expenditure, which the Security Agent is, pursuant to this Deed, expressly or impliedly authorised to make or incur;
- (t) to do all other acts and things which he/she may consider desirable or necessary for realising any Security Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or law (as varied or extended by this Deed); and
- (u) to use the name of the Chargor for any of the purposes set out in paragraphs (a) to (t) (inclusive) above.

11. DELEGATION

- (a) The Security Agent or any Receiver may delegate (and any delegate may sub-delegate) by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Deed.
- (b) Any delegation under this Clause 11 may be made upon such terms (including the power to sub-delegate) and subject to such conditions and regulations as the Security Agent or any Receiver may consider fit.
- (c) None of the Security Agent, any Receiver or any other Secured Party (or any agent, employee or officer of any of them) shall be in any way liable or responsible to the Chargor for any loss or liability arising from any act, neglect, default, omission or misconduct on the part of any delegate, and any such person who is not a Party may rely on this paragraph (c) and enforce its terms under the Third Parties Act.
- (d) References in this Deed to the Security Agent or a Receiver shall be deemed to include references to any delegate or sub-delegate of the Security Agent or Receiver appointed in accordance with this Clause 11.

12. PRESERVATION OF SECURITY

12.1 Reinstatement

- (a) If any payment by the Chargor or any discharge or release given by a Secured Party (whether in respect of the obligations of any person or any security or guarantee for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event:
 - (i) the liability of the Chargor and the relevant security or guarantee shall continue as if the payment, discharge, release, avoidance or reduction had not occurred; and
 - (ii) the relevant Secured Party shall be entitled to recover the value or amount of that security, guarantee or payment from the Chargor, as if the payment, discharge, avoidance or reduction had not occurred.
- (b) The Security Agent may concede or compromise any claim that any payment, security, guarantee or other disposition is liable to avoidance or restoration.

12.2 Waiver of defences

None of the obligations of the Chargor under this Deed or any Transaction Security shall be affected by any act, omission, matter or thing (whether or not known to the Chargor or any Secured Party) which, but for this provision, would reduce, release, prejudice or provide a defence to any of those obligations including:

- (a) any time, waiver or consent, or any other indulgence or concession, in each case, granted to, or composition with, the Chargor or any other person;
- (b) the release of the Chargor or any other person under the terms of any composition or arrangement with any creditor;

- (c) the taking, holding, variation, compromise, exchange, renewal, realisation or release by any person of any rights under or in connection with any security, guarantee or indemnity or any document, including any arrangement or compromise entered into by any Secured Party with the Chargor or any other person;
- (d) the refusal or failure to take up, hold, perfect or enforce by any person any rights under or in connection with any security, guarantee or indemnity or any document (including any failure to present, or comply with, any formality or other requirement in respect of any instrument, or any failure to realise the full value of any rights against, or security over the assets of, the Chargor or any other person);
- (e) the existence of any claim, set-off or other right which the Chargor may have at any time against any Secured Party or any other person;
- (f) the making, or absence, of any demand for payment or discharge of any Secured Obligations;
- (g) any amalgamation, merger or reconstruction that may be effected by the Security Agent with any person, including any reconstruction by the Security Agent involving the formation of a new company and the transfer of all or any of the assets of the Security Agent to that company, or any sale or transfer of the whole or any part of the undertaking and/or assets of the Security Agent to any person;
- (h) any incapacity or lack of power, authority or legal personality or Dissolution, in each case, of the Chargor or any other person, or any change in the members or status of the Chargor or any other person;
- (i) any variation, amendment, waiver, release, novation, supplement, extension, restatement or replacement of, or in connection with, any Finance Document or any other document or any security, guarantee or indemnity, in each case, however fundamental and of whatever nature (and including any amendment that may increase the liability of any Obligor or the Chargor);
- (j) any change in the identity of the Security Agent or any other Secured Party or any variation of the terms of the trust upon which the Security Agent holds the Transaction Security;
- (k) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or any security, guarantee or indemnity; or
- (l) any Dissolution, insolvency or similar proceedings.

12.3 Immediate recourse

- (a) The Chargor waives any right it may have of first requiring any Secured Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from or enforcing against the Chargor under this Deed or any other Finance Document.
- (b) The waiver in this Clause 12.3 applies irrespective of any law or any provision of a Finance Document to the contrary.

