



Registration of a Charge

Company name: **CHANNEL YOUR ENERGIES LIMITED**

Company number: **05440885**



XA38TPPF

Received for Electronic Filing: **26/04/2021**

Details of Charge

Date of creation: **16/04/2021**

Charge code: **0544 0885 0001**

Persons entitled: **SANTANDER UK PLC**

Brief description:

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

**FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.**

Certified by:

GATELEY PLC



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 5440885

Charge code: 0544 0885 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 16th April 2021 and created by CHANNEL YOUR ENERGIES LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 26th April 2021 .

Given at Companies House, Cardiff on 27th April 2021

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 April **2021**

- (1) **KINDRED EDUCATION LIMITED AND THE OTHER COMPANIES LISTED IN SCHEDULE 1**
- (2) **SANTANDER UK PLC (AS LENDER)**

DEBENTURE

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DATE

16 April 2021

PARTIES

- (1) **THE COMPANIES LISTED IN SCHEDULE 1** (the **Original Chargors**); and
- (2) **SANTANDER UK PLC** (registered number 02294747) as lender (the **Lender**).

IT IS AGREED

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this deed the following definitions apply:

Administrator

any person appointed to be an administrator of a Chargor under Schedule B1 Insolvency Act;

Authorisation

any authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration;

Bank Accounts

in relation to a Chargor, all its accounts (held by it or by any trustee or nominee on its behalf) with any bank, financial institution or other person together with all sub-accounts, additions to or sub-divisions, renewals or replacements of those accounts (in whatever currency);

Blocked Accounts

any account specified in schedule 4 or listed as a 'Blocked Account' in any Security Accession Deed, any Holding Account, any Mandatory Prepayment Account and any other Bank Account designated a 'Blocked Account' by the relevant Chargor and the Lender (or, following an Event of Default which is continuing, by the Lender alone) together with all sub-accounts, additions to or sub-divisions, renewals or replacements of those accounts (in whatever currency);

Business Day

any day (other than a Saturday, Sunday or public holiday) during which banks in London and in Luxembourg are open for normal business;

Charged Assets

in relation to a Chargor, all its property and assets which are, or are intended or expressed to be, subject to any Security Interest created by this deed (and references to the Charged Assets includes any part of them) and which exclude all property and assets located in the Grand Duchy of Luxembourg;

Chargors

the Original Chargors and each company which grants security over its assets in favour of the Lender by executing a Security Accession Deed;

Claim

any action, proceeding, right, claim or demand of any nature, whether actual or contingent or otherwise;

Delegate

any delegate, agent, attorney or co-trustee appointed by the Lender;

Environment

humans, animals, plants and all other living organisms including the ecological systems of which they form part and the following:

- (a) air (including air within natural or man-made structures, whether above or below ground);
- (b) water (including territorial, coastal and inland waters, water under or within land and water in drains and sewers); and
- (c) land (including land under water);

Environmental Law

any applicable law or regulation which relates to:

- (a) the pollution or protection of the Environment;
- (b) the conditions of the workplace; or
- (c) the generation, handling, storage, use, release or spillage of any substance which, alone or in combination with any other, is capable of causing harm to the Environment, including any waste;

Equipment

in relation to a Chargor, all equipment, plant, machinery, tools, vehicles, furniture, fittings, installations, apparatus and other tangible moveable property owned by it (or any trustee or nominee on its behalf), including any part of it and all spare parts, replacements, modifications and additions and the benefit of all manuals, instructions, warranties, licences and maintenance agreements relating to the equipment;

Event of Default

has the meaning given in the Facilities Agreement;

Facilities Agreement

the facilities agreement dated on or about the date of this deed and made between the Chargors (as borrowers) and the Lender;

Finance Documents

has the meaning given in the Facilities Agreement;

Financial Collateral

has the meaning given in the Financial Collateral Regulations;

Financial Collateral Regulations

the Financial Collateral Arrangements (No 2) Regulations 2003 (SI 2003/3226);

Fixtures

all (trade) fixtures and fittings and fixed plant and machinery now or at any time after the date of this deed on the Property;

Floating Charge Asset

any Charged Asset which is subject to the floating charge created by this deed;

Group

has the meaning given in the Facilities Agreement;

Hedge Counterparty

any entity which is named on the signing pages of a Hedging Agreement as a Hedge Counterparty;

Hedging Agreements

any master agreement, confirmation, schedule or other agreement entered into by a Chargor and the Hedge Counterparty for the purpose of hedging interest rate liabilities and/or the exchange rate risks of the Chargors in relation to any Secured Liabilities;

Holding Account

has the meaning given in the Facilities Agreement;

Insolvency Act

the Insolvency Act 1986;

Insurance

in relation to a Chargor,

- (a) Renewal of Machinery Options Policy Number: 53/NZ/28997083/11 with Allianz Engineering, Construction & Power Engineering Northern;
- (b) "All Risks" Insurance Policy Schedule Policy Number: 25196371CHC/0478 with Stanmore Insurance Brokers Limited;
- (c) Policy Number: 100711923CMI with Stanmore Insurance Brokers;
- (d) Policy Number: ESI0018236000 with CFC Underwriting Limited;
- (e) any insurance policies in which it has an interest; and
- (f) any rights in respect of those policies;

Intellectual Property

in relation to a Chargor, all its intellectual property rights or equivalent (held by it or by any trustee or nominee on its behalf), including:

- (a) patents, utility models, trade marks and service marks, business names, domain names, rights in get-up and trade dress, goodwill and right to sue for passing off or unfair competition, copyright and neighbouring and related rights, moral rights, rights in designs, rights in and to inventions, plant variety rights, database rights, rights in computer software and topography rights;
- (b) registrations and applications for any or all of the rights in (a) above, together with the right to apply for registration of and be granted, renewals, extensions or and right to claim priority from those rights; and
- (c) rights to use and protect the confidentiality of confidential information (including, know-how, trade secrets, technical information, customer and supplier lists) and any other proprietary knowledge or information of whatever nature and however arising,

in each case whether registered or unregistered and together with any rights or types of protection of the same or of a similar nature to those listed in (a), (b) or (c) above which subsist or may subsist in the future anywhere in the world and in each case for their full term (including any reversions or extensions) and effect (and any reference to Intellectual Property includes any part of it);

Losses

any loss, cost, damage, award, charge, penalty, fine, expense or any other liability which any of the Security Parties have incurred or suffered, or may, directly or indirectly, incur or suffer, including legal costs and any VAT or similar tax on any of those;

LPA

the Law of Property Act 1925;

LPMPA

the Law of Property (Miscellaneous Provisions) Act 1994;

Mandatory Prepayment Account

has the meaning given in the Facilities Agreement;

Material Adverse Effect

has the meaning given to that term in the Facilities Agreement;

Material Contracts

any contracts specified in schedule 3 or listed as a 'Material Contract' in any Security Accession Deed or otherwise designated a 'Material Contract' by the relevant Chargor and the Lender;

Material Intellectual Property

any Intellectual Property that is, becomes or is likely to become material to a Chargor's business or otherwise designated 'Material Intellectual Property' by the relevant Chargor and the Lender;

New Property

has the meaning given in clause 10.1;

Party

a party to this deed;

Permitted Disposal

has the meaning given in the Facilities Agreement;

Permitted Security

has the meaning given in the Facilities Agreement;

Premises

any building or erection on the Property;

Property

in relation to a Chargor, the leasehold property specified in schedule 2 or in any Security Accession Deed, together with:

- (a) the benefit of all rights, easements and privileges relating to that property;
- (b) all covenants given in respect of that property;
- (c) all licences to enter or use land; and
- (d) all Premises and Fixtures on that property at any time,

(and references to Property includes any part of it);

Receivables

in relation to a Chargor:

- (a) all book and other debts owing to it;
- (b) all other monetary claims or money due and owing to it;
- (c) any rights in respect of any item listed in paragraph (a) and (b) above,

but excluding any such debts or claims in relation to the Blocked Accounts, the Material Contracts, the Insurance and the Hedging Agreements;

Receiver

any receiver, manager or receiver and manager appointed under this deed;

Related Rights

in connection with any Securities:

- (a) all dividends, interest and other distributions paid or payable;
- (b) all rights, money or property accruing or offered at any time by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise; and
- (c) any other rights;

Rental Income

in relation to a Chargor, the total of all amounts paid or payable to it or for its account relating to the letting, licence or grant of other rights of use or occupation of the Property;

Repeating Representation

has the meaning given in the Facilities Agreement;

Secured Liabilities

- (a) all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity) of any Chargor to the Lender; and
- (b) any amounts which would be included in paragraph (a) above but for any discharge, non-provability, unenforceability or non-allowability of the same in any insolvency or other proceedings;

Securities

in relation to a Chargor, all its stocks, shares, loan capital, debentures, bonds, warrants, coupons or other securities or investments and any interest in might have in any partnership, common partnership or limited liability partnership (whether or not marketable) (including its Subsidiary Shares) (held by it or by any trustee or nominee on its behalf) together with all Related Rights;

Security Accession Deed

a deed executed by a member of the Group substantially in the form set out in schedule 7;

Security Financial Collateral Arrangement

has the meaning given in the Financial Collateral Regulations;

Security Interest

a mortgage, charge, pledge, trust, assignment by way of security, lien, hypothecation or other encumbrance, arrangement or security interest securing any obligation of any person or any other agreement or arrangement having a similar effect or any title retention rights or set-off rights created by agreement;

Security Parties

- (a) the Lender;
- (b) any Receiver, and
- (c) any Delegate,

or any of them and any of their agents, officers and employees;

Security Period means the period starting on the date of this deed and ending on the date on which the Secured Liabilities have been unconditionally and irrevocably discharged in full;

Subsidiary

has the meaning given in the Facilities Agreement;

Subordination Agreement

the subordination agreement dated on or around the date of this deed between the Chargors, the Lender and others;

Subsidiary Shares

in relation to a Chargor:

- (a) any of its Securities described in schedule 5 or listed as 'Subsidiary Shares' in any Security Accession Deed and any other Securities owned by it (or held by any trustee or nominee on its behalf) in any of its Subsidiaries; and
- (b) any interest that it has in a limited liability partnership as described in schedule 5 or any other partnership interest listed in any Security Accession Deed and any other Securities owned by it (or held by any trustee or nominee on its behalf),

in each case including all Related Rights;

Tax

any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of them);

Third Parties Act

the Contracts (Rights of Third Parties) Act 1999; and

VAT

value added tax provided for in the Value Added Tax Act 1994 and any other Tax of a similar nature.

- 1.2 Capitalised terms defined in the Facilities Agreement have the same meaning in this deed unless expressly defined in this deed.

- 1.3 The provisions of clause 1.2 (*Construction*) of the Facilities Agreement apply to this deed as though they were set out in full in this deed, except that references to the 'Facilities Agreement' will be construed as references to this deed.

Words in the singular include the plural (and *vice versa*) and gender specific words include every gender.

- 1.4 The schedules form part of this deed as if set out on the body of this deed.

- 1.5 The words "other", "include", "including" and "in particular" (or any similar words or expression) do not limit the generality of any preceding words and any words which follow them will not be limited by any preceding words where a wider interpretation is possible.

- 1.6 For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Facilities Agreement, the other Finance Documents and of any side letters between any parties relating to any Finance Document are incorporated into this deed.

- 1.7 In this deed, unless the context requires otherwise, references to :

1.7.1 "this Security" is to any Security Interest created or intended or expressed to be created by this deed;

1.7.2 "this deed" includes any Security Accession Deed;

1.7.3 a Charged Asset includes the proceeds of that Charged Asset;

1.7.4 any **rights** in respect of an asset includes:

(a) all amounts and proceeds paid or payable;

(b) all rights to make any demand or Claim; and

(c) all powers, remedies, causes of action, security, guarantees and indemnities,

in each case in respect of or derived from that asset.

- 1.8 An Event of Default is "**continuing**" if it has not been waived.

- 1.9 "£" and "sterling" represent lawful currency of the United Kingdom.

- 1.10 The Parties intend this document to take effect as a deed despite the fact the Lender may only execute it under hand.

2. **CREATION OF SECURITY**

2.1 **Security**

2.1.1 Each Chargor covenants to pay or discharge, on demand, the Secured Liabilities when they fall due and in accordance with the terms of the Finance Documents.

2.1.2 This Security is:

(a) created in favour of the Lender;

(b) created over present and future assets of the Chargors;

(c) security for payment of all the Secured Liabilities; and

(d) made with full title guarantee under the LPMPA.

2.1.3 Clause 2.2 and clause 2.3 shall be construed as creating a separate and distinct mortgage, fixed charge or security assignment over each Charged Asset within any particular class of assets specified.

2.1.4 Any failure to create an effective fixed Security Interest (for whatever reason) over a Charged Asset shall not affect the fixed nature of the Security Interest over any other Charged Asset, whether within the same class of assets or not.

2.2 Fixed charges

2.2.1 Each Chargor charges by first legal mortgage its Property listed in schedule 2.

2.2.2 Each Chargor charges by first fixed charge:

- (a) all its other interests in Property (not effectively charged by clause 2.2.1);
- (b) all its other Equipment;
- (c) its Subsidiary Shares;
- (d) all its other Securities;
- (e) its Blocked Accounts;
- (f) all its other Bank Accounts;
- (g) the benefit of all Authorisations used in connection with its business or any of its Charged Assets and the right to recover and receive compensation which may be payable to it in respect of any of those Authorisations;
- (h) all its Intellectual Property;
- (i) all its goodwill and uncalled capital; and
- (j) all its Receivables;
- (k) to the extent not effectively assigned under clause 2.3:
 - (i) all its Insurance;
 - (ii) its Material Contracts; and
 - (iii) all its Rental Income.