12.4 Appropriations

On and after the occurrence of an Enforcement Event and until the Final Discharge Date, each Secured Party (or any trustee or agent on its behalf) may:

- (a) refrain from applying, appropriating or enforcing any monies, security or rights held or received by that Secured Party (or any trustee or agent on its behalf) in respect of the Secured Obligations, or apply, appropriate and enforce the same in such manner and order as it considers fit (whether against the Secured Obligations or otherwise) and the Chargor shall not be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any monies received from the Chargor or on account of the Chargor's liability under this Deed or any other Finance Document.

12.5 Deferral of Chargor's rights

- (a) Until the Final Discharge Date and unless the Security Agent otherwise directs, the Chargor shall not exercise any rights which it may have by reason of performance (or a claim for performance) by it of its obligations under the Finance Documents to:
 - (i) receive, claim or have the benefit of any payment, guarantee, indemnity, contribution or security from or on account of any other Chargor or guarantor or surety of any Obligor's or Chargor's obligations under the Finance Documents;
 - (ii) take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties under the Finance Documents or of any guarantee, indemnity or security taken pursuant to, or in connection with, the Finance Documents by any Secured Party;
 - (iii) bring legal or other proceedings for an order requiring an Obligor to make any payment, or perform any obligation, in respect of which the Chargor has given a guarantee, security, undertaking or indemnity under the Finance Documents;
 - (iv) exercise any right of set-off or counterclaim or any right in relation to any "flawed asset" or "hold back" arrangement, in each case, against an Obligor;
 - (v) exercise any right of quasi-retainer or other analogous equitable right; and/or
 - (vi) claim, rank, prove or vote as a creditor of an Obligor in competition with the Secured Parties.
- (b) If the Chargor receives any benefit, payment or distribution in relation to any right referred to in paragraph (a) above, it shall hold that benefit, payment or distribution, to the extent necessary to enable all amounts which may be or become payable to the Secured Parties by an Obligor or the Chargor under or in connection with the Finance Documents to be repaid in full, on trust for the Secured Parties and shall promptly pay or transfer the same to the Security Agent or as the Security Agent may direct. If any benefit, payment or distribution cannot be held on trust or is applied in non-compliance with this paragraph (b), the Chargor shall owe the Secured Parties a debt equal to the amount of the relevant benefit, payment or distribution and shall immediately pay or transfer that amount to the Security Agent or as the Security

Agent may direct. All amounts received by the Security Agent under this paragraph (b) shall be applied in accordance with Clause 15 (*Application of Proceeds*).

12.6 Security held by Chargor

- (a) The Chargor shall not, without the prior written consent of the Security Agent, hold or otherwise take the benefit of any security from any Obligor in respect of the Chargor's liability under this Deed.
- (b) The Chargor shall hold any security and the proceeds thereof held by it in breach of this Clause 12.6 on trust for the Secured Parties and shall promptly pay or transfer the same to the Security Agent or as the Security Agent may direct. If any security or proceeds cannot be held on trust or is or are applied in non-compliance with this paragraph (b), the Chargor shall owe the Secured Parties a debt equal to the amount of the relevant security or proceeds and shall immediately pay or transfer that amount to the Security Agent or as the Security Agent may direct. All amounts received by the Security Agent under this paragraph (b) shall be applied in accordance with Clause 15 (*Application of Proceeds*).

12.7 Additional security/non-merger

The Transaction Security created pursuant to this Deed is cumulative to, in addition to, independent of and not in substitution for or derogation of, and shall not be merged into or in any way be excluded or prejudiced by, any other security (whether given by the Chargor or otherwise) at any time held by or on behalf of any Secured Party in respect of or in connection with any or all of the Secured Obligations or any other amount due by the Chargor to any Secured Party.

12.8 New accounts and ruling off

- (a) Any Secured Party may open a new account in the name of the Chargor at any time after a subsequent security affects any Security Asset or if the Chargor is subject to any Dissolution.
- (b) If a Secured Party does not open a new account in the circumstances referred to in paragraph (a) above it shall nevertheless be deemed to have done so upon the occurrence of such circumstances.
- (c) No monies paid into any account (whether new or continuing) after the occurrence of the circumstances referred to in paragraph (a) above shall reduce or discharge the Secured Obligations.

13. FURTHER ASSURANCES

The Chargor shall, at its own expense, take whatever action the Security Agent (acting reasonably) or a Receiver may require or consider expedient for:

- (a) creating, perfecting or protecting any Transaction Security intended to be created by or pursuant to this Deed;
- (b) facilitating the realisation of any Security Asset;
- (c) creating or perfecting security in favour of the Security Agent over the assets of the Chargor located in any jurisdiction outside England and Wales; and/or

- (d) facilitating the exercise of any right, power or discretion exercisable by the Security Agent or any Receiver in respect of any Security Asset,

including:

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

which, in any such case, the Security Agent may consider expedient and on such terms as it considers fit.

14. POWER OF ATTORNEY

14.1 Appointment

- (a) The Chargor by way of security irrevocably appoints the Security Agent and each Receiver severally as its attorney, with full power of substitution, on its behalf and in its name or otherwise, at such time and in such manner as the attorney considers fit:
 - (i) before the occurrence of an Enforcement Event, to do anything which the Chargor is obliged to do under this Deed (but has not done);
 - (ii) on and after the occurrence of an Enforcement Event, to do anything which the Chargor is obliged to do under this Deed; and
 - (iii) to exercise any of the rights conferred on the Security Agent or any Receiver in relation to any Security Asset or under any Finance Document, the LPA 1925 or the IA 1986.
- (b) The power of attorney conferred on the Security Agent and each Receiver pursuant to paragraph (a) above shall continue notwithstanding the exercise of any right of appropriation pursuant to Clause 9.9 (*Right of appropriation*).

14.2 Ratification

The Chargor ratifies and confirms and agrees to ratify and confirm whatever any attorney shall do in the exercise or purported exercise of the power of attorney granted by it in Clause 14.1 (*Appointment*).

14.3 Waiver

The Chargor waives any breach of clause 41 (*Confidentiality*) of the Senior Facilities Agreement that may occur as a result of the Security Agent taking any action under paragraph (a) of Clause 14.1 (*Appointment*).

15. APPLICATION OF PROCEEDS

15.1 Order of application

- (a) Without prejudice to any other provision of this Deed, all amounts and other proceeds or assets received by the Security Agent or any Receiver pursuant to this Deed or the

powers conferred by it shall be applied in accordance with clause 18.1 (*Order of application*) of the Intercreditor Agreement.

- (b) The order of application referred to in paragraph (a) above shall override any appropriation by the Chargor.

15.2 Receiver's receipts

Section 109(8) of the LPA 1925 shall not apply in relation to a Receiver appointed under this Deed.

16. CHANGES TO PARTIES

16.1 Transfer by the Security Agent

- (a) The Security Agent may at any time, without the consent of the Chargor, assign or otherwise transfer all or any part of its rights or obligations under this Deed to any successor or additional Security Agent appointed in accordance with the Finance Documents. Upon that assignment or transfer taking effect, the successor or additional Security Agent shall act, and shall be deemed to be acting, as agent and trustee for itself and each other Secured Party for the purposes of this Deed in accordance with Clause 17.7 (*Secured Parties*), (in the case of a successor Security Agent) in place of, or (in the case of an additional Security Agent) in addition to, the current Security Agent.
- (b) The Chargor shall, immediately upon a request from the Security Agent, enter into such documents and do all such acts as may be necessary or desirable to effect the assignment or transfer referred to in paragraph (a) above.

16.2 Transfer by the Chargor

The Chargor may not assign or transfer, or attempt to assign or transfer, any of its rights or obligations under this Deed.

16.3 Changes to the Parties

The Chargor agrees to be bound by the terms of clauses 28 (*Changes to the Lenders*) to 30 (*Changes to the Obligors*) (inclusive) of the Senior Facilities Agreement and clause 21 (*Changes to the Parties*) of the Intercreditor Agreement and authorises the Security Agent to execute on its behalf any document the Security Agent considers necessary or desirable in relation to the creation, perfection or maintenance of the Transaction Security, the rights of the Security Agent under this Deed or any transfer or assignment contemplated by those provisions.