2.3 Assignments

Each Chargor assigns and will assign absolutely (subject to a condition for reassignment on irrevocable discharge in full of the Secured Liabilities) all its rights, title, interest and benefit in and to:

2.3.1 Insurance (to the extent it is permitted under the relevant insurance policy);

2.3.2 Material Contracts and the benefit of any guarantee or Security Interest for the performance of any of its Material Contracts; and

2.3.3 its Hedging Agreements; and

2.3.4 Rental Income

2.4 Floating charge

2.4.1 Each Chargor charges by a first floating charge all its assets not effectively mortgaged, charged or assigned by fixed mortgage, fixed charge or assignment.

2.4.2 The floating charge created by clause 2.4.1 is a qualifying floating charge for the purpose of Paragraph 14 of Schedule B1 to the Insolvency Act.

2.5 Conversion of floating charge by notice

2.5.1 If:

- (a) an Event of Default is continuing; or
- (b) the Lender, in its reasonable opinion:
 - (i) considers any Floating Charge Asset to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy; or
 - (ii) considers it necessary to protect the priority of this Security,

the Lender may, by written notice to any Chargor, convert the floating charge created by this deed into a fixed charge over those Charged Assets specified in the notice.

2.5.2 The floating charge created by this deed may not be converted into a fixed charge solely by reason of:

- (a) obtaining a moratorium; or
 - (b) anything done with a view to obtaining a moratorium,
- under Section 1A Insolvency Act.

2.5.3 Clause 2.5.2 does not apply to any floating charge referred to in subsection (4) of section A52 of Part A1 Insolvency Act.

2.5.4 The giving by the Lender of a notice under clause 2.5.1 relating to any class of assets of a Chargor shall not be construed as a waiver or abandonment of the rights of the Lender to serve similar notices for any other class of assets or of any of the other rights of the Lender.

2.6 Automatic conversion of floating charge

2.6.1 The floating charge created by this deed will (in addition to the circumstances in which this will occur under general law) automatically be converted into a fixed charge over any Floating Charge Asset:

- (a) if any Chargor creates or attempts to create any Security Interest in breach of clause 4 over any Floating Charge Asset;
- (b) if any person levies or attempts to levy any distress, execution, attachment or other process against any Floating Charge Asset;

- (c) if any person presents a petition to wind up a Chargor or an application is made to the court for an administration order in respect of a Chargor or a notice of intention to appoint an Administrator is filed at court or served on any party; or
- (d) upon the enforcement of this deed.

2.6.2 Clause 2.6.1 will not apply to any assets situated in Scotland if, and to the extent that, a Receiver would not be capable of exercising his powers in Scotland pursuant to section 72 of the Insolvency Act by reason of such automatic conversion.

2.7 Prohibitions on charging

2.7.1 There shall be excluded from the charge created by clause 2.2 (*Fixed charges*) and from the operation of clause 28.1 (*Further assurance*):

- (a) any leasehold property held by a Chargor under a lease which prohibits either absolutely or conditionally (including requiring the consent of any third party) that Chargor from creating any charge over its leasehold interest until the relevant condition or waiver has been satisfied or obtained; and
- (b) any Intellectual Property in which a Chargor has an interest under any licence or other agreement which prohibits either absolutely or conditionally (including requiring the consent of any third party) that Chargor from creating any charge over its interest in that Intellectual Property,

in each case until the relevant condition or waiver has been satisfied or obtained.

2.7.2 For all leasehold property or Intellectual Property referred to in clause 2.7.1 each Chargor undertakes to apply for the relevant consent or waiver of prohibition or condition within 14 days of the date of this debenture or, if later, 14 days from the date of acquisition of such property or the acquisition or creation of such rights in such Intellectual Property, and, in respect of any lease, licence or agreement which provides that the relevant third party will not unreasonably withhold its consent to charging, to use all reasonable endeavours to obtain such consent as soon as possible and in any event within 6 months of the date of this debenture and to keep the Chargee informed of the progress of its negotiations.

2.7.3 Immediately upon receipt of the relevant waiver or consent, the formerly excluded leasehold property or Intellectual Property shall stand charged to the Chargee under clause 2.2 (*Fixed charges*). If required by the Chargee, at any time following receipt of that waiver or consent, the Chargor will as soon as reasonably practicable execute a valid fixed charge or legal assignment in accordance with clause 28.1 (*Further assurance*).

3. REPRESENTATIONS AND WARRANTIES

3.1 Each Chargor makes the following representations and warranties to the Lender:

- 3.1.1 the Property identified in schedule 2 is beneficially owned by the relevant Chargor;
- 3.1.2 it is the legal and beneficial owner of the Subsidiary Shares identified against its name in schedule 5 or in the Security Accession Deed by which it acceded to this deed (or, in the case of any held by a nominee on its behalf, the beneficial owner); and
- 3.1.3 it is the legal and beneficial owner of the other Charged Assets.

- 3.2 Each Chargor makes the representations and warranties in clause 3.1 on the date of this deed or, if later, on the date of its accession to this deed by way of a Security Accession Deed, and the representations and warranties in clause 3.1.2 and 3.1.3 on each day a Repeating Representation (under the Facilities Agreement) is repeated or deemed to be repeated.

4. **NEGATIVE PLEDGE AND NO DISPOSAL**

No Chargor may:

- 4.1 create, purport to create or permit to exist any Security Interest over any Charged Asset (unless it is Permitted Security); or
- 4.2 dispose of any Charged Asset (unless it is a Permitted Disposal),
- except as permitted by and in accordance with the Facilities Agreement or otherwise with the prior written consent of the Lender.

5. **PRESERVATION AND MAINTENANCE**

- 5.1 No Chargor may do (or allow to be done) anything which might:

5.1.1 depreciate, jeopardise or otherwise prejudice this Security; or

5.1.2 materially reduce the value of any Charged Asset.

- 5.2 Each Chargor must:

5.2.1 comply with all laws, regulations, licences or consents affecting any of the Charged Assets;

5.2.2 observe and perform in all material respects all covenants and stipulations from time to time affecting any Charged Assets, make all payments, carry out all registrations or renewals and generally take all steps to preserve, maintain and renew where necessary or desirable all of the Charged Assets;

5.2.3 not enter into any onerous or restrictive obligations affecting the Charged Assets without the prior written consent of the Lender;

5.2.4 produce to the Lender within 14 days of receipt by it, every material notice, order or proposal given or made relating to the Charged Assets by any competent authority and either comply with them or make any objections and representations against them that the Lender requires or approves;

5.2.5 keep all Premises in a good state of repair and keep all other Charged Assets in good working order and condition (ordinary wear and tear excepted); and

5.2.6 not, except with the prior written consent of the Lender (such consent not to be unreasonably withheld):

- (a) part with or share possession or occupation of the Property;
- (b) grant any lease or other right or licence to occupy the Property or any licence to assign or sub-let the Property;
- (c) forfeit, determine, accept or agree to accept the surrender of any lease relating to the Property;
- (d) vary the terms of any lease or licence of the Property;

- (e) agree any rent review of any lease or licence of the Property;
- (f) surrender or agree to surrender any leasehold interest held by it relating to the Property or allow that interest to be forfeited;
- (g) create or permit to arise on the Property any interest having overriding effect; or
- (h) permit any person to become entitled to any right, easement, covenant or other matter which might adversely affect the use, value or marketability of the Property.