17. MISCELLANEOUS

17.1 Further advances

- (a) The Security Agent confirms on behalf of each Secured Party that, subject to the terms of the Finance Documents, each Secured Party is under an obligation to make further advances or other financial accommodation to the relevant Borrower. That obligation shall be deemed to be incorporated into this Deed as if set out in this Deed.

- (b) This Deed secures advances and financial accommodation already made under the Finance Documents and further advances and financial accommodation to be made under the Finance Documents.

17.2 Time deposits

Without prejudice to any right of set-off any Secured Party may have under any Finance Document or otherwise, if any time deposit matures on any account which the Chargor has with a Secured Party before the Final Discharge Date when:

- (a) the Transaction Security has become enforceable; and
- (b) no amount of the Secured Obligations is due and payable,

that time deposit shall automatically be renewed for such further maturity as the relevant Secured Party in its absolute and sole discretion considers appropriate unless that Secured Party otherwise agrees in writing.

17.3 Security Agent's liability

None of the Security Agent, any Receiver or any other Secured Party (or any agent, employee or officer of any of them) shall (either by reason of taking possession of any Security Asset or for any other reason and whether as mortgagee in possession or otherwise) be liable to the Chargor or any other person for any Costs and Expenses relating to:

- (a) the realisation of any Security Asset or the taking of any other action permitted by this Deed; or
- (b) resulting from or arising in connection with any act, neglect, default, omission or misconduct of the Security Agent, any Receiver or any other Secured Party (or any agent, employee or officer of any of them) in relation to any Security Asset or in connection with any Finance Document,

in each case, except to the extent directly caused by its or his/her own gross negligence or wilful misconduct, and each such person who is not a Party may rely on this Clause 17.3 and enforce its terms under the Third Parties Act.

17.4 Failure to execute and intention to be bound

- (a) Failure by one or more Parties to execute this Deed (those Parties being *Non-Signatories*) on the date hereof shall not invalidate the provisions of this Deed as between the other Parties who do execute this Deed.
- (b) Each Non-Signatory may execute this Deed on a subsequent date and shall thereupon become bound by its provisions.
- (c) The execution of this Deed by any person other than the Security Agent shall be conclusive evidence of its intention to be bound by, and comply with, this Deed as the Chargor in respect of its assets, including if its name is misdescribed, or if its name is not set out, in any applicable Schedule or provision of this Deed.

17.5 Execution as a deed

Each Party intends this Deed to take effect as a deed, and confirms that it is executed and delivered as a deed on the date stated at the beginning of this Deed, notwithstanding the fact that any one or more of the Parties may only execute this Deed under hand.

17.6 Determinations

Any certification or determination by any Secured Party or any Receiver under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

17.7 Secured Parties

Each Party agrees that the Security Agent's interests and rights under, and in respect of, this Deed shall be held by the Security Agent as agent and, to the extent permitted by law, trustee for itself and the other Secured Parties from time to time on the terms set out in the Intercreditor Agreement. Accordingly, unless the context requires otherwise, all references in this Deed to the Security Agent are to the Security Agent in its capacity as agent and trustee. However, no Secured Party may enforce the terms of this Deed other than in accordance with the terms of the Intercreditor Agreement and may only exercise its rights and remedies under this Deed through the Security Agent. In addition, this Deed may be amended, varied, waived, released, terminated and/or rescinded by the Security Agent in accordance with the terms of the Intercreditor Agreement and no other Secured Party may argue to the contrary and waives any rights that it may have to do so.

17.8 Joint and several liability

The liabilities of the Chargor under this Deed shall be joint and several.

18. PARTIAL INVALIDITY

- (a) If at any time any provision of this Deed is or becomes invalid, illegal, void or unenforceable in any respect under the law of any jurisdiction, that shall not in any way affect or impair:
 - (i) the legality, validity or enforceability of that provision under the law of any other jurisdiction; or
 - (ii) the legality, validity or enforceability of the remaining provisions under the law of that jurisdiction or any other jurisdiction.
- (b) The Parties shall enter into good faith negotiations (but without any liability whatsoever in the event of no agreement being reached) to replace any invalid, illegal, void or unenforceable provision of this Deed, with a view to obtaining the same commercial effect as this Deed would have had if that provision had been valid, legal and enforceable.