6. MATERIAL CONTRACTS

6.1 Each Chargor must:

- 6.1.1 observe and perform all its obligations under the Material Contracts;
- 6.1.2 not terminate or materially amend any Material Contract;
- 6.1.3 enforce the obligations of each other party to any of its Material Contracts; and
- 6.1.4 notify the Lender of any material breach of any of its Material Contracts by any party to them.

7. INSURANCE

7.1 Each Chargor will collect all money payable to it under the Insurance.

7.2 All money collected under clause 7.1:

- 7.2.1 will be held on trust for, or for and on behalf of the Lender; and
- 7.2.2 if the Lender requests, be promptly paid into any bank account required by the Facilities Agreement or otherwise any bank account the Lender directs.

8. RECEIVABLES

8.1 No Chargor shall at any time during the subsistence of this deed, without the prior written consent of the Lender (such consent not to be unreasonably withheld) or as permitted pursuant to the terms of the Finance Documents, sell, factor, discount, transfer, assign, lend or otherwise dispose of any of the Receivables or enter into any agreement to do any of the foregoing.

8.2 Each Chargor shall get in and realise any Receivables in the ordinary course of business and pay the proceeds of those Receivables into a Bank Account.

9. BLOCKED ACCOUNTS

No Chargor may attempt or be entitled to withdraw (or direct any transfer of) any money in the Blocked Accounts without the prior written consent of the Lender or as permitted under the Facilities Agreement.

10. NEW PROPERTY

10.1 If, after the date of this deed, a Chargor acquires any Property (**New Property**) it must:

- 10.1.1 notify the Lender promptly;

10.1.2 promptly on the Lender's request and at that Chargor's cost, execute and deliver to the Lender a legal mortgage (or, in the case of New Property situated in Scotland, standard security) in favour of the Lender over that New Property in substantially the same form attached to schedule 8 (*Form of Supplemental Legal Charge*); and

10.1.3 complete any registration requirements or notices that the Lender requires in respect of this Security or such legal charge (or standard security) within the relevant time periods.

10.2 If any New Property is leasehold property requiring the landlord's consent for the relevant Chargor to perform any of its obligations under this clause 10, that Chargor is not required to perform that obligation until it has obtained the landlord's consent. The relevant Chargor will use its reasonable endeavours to obtain that consent.

11. MATERIAL INTELLECTUAL PROPERTY

Each Chargor must:

11.1 take all necessary action to safeguard and maintain present and future rights in, or relating to, the Material Intellectual Property where failure to do so is reasonably likely to have a Material Adverse Effect including by complying with all laws and obligations relating to those rights, and by paying all applicable renewal fees, licence fees and other outgoings.

11.2 properly register, and keep registered, all Material Intellectual Property (along with any related assignments, licences and mortgages that can be registered) where failure to do so is reasonably likely to have a Material Adverse Effect;

11.3 not allow any disclaimer, condition, restriction, memorandum or other thing to be entered on the registration of any trade mark that forms part of the Material Intellectual Property;

11.4 take all reasonable steps (including commencing legal proceedings) necessary to safeguard and maintain the validity, reputation, integrity, registration or subsistence of the Material Intellectual Property and not allow it to be used in such a way that it is at risk of becoming generic;

11.5 not permit any Material Intellectual Property to be abandoned, cancelled or to lapse where failure to do so is reasonably likely to have a Material Adverse Effect;

11.6 when reasonably requested, promptly provide the Lender with a comprehensive, detailed and up-to-date record of all Material Intellectual Property; and

11.7 inform the Lender if it becomes aware of any infringement of, or challenge to, the Material Intellectual Property which may materially and adversely affect the existence or value of the Material Intellectual Property and take (or permit the Lender to take, in the name and at the expense of the Chargors) whatever action is necessary to prevent that infringement, defeat that challenge and/or to recover damages or an account of profits where failure to do so is reasonably likely to have a Material Adverse Effect.

12. SECURITIES

12.1 Until this Security is enforceable under clause 17:

12.1.1 the voting rights, powers and other rights in respect of the Securities will be exercised:

(a) by the relevant Chargor; or

- (b) if exercisable by the Lender, in any manner which the relevant Chargor may direct the Lender in writing; and

12.1.2 all dividends, distributions or other income paid or payable in relation to any of the Securities may be received by the relevant Chargor.

12.2 When this Security has become enforceable under clause 17:

12.2.1 provided that the Lender has given notice to the relevant Chargor that it intends to exercise its rights under this clause 12.2.1, the Lender may exercise (in the relevant Chargor's name without further consent), any voting rights and other powers or rights exercisable by the registered holder or bearer of the Securities; and

12.2.2 all dividends, distributions, or other income paid or payable in relation to the Securities received by or for the relevant Chargor will be held on trust for, or for and on behalf of, the Lender and promptly transferred to the Lender or as the Lender directs.

12.3 The exercise of voting rights and other powers or rights under clause 12.2.1 is for the purpose of preserving the value of this Security or facilitating the realisation of it.

12.4 The Lender is not under any duty to:

12.4.1 ensure any money payable relating to the Securities is paid or received;

12.4.2 verify that the correct amounts are paid or received; or

12.4.3 take any action relating to the taking up of any (or any offer of any) stocks, shares, rights, money or other property paid, distributed, accruing or offered at any time by way of interest, dividend, redemption, bonus, rights, preference, option, warrant or otherwise on or relating to, or in substitution for, any of those Securities.

12.5 Despite anything to the contrary contained in this deed, the relevant Chargor remains liable to observe and perform all conditions and obligations assumed by it relating to the Securities.

12.6 Each Chargor indemnifies the Lender against any loss or liability incurred by the Lender as a consequence of the Lender acting on a Chargor's directions in respect of any of the Securities.

13. **NOTICE OF SECURITY**

13.1 **Insurance**

Each Chargor must promptly give notice of assignment and/or fixed charge under this Security to each insurer under an Insurance and on any renewal of any Insurance to the extent permitted under an Insurance.

13.2 **Material Contracts**

On execution of this deed (or in respect of any Material Contract being designated a Material Contract after the date of this deed, promptly after such designation) and otherwise promptly on request by the Lender from time to time, each Chargor must promptly give notice of assignment under this Security to each of the other parties to its Material Contracts (or other parties to any guarantee or Security Interest for the performance of any of its Material Contracts).

13.3 Hedging Agreements

On execution of this deed (or in respect of any Hedging Agreement entered into after the date of this deed, promptly after it being entered into) and otherwise promptly on request by the Lender from time to time, each Chargor that is party to a Hedging Agreement must immediately give notice of assignment under this Security to each Hedge Counterparty to that Hedging Agreement

13.4 Rental Income

On execution of this deed (or in respect of any lease of the Property entered into after the date of this deed, promptly after it being entered into) and otherwise promptly on request by the Lender from time to time, each Chargor must promptly give notice of assignment of its Rental Income under this Security to each tenant of the relevant Property.

13.5 Bank Accounts

On execution of this deed and otherwise promptly on request by the Lender from time to time, each Chargor must promptly give notice of this Security to any bank or financial institution that it holds a Bank Account with.

13.6 Form of Notice and Acknowledgement

13.6.1 Each Chargor must use reasonable endeavours to ensure that each addressee of a notice under this clause 13 promptly provides an acknowledgement of receipt to the Lender.

13.6.2 Any notice or acknowledgement referred to in this clause 13 will be in the form contained in schedule 6 or any other form approved by the Lender in writing.

14. DEPOSIT OF DOCUMENTS

14.1 Promptly following the date of this deed (or, if received by a Chargor later, promptly on receipt), each Chargor must deposit with the Lender (or procure the deposit of):

14.1.1 all certificates, deeds and documents of title or evidence of ownership relating to its Property in its possession or an undertaking from the Chargor's solicitors (in form and substance satisfactory to the Lender) to hold all deeds, certificates and other documents of title relating to such Property strictly to the order of the Lender;

14.1.2 all planning consents, building regulation approvals and similar documents relating to its Property;

14.1.3 all policy documents relating to its Insurances;

14.1.4 original or certified true copies of all its Material Contracts;

14.1.5 copies of all reports, notices, circulars, accounts, invoices, certificates or other material communications received relating to its Charged Assets; and

14.1.6 executed transfers of its Subsidiary Shares (and any of its other Securities if required by the Lender) with the name of the transferee left blank,

unless, in each case, the Lender confirms otherwise in writing.

14.2 Within five Business Days of the entry of Kindred Education Limited's name on the register of members for H.R.H Nurseries Limited deposit with the Lender (or procure the deposit of)

executed transfers relating to Kindred Education Limited's shareholding in H.R.H Nurseries Limited.

- 14.3 Each Chargor must deposit with the Lender all other documents relating to its Charged Assets that the Lender reasonably requires from time to time.

- 14.4 Upon the occurrence of an Event of Default which is continuing, at any time, the Lender may complete the instruments of transfer of the Subsidiary Shares (and any other Securities) and register the Subsidiary Shares (and those Securities) in its own name or in the name of any nominee or (following an Event of Default which is continuing) any transferee selected by it.

15. THE LAND REGISTRY

Each Chargor consents to a restriction being entered on the Register of Title relating to any of its Property registered at HM Land Registry. The restriction will be as follows:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [●] in favour of Santander UK Plc referred to in the charges register or their conveyancer (Standard Form P)."

16. FURTHER ADVANCES

- 16.1 Subject to the Facilities Agreement, the Lender is obliged to make further advances (and that obligation is deemed to be incorporated into this deed) and this Security secures those further advances.

- 16.2 Each Chargor consents to a notice being entered on the Register of Title relating to any Property registered at HM Land Registry that there is an obligation to make further advances in respect of this Security.

17. WHEN SECURITY BECOMES ENFORCEABLE

- 17.1 This Security will become immediately enforceable if an Event of Default occurs and is continuing.

- 17.2 After this Security has become enforceable, the Lender may enforce all or any part of it in any manner it sees fit.

- 17.3 The power of sale and other powers conferred by section 101 LPA, as amended by this deed, will be immediately exercisable at any time after this Security has become enforceable.

- 17.4 For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this deed.

18. ENFORCEMENT OF SECURITY

18.1 General

18.1.1 Section 103 LPA (restricting the power of sale) and section 93 LPA (restricting the right of consolidation) do not apply to this Security.

18.1.2 The Lender's statutory powers of leasing are extended so as to authorise the Lender to lease, make agreements for leases, accept surrenders of leases and grant options as the Lender considers suitable, without the need to comply with any provision of section 99 or section 100 LPA.

18.1.3 No person dealing with any Security Party need enquire:

- (a) whether the Secured Liabilities have become payable;
- (b) whether any power a Security Party is exercising or trying to exercise:
 - (i) has become exercisable; or
 - (ii) is being exercised properly;
- (c) whether any money remains due by any Chargor to the Lender; or
- (d) how any money paid to a Security Party will be applied.

18.2 No liability as mortgagee in possession

No Security Party will be liable, by reason of entering into possession of a Charged Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

18.3 Privileges

Each Security Party is entitled to all the rights, powers, privileges and immunities conferred by the LPA on mortgagees and receivers properly appointed under the LPA, except that section 103 LPA does not apply.

19. RECEIVER

19.1 Appointment, Remuneration and Removal of Receiver

19.1.1 Except as provided below, the Lender or any Delegate may appoint any one or more persons to be a Receiver of the Charged Assets if:

- (a) this Security has become enforceable under clause 17; or
- (b) the relevant Chargor asks the Lender to do so in writing at any time.

19.1.2 Any appointment under clause 19.1.1 may be by deed, under seal or in writing under its hand.

19.1.3 Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) LPA) does not apply to this deed.

19.1.4 The Lender 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 section 1A Insolvency Act.

19.1.5 The Lender may not appoint an administrative receiver (as defined in section 29(2) Insolvency Act) over the Charged Assets if the Lender is prohibited from doing so by section 72A Insolvency Act and no exception to the prohibition on appointing an administrative receiver applies.

19.1.6 The Lender may fix the remuneration of any Receiver appointed by it and the maximum rate specified in section 109(6) LPA will not apply.

19.1.7 The Lender may remove any Receiver appointed by it and appoint a new Receiver in his place. If there is more than one Receiver, they will have power to act individually (unless the deeds or other instruments appointing them say otherwise).

19.2 Agent of the Chargor

19.2.1 A Receiver will be deemed to be the agent of the relevant Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver properly appointed by a mortgagee under the LPA. The relevant Chargor is responsible for any contracts, engagements, acts, omissions, defaults and losses of a Receiver and for any liabilities incurred by a Receiver.

19.2.2 No Security Party will incur any liability (either to a Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

19.3 Relationship with Lender

To the fullest extent allowed by law, any right, power or discretion conferred by this deed (either expressly or impliedly) or by law on a Receiver may, after this Security becomes enforceable under clause 17, be exercised by the Lender or any Delegate in relation to any Charged Asset whether or not a Receiver has been appointed.

20. POWERS OF RECEIVER

20.1 General

20.1.1 A Receiver has all of the rights, powers and discretions set out below in this clause 20 in addition to those conferred on it by any law (but without any of the restrictions on the exercise of those powers imposed by the LPA or the Insolvency Act). This includes:

- (a) all the rights, powers and discretions conferred on an administrative receiver under the Insolvency Act, even though he may not be an administrative receiver; and
- (b) otherwise, all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the LPA and the Insolvency Act.

20.1.2 If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this deed individually and to the exclusion of any other Receiver.

20.2 Possession

A Receiver may take immediate possession of, collect and get in the Charged Assets and/or income for which he was appointed.

20.3 Carry on business

A Receiver may manage the Charged Assets and the business of the relevant Chargor.

20.4 Employees

20.4.1 A Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others (including his partners and firms) for the purposes of this deed on any terms (as to remuneration or otherwise) he considers suitable.

20.4.2 A Receiver may discharge any person appointed by the relevant Chargor.

20.5 Borrow money

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

20.6 Sale of assets

20.6.1 A Receiver may (or may agree to) sell, exchange, convert into money and realise any Charged Asset by public auction or private contract and generally in any manner and on any terms he considers suitable.

20.6.2 The consideration for any such transaction may consist of cash or non-cash consideration and any such consideration may be payable in a lump sum or by instalments spread over any period he considers suitable.

20.6.3 Fixtures, (other than those belonging to a landlord), may be severed and sold separately from the relevant Property without the consent of the relevant Chargor.

20.7 Leases

20.7.1 A Receiver may (or may agree to) let any Property for any term and at any rent (with or without a premium) he considers suitable and may accept a surrender of any lease or tenancy of any Property on any terms he considers suitable (including the payment of money to a lessee or tenant on a surrender).

20.7.2 A Receiver may operate any rent review clause for any Property and apply for any new or extended lease.

20.8 Compromise

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

20.9 Legal actions

A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Charged Asset he considers suitable.

20.10 Receipts

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

20.10.2 Only money actually paid by a Receiver to the Lender in satisfaction or discharge of the Secured Liabilities may be applied by the Lender in satisfaction of the Secured Liabilities.

20.10.3 No Security Party need take any particular action relating to the Receivables.

20.11 Subsidiaries

A Receiver may form a subsidiary of the relevant Chargor and transfer any Charged Asset to that subsidiary.

20.12 Delegation

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

20.13 Lending

A Receiver may lend money or advance credit to any person.

20.14 Protection of assets

A Receiver may:

- 20.14.1 carry out any repair or put in place any insurance and do any other act which the relevant Chargor might do in the ordinary conduct of its business to protect or improve any Charged Asset;
- 20.14.2 commence and/or complete any building operation; and
- 20.14.3 apply for and maintain any planning permission, building regulation approval or any other Authorisation,

in each case as he considers suitable.

20.15 Other powers

A Receiver may:

- 20.15.1 do all other acts and things he considers necessary or desirable for realising any Charged 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;
- 20.15.2 exercise in relation to any Charged Asset all the powers, authorities and things he would be capable of exercising if he were the absolute beneficial owner of that Charged Asset;
- 20.15.3 agree to any arrangement or compromise he considers suitable and do any other things incidental or conducive to any of his other powers; and
- 20.15.4 use the name of the relevant Chargor for any of the above purposes.

20.16 In making any disposal a Security Party may accept, as consideration, cash, shares, loan capital or other obligations on any terms he may agree. Any contract for disposal may contain conditions excluding or restricting the personal liability of any Security Party.

20.17 No Security Party will be liable for:

- 20.17.1 the Charged Assets; or
- 20.17.2 any loss or damage which arises out of the:
 - (a) exercise;
 - (b) attempted exercise; or
 - (c) failure to exercise,

any of their respective powers, unless the loss or damage is caused by his gross negligence or wilful misconduct.

- 20.18 No Security Party will be liable to any Chargor for the manner in which they deal or fail to deal with the Receivables.
- 20.19 Without prejudice to the generality of clause 20.17, entry into possession of the Charged Assets will not make a Security Party liable to account as mortgagee in possession. If any Security Party enters into possession of the Charged Assets, he may, at any time at his discretion, go out of possession.
- 20.20 All or any of the powers which a Receiver has under this deed may be exercised by the Lender or any Delegate without first appointing a Receiver or despite the appointment of any Receiver.
- 20.21 Except to the extent provided by law, an insolvency event for a Chargor will not affect any powers described in this clause 20.

21. FINANCIAL COLLATERAL

- 21.1 To the extent that:

21.1.1 any of the Charged Assets constitute Financial Collateral; and

21.1.2 this deed and the obligations of a Chargor under this deed constitute a Security Financial Collateral Arrangement,

the Lender has the right, at any time after this Security becomes enforceable under clause 17, to appropriate all or any of those Charged Assets in or towards the payment or discharge of the Secured Liabilities in any order the Lender, in its absolute discretion, determines.

- 21.2 The value of any Charged Assets appropriated under clause 21.1 is:

21.2.1 if it is listed on a recognised exchange, the value at which it could have been sold on the exchange at the date of appropriation;

21.2.2 in the case of cash, the amount of cash appropriated; or

21.2.3 in any other case, such value as determined by any method the Lender reasonably selects (including independent valuation).

- 21.3 Each Chargor agrees that any of its Charged Assets that are Financial Collateral may, at the Lender's option, be held or designated so they are under the control of the Lender for all purposes of the Financial Collateral Regulations.

- 21.4 Each Chargor agrees that the methods of valuation provided for in clause 21.2 are commercially reasonable for the purposes of the Financial Collateral Regulations.

22. APPLICATION OF PROCEEDS AND SUSPENSE ACCOUNT

- 22.1 All money received by a Security Party under this deed will (subject to the claims of any person having prior rights and as a variation of the LPA) be applied in accordance with the Subordination Agreement.

22.1.1 Until the Secured Liabilities have been irrevocably paid in full, the Lender (or any trustee or agent on its behalf) may:

22.1.2 refrain from applying or enforcing any other money, Security Interest or rights held or received by the Lender (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce them in any manner and order it chooses

(whether against those amounts or otherwise) and no Chargor shall be entitled to the benefit of them; and

22.1.3 hold in an interest-bearing suspense account any money received from any Chargor or on account of any Chargor's liability under this deed.

22.2 If this 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 Lender may pay the proceeds of any recoveries or other proceeds of enforcement into a suspense account.

23. SECURITY PROTECTIONS

23.1 Continuing

This Security is a continuing security and extends to the ultimate balance of the Secured Liabilities regardless of any intermediate payment or discharge in whole or in part or any other matter or thing.

23.2 No merger

23.2.1 This Security is in addition to, and independent of, any other Security Interest or guarantee that the Lender holds at any time for any of the Secured Liabilities.

23.2.2 No prior Security Interest held by the Lender over the Charged Assets will merge with this Security.

23.2.3 This Security may be enforced against each Chargor without first having recourse to any other rights of the Lender.

23.3 Remedies and Waivers

23.3.1 No single or partial exercise, or non-exercise or non-enforcement of any right or remedy provided by this deed or by law prevents or restricts any further or other exercise or enforcement of that (or any other) right or remedy.

23.3.2 No failure to exercise, nor any delay in exercising any right or remedy under a Finance Document shall operate as a waiver of any such right or remedy or constitute an election to affirm any Finance Document. No election to affirm any Finance Document on the part of any Security Party shall be effective unless it is in writing.

23.3.3 The rights and remedies of the Security Parties under this deed are cumulative and not exclusive of any rights or remedies provided by law.

23.4 Reinstatement

23.4.1 If the Lender considers that an amount paid to it under a Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this deed.

23.4.2 If any release, discharge or arrangement (whether in respect of the obligations of any Chargor or any guarantee or Security Interest given for those obligations or otherwise) is made by the Lender in whole or in part on the basis of any payment, guarantee, Security Interest or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Chargor under this deed will continue or be reinstated as if the discharge, release or arrangement had not occurred.

23.5 Redemption of prior charges

23.5.1 When this Security has become enforceable under clause 17, the Lender may, at the sole cost of the Chargors (payable to the Lender on demand):

- (a) redeem any prior Security Interest over any Charged Asset; and/or
- (b) ensure the transfer of that Security Interest to itself; and/or
- (c) settle and pass the accounts of any prior mortgagee, chargee or encumbrancer which, once so settled and passed, will be final and binding on each Chargor.

23.5.2 Each Chargor must pay to the Lender, immediately on demand, the costs and expenses incurred by the Lender in connection with any such redemption and/or transfer, including the payment of any principal or interest.

23.6 Waiver of defences

The obligations of each Chargor under this deed will not be affected by any act, omission, matter or thing which but for this clause 23.6, might reduce, release or prejudice any of its obligations under this deed (whether or not any Chargor or the Lender knows about it) including:

23.6.1 any time, waiver or consent granted to, or composition with, any Chargor or any other person;

23.6.2 any failure or delay in exercising a right or remedy under this deed;

23.6.3 the release of any other Chargor or any other person under the terms of any composition or arrangement;

23.6.4 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security Interest over assets of, any Chargor or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security Interest;

23.6.5 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any Chargor or any other person;

23.6.6 any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of a Finance Document or any other document or Security Interest including any change in the purpose of, any extension of or increase in any facility or the addition of any new facility or other document, guarantee or Security Interest;

23.6.7 any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or Security Interest; or

23.6.8 any insolvency or similar proceedings.

23.7 Deferral of Rights

23.7.1 Until all amounts which may be or become payable in respect of the Secured Liabilities have been irrevocably paid in full and unless the Lender otherwise directs, no Chargor will exercise any rights it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this deed:

- (a) to be indemnified by or otherwise claim any right of contribution from any other Chargor;
- (b) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Lender under the Finance Documents or of any other guarantee or Security Interest taken pursuant to, or in connection with, the Finance Documents by the Lender;
- (c) to bring legal or other proceedings for an order requiring any Chargor to make any payment, or perform any Secured Liability;
- (d) to exercise any right of set-off against any Chargor; and/or
- (e) to claim or prove as a creditor of any Chargor in competition with the Lender.

23.7.2 If a Chargor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Lender by the Chargors under or in connection with the Finance Documents to be repaid in full on trust or for and on behalf of the Lender and shall promptly pay or transfer the same to the Lender or as the Lender may direct for application in accordance with clause 22.

23.8 New Accounts

23.8.1 If the Lender receives notice of any subsequent Security Interest or other interest affecting any Charged Asset, it may open a new account for the relevant Chargor in its books.

23.8.2 If the Lender does not open a new account, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that Security Interest.

23.8.3 As from that time all payments made to the Lender will be credited or be treated as having been credited to the new account and will not operate to reduce any Secured Liability.

24. COSTS, EXPENSES AND INDEMNITIES

24.1 Documentation costs

Each Chargor must on demand pay the Security Parties all reasonable costs and expenses, including reasonable legal, valuation, accountancy and consultancy fees (and VAT) incurred by any of them relating to:

24.1.1 the negotiation, preparation, execution and completion of this deed, or any of the documents referred to in this deed; and

24.1.2 any actual or proposed amendment, replacement, restatement or extension of, or any waiver or consent under, this deed or any of the documents referred to in this deed.

24.2 Enforcement Costs

Each Chargor must reimburse any Security Party on demand for all Losses incurred as a result of the enforcement, attempted enforcement or preservation of any of their rights under:

24.2.1 this deed; or

24.2.2 any of the documents referred to in this deed.

24.3 Further Indemnity

24.3.1 Each Chargor must, on demand, indemnify the Security Parties for all Claims and Losses which may be incurred by or made against any of them at any time relating to or arising directly or indirectly out of:

- (a) a failure by a Chargor to pay any amount due under this deed on its due date;
- (b) taking, holding, protection or enforcement of this Security;
- (c) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;
- (d) instructing lawyers, accountants, tax advisers, surveyors or other professional advisers or experts as permitted under the Finance Documents;
- (e) any default by a Chargor in the performance of any of its other obligations under the Finance Documents;
- (f) the exercise of any of the rights, powers, discretions, authorities and remedies vested in any Security Party by this deed or by law;
- (g) any actual or alleged breach of any law or regulation (including any Environmental Law) by any person which would not have arisen if this deed had not been entered into;
- (h) any misconduct, omission or default by any substitute or delegate under clause 28.3;
- (i) acting as Lender, Receiver or Delegate under this deed or which otherwise relates to any of the Charged Assets (otherwise, in each case, than by reason of the relevant Security Party's gross negligence or wilful misconduct).

24.3.2 Each Chargor expressly acknowledges and agrees that the continuation of its indemnity obligations under this clause 24.3 will not be prejudiced by any release of this Security or disposal of any Charged Asset.

24.3.3 Each Security Party may, in priority to any payment to the other Security Parties, indemnify itself out of the Charged Assets in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this clause 24.3 and shall have a lien on this Security and the proceeds of the enforcement of this Security for all money payable to it.

24.4 No liability

No Security Party will in any way be liable or responsible for any loss or liability of any kind arising from any act or omission by that Security Party (whether as mortgagee in possession or otherwise) relating to the Charged Assets, except to the extent caused by its own negligence or wilful misconduct.

24.5 **Stamp Duty costs**

Each Chargor must pay all present and future stamp, registration and similar taxes or charges which may be payable, or determined to be payable, as a result of the execution, delivery, performance or enforcement of this deed or any judgment given relating to this deed, save for any present and future stamp, registration and similar taxes or charges which may be payable in Luxembourg in case of voluntary registration of this deed with the *Administration de l'Enregistrement et des Domaines et de la TVA* by the Lender.

25. **PAYMENTS**

25.1 Subject to clause 25.2, all payments to be made by a Chargor under this deed, must be made:

25.1.1 in immediately available funds to any account the Lender chooses; and

25.1.2 free and clear of, and without any deduction for, or on account of, any set-off or counterclaim or, except to the extent required by law, any deduction on account of any Tax.

25.2 If a Chargor is legally required to withhold or deduct any Tax from any payment under this deed, that sum must be increased so as to result in the receipt by the Lender of a net amount equal to the full amount expressed to be payable under this deed.

25.3 Any demand, notification or certificate given by the Lender specifying amounts due and payable under or relating to this deed shall, in the absence of manifest error, be conclusive and binding on the Chargors.

25.4 Any due but unpaid amount under this deed will bear interest under the terms of the Facilities Agreement.

26. **SET-OFF BY LENDER**

The Lender may set off any matured obligation due from a Chargor under this deed (to the extent beneficially owned by the Lender) against any matured obligation owed by the Lender to that Chargor, regardless of the place of payment, booking branch or currency of either obligation.

27. **DELEGATION**

27.1 The Lender or any Receiver may, at any time, delegate by power of attorney or otherwise to any person for any period all or any right, power, authority or discretion exercisable by it under this deed.

27.2 Any such delegation may be made upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions that the Lender or that Receiver (as the case may be) may, in its discretion, think fit.

27.3 Neither the Lender nor any Receiver shall be bound to supervise, or be in any way responsible for any damages, costs or losses incurred by reason of any misconduct, omission or default on the part of, any such delegate or sub-delegate.

28. **FURTHER ASSURANCE AND POWER OF ATTORNEY**

28.1 **Further assurance**

28.1.1 Each Chargor must promptly at its own expense do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and

instructions) as the Lender reasonably specifies (and in any form the Lender reasonably requires in favour of the Lender or its nominee(s)):

- (a) to perfect this Security (which may include the execution of a mortgage, charge, assignment or other Security Interest over all or any of the Charged Assets) or for the exercise of any rights, powers and remedies of the Lender provided by or pursuant to this deed or by law;
- (b) to confer on the Lender Security Interests over any property and assets of that Chargor located in any jurisdiction equivalent or similar to the Security Interest intended to be conferred by or pursuant to this deed; and/or
- (c) to facilitate the realisation of the Charged Assets.

28.1.2 Each Chargor must take all action available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of this Security.

28.2 Remedy

Without prejudice to clause 17, clause 28.3 or any other provision of this deed, if a Chargor does not comply with any of its obligations under this deed and that failure is not remedied to the Lender's satisfaction within 10 Business Days of the earlier of:

28.2.1 that Chargor becoming aware of such failure; and

28.2.2 the Lender notifying that Chargor that remedy is required,

that Chargor irrevocably authorises the Lender or any Delegate to take any action on behalf of that Chargor that is necessary to ensure those obligations are complied with.

28.3 Power of attorney

28.3.1 Each Chargor, by way of security, irrevocably and severally appoints the Lender, any Delegate and each Receiver (and any Receiver's delegates or sub-delegates) to be its attorney with the full power and authority of that Chargor to execute, deliver and perfect all deeds, instruments and other documents in its name and otherwise for that Chargor and to do or cause to be done all acts and things, in each case which may be required or which any attorney may in its absolute discretion deem necessary for carrying out any obligation of that Chargor under this deed or generally for enabling the Lender or any Delegate or Receiver (or Receiver's delegates or sub-delegates) to exercise the respective powers conferred on them under this deed or by law.

28.3.2 Each Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under clause 28.3.1.

29. TIME DEPOSITS

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

29.1 this Security has become enforceable under clause 17; and

29.2 no Secured Liability is due and payable,

that time deposit will automatically be renewed for any further maturity which the Lender

considers appropriate.

30. RELEASE

30.1 At the end of the Security Period, the Lender shall, at the request and cost of the Borrower, take whatever action is necessary to:

30.1.1 release the Charged Assets from the security constituted by this deed; and

30.1.2 reassign the Charged Assets to the Borrower.

31. CHANGE TO PARTIES

31.1 The Lender may assign, charge or transfer all or any part of its rights under this deed in accordance with the Finance Documents.

31.2 Each Chargor authorises and agrees to changes of parties under and in accordance with the Facilities Agreement and the Subordination Agreement and authorises the Lender to execute on its behalf any document required to effect the necessary transfer of rights or obligations contemplated by the Facilities Agreement and the Subordination Agreement.

31.3 No Chargor may assign, transfer, charge, make the subject of a trust or deal in any other manner with this deed or any of its rights under this deed or purport to do any of the same without the prior written consent of the Lender.

31.4 Each Chargor consents to the accession to this deed of additional Chargors and agrees that any such accession will in no way prejudice this Security or affect the covenants it has given in this deed.

32. THIRD PARTY RIGHTS

32.1 Unless expressly provided to the contrary in a Finance Document, a person who is not a Party has no right under the Third Parties Act to enforce or to enjoy the benefit of any term of this deed.

32.2 Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this deed at any time.

32.3 Any Receiver or Delegate may enforce and enjoy the benefit of any clause which expressly confers rights on it, subject to clause 32.2 and the provisions of the Third Parties Act.

33. NOTICES

The provisions of clause 28 of the Facilities Agreement shall be deemed to be incorporated into this deed, as if the same were set out in full herein.

34. GENERAL

34.1 No variation to this deed will be effective unless made in writing and signed by or for each of the Parties. A waiver given or consent granted by the Lender under this deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

34.2 Each provision of this deed is severable and distinct from the others. If at any time any provision of this deed is or becomes unlawful, invalid or unenforceable to any extent or in any circumstances for any reason, it shall to that extent or in those circumstances be deemed not to form part of this deed but (except to that extent or in those circumstances in the case of that provision) the legality, validity and enforceability of that and all other provisions of this deed will not be affected in any way.

- 34.3 If any provision of this deed is found to be illegal, invalid or unenforceable under clause 34.2 but would be legal, valid or enforceable if some part of the provision were deleted, the provision in question will apply with any modifications that may be necessary to make it legal, valid or enforceable.
- 34.4 This deed may be executed in any number of counterparts each of which when executed and delivered will be an original. All the counterparts together will form one and the same document.
35. **GOVERNING LAW AND JURISDICTION**
- 35.1 This deed and any non-contractual obligations arising out of or relating to it are governed by the laws of England and Wales.
- 35.2 The English Courts have exclusive jurisdiction to settle any dispute arising out of or relating to this deed (including a dispute relating to the existence, validity or termination of this deed or any non-contractual obligation arising out of or relating to this deed) (a **Dispute**).
- 35.3 The Parties agree that the English Courts are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- 35.4 Notwithstanding clause 35.2, the Lender will not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Lender may take concurrent proceedings in any number of jurisdictions.

EXECUTED as a deed and delivered on the date stated at the beginning of this deed.

SCHEDULE 1

The Original Chargors

Company name	Registered number
Kindred Education Limited	09753655
Eduko Education HoldCo S.a r.l.	RCS Luxembourg: B200261
Eduko Education PropCo S.a r.l	RCS Luxembourg: B200288
Kindred Education (Hanwell) Limited	02953437
Kindred Education (Bournemouth) LLP	OC383453
Kindred Education (Teddington) LLP	OC364909
Kindred Education (Les Enfants) Limited	07188053
Kindred Education (Little Learners) Limited	08009012
Windmill Montessori Nursey School Limited	08217685
Dizzy Ducks Day Nurseries Limited	05120112
Dizzy Ducks Nurseries Community Interest Company	07196904
Channel Your Energies Limited	05440885
Wanstead Nursery Limited	06875085
Bourne Valley Nursery School Limited	06806656

SCHEDULE 2

Property

Chargor	Property	Interest and Title Number (if any)
Eduko Education PropCo S.a.r.l.	Land adjoining 99 Oaklands Road, Hanwell, London W7 2DT	Freehold AGL28827
Eduko Education PropCo S.a.r.l.	99 Oaklands Road, Hanwell, London W7 2DT	Freehold AGL28828
Kindred Education Limited	Land adjoining 99 Oaklands Road, Hanwell, London W7 2DT	Leasehold AGL359711
Kindred Education Limited	99 Oaklands Road, Hanwell, London W7 2DT	Leasehold AGL359692
Eduko Education