19. TRUSTS

If any trust intended to arise pursuant to any provision of this Deed or any other Finance Document fails or for any reason (including the laws of any jurisdiction in which any assets, monies, payments or distributions may be situated, or pursuant to any provision of this Deed) does not otherwise take effect, the Chargor shall:

- (a) hold at the direction of the Security Agent the amount, proceeds or Security Asset or other assets intended to be held on trust; and
- (b) owe the Secured Parties a debt equal to that amount or the value of those proceeds or that Security Asset or those other assets and, if required by the Security Agent, the Chargor shall immediately pay or transfer to the Security Agent, or as the Security Agent may direct, an amount equivalent to that debt. All amounts received by the Security Agent under this paragraph (b) shall be applied in accordance with Clause 15 (*Application of Proceeds*).

20. AMENDMENTS

Other than as provided in the Intercreditor Agreement, this Deed may only be amended, modified or waived in any respect with the prior written consent of the Security Agent, such consent to be given with express reference to this Clause 20.

21. REMEDIES AND WAIVERS

No delay or omission on the part of the Security Agent in exercising any right or remedy provided by law or under this Deed shall impair, affect or operate as a waiver of that or any other right or remedy. The single or partial exercise by the Security Agent of any right or remedy shall not, unless otherwise expressly stated, preclude or prejudice any other or further exercise of that, or the exercise of any other, right or remedy. The rights and remedies of the Security Agent under this Deed are in addition to, and do not affect, any other rights or remedies available to it by law.

22. NOTICES

Any notice or other communication to be served under or in connection with this Deed shall be made in accordance with clause 36 (*Notices*) of the Senior Facilities Agreement and that clause (other than paragraph (c) of clause 36.3 (*Delivery*) of the Senior Facilities Agreement) are incorporated into this Deed as if set out in full in this Deed, except that references to "this Agreement" shall be construed as references to this Deed.

23. COUNTERPARTS

This Deed may be executed in any number of counterparts, and by each Party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument.

24. GOVERNING LAW

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

25. ENFORCEMENT

25.1 Jurisdiction

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity

or termination of this Deed or the consequences of its nullity or any non-contractual obligation arising out of or in connection with this Deed) (a *Dispute*).

- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This Clause 25.1 is for the benefit of the Secured Parties only. As a result, no Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Secured Parties may take concurrent proceedings in any number of jurisdictions.

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

SCHEDULE 1

CHARGOR

Name of Chargor	Jurisdiction of incorporation	Registered number
Priory Central Services Limited	04391278	Fifth Floor, 80 Hammersmith Road, London, England, W14 8UD

SCHEDULE 2

SECURITY ASSETS

Part A Accounts

Chargor	Account Bank	Account Name	Account number	Sort code	Description
Priory Central Services Limited	Barclays Bank Plc	Dewsbury	[REDACTED]	[REDACTED]	Collection Account
Priory Central Services Limited	Barclays Bank Plc	PCSL-Rent	[REDACTED]	[REDACTED]	Collection Account
Priory Central Services Limited	Barclays Bank Plc	PCSL	[REDACTED]	[REDACTED]	Collection Account
Priory Central Services Limited	Barclays Bank Plc	PCSL-Rent	[REDACTED]	[REDACTED]	Collection Account
Priory Central Services Limited	Barclays Bank Plc	PCSL-Rent	[REDACTED]	[REDACTED]	Collection Account

SCHEDULE 3

FORM OF NOTICE AND ACKNOWLEDGMENT FOR ACCOUNTS

To: [Account Bank]

Copy: [•] as Security Agent

Date: [•]

Dear Sir / Madam,

Security agreement dated [•] between us and [•] (the *Security Agent*) (the *Security Agreement*) – Notice of charge

1. We refer to the Security Agreement. This is notice that, pursuant to the Security Agreement, we (the *Chargor*) have charged by way of a first fixed charge to the Security Agent (on behalf of certain Secured Parties referred to in the Security Agreement) all our respective right, title and interest in and to the account[s] identified in respect of the Chargor in the schedule to this notice and to any other accounts from time to time maintained with you by the Chargor (together, the *Account[s]*), together with all amounts standing to the credit of, and the debts represented by, the Account[s] from time to time.

2. With effect from the date of your receipt of this notice:

- (a) subject to paragraph (e) below, the Chargor irrevocably authorises you to hold all amounts from time to time standing to the credit of its Account[s] to the order of the Security Agent;
- (b) subject to paragraph (e) below, the Chargor irrevocably authorises you to only pay or release those amounts in accordance with the written instructions of the Security Agent at any time;
- (c) the Chargor agrees and instructs that the terms and conditions relating to its Account[s] designated as "Blocked" in the schedule to this notice may not be terminated, rescinded, amended, varied or waived without the prior written consent of the Security Agent;
- (d) the Chargor may not withdraw or transfer any amount from its Account[s] designated as "Blocked" in the schedule to this notice without the prior written consent of the Security Agent; and
- (e) the Chargor may withdraw or transfer amounts from its Account[s] designated as "Not blocked" in the schedule to this notice until such time as the Security Agent provides written notification to you that such permission is withdrawn (and the Security Agent may withdraw or notify this permission in its absolute and sole discretion at any time).

3. You are irrevocably authorised and instructed, without requiring further approval from the Chargor to:

- (a) pay all monies received by you for the Account[s] to (and only to) the credit of the Account[s];

- (b) provide the Security Agent with such information relating to the Account[s] as it may from time to time request; and
- (c) comply with the terms of any written notice or instruction in any way relating to, or purporting to relate to, the Security Agreement, the amounts standing to the credit of the Account[s] from time to time or the debts represented by them which you receive at any time from the Security Agent without any reference to or further authority from the Chargor and without any enquiry by you as to the justification for or validity of that notice or instruction.

4. These instructions may not be revoked or amended without the prior written consent of the Security Agent. We agree that you may comply with the terms of this notice without any further permission from the Chargor and without enquiry by you as to the justification for or validity of any request, notice or instruction.

5. Please sign and return the enclosed copy of this notice to the Security Agent (with a copy to us) to confirm (by way of undertaking in favour of the Security Agent) that:

- (a) you agree to the terms of this notice and to act in accordance with its provisions;
- (b) you have not received notice of the interest (of whatever nature) of any third party in any Account or of the creation of any security, set-off, counterclaim or similar right in favour of any third party in any Account; and
- (c) you have not and will not claim, exercise or enforce any security interest, right of set-off, combination of accounts, counterclaim or similar right in respect of the Account[s] or the debts represented by them without the prior written consent of the Security Agent or, in relation to the Account[s] designated as "Not blocked" in the schedule to this notice, only pursuant to the current account netting arrangements previously approved in writing by the Security Agent.

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

7. The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this notice (including a dispute relating to the existence, validity or termination of this notice or any non-contractual obligation arising out of or in connection with this notice) (a *Dispute*). Each party to this notice agrees that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no such party will argue to the contrary. For such purposes, each party to this notice irrevocably submits to the jurisdiction of the English courts and waives any objection to the exercise of such jurisdiction.

Yours faithfully,

.....
for and on behalf of
[Company]

.....
for and on behalf of
[•] as Security Agent

SCHEDULE

Chargor	Account number	Sort code	Status
[•]	[•]	[•]	[Blocked/Not blocked] ¹

¹ Each Blocked Account will be a “blocked” account. Each Collection Account will be specified as “not blocked”.

[On acknowledgment copy]

To: [•] as Security Agent
 [Address]

Copy to: [Parent]

We acknowledge receipt of the above notice and agree to and confirm the matters set out in it.

.....
for and on behalf of
[Account Bank]

SIGNATORIES TO THE SECURITY AGREEMENT

THE CHARGOR

EXECUTED AS A DEED)
By **PRIORY CENTRAL**)
SERVICES LIMITED

Name: David James Hall

Title: Director

Name: Jim Lee

Title: Director

THE SECURITY AGENT

SIGNED for and on behalf of
BARCLAYS BANK PLC
as **SECURITY AGENT** by

)
)
)

Name: Sam Wakerly
Title: Assistant Vice President

Registered Address: 10th floor, 1 Churchill Place, London E14 5HP

Attention: Head of European Loans Agency

Fax: +44 (0) 20 7773 4893

Phone: +44 (0) 20 7773 4052

Email: loans.agency@barclays.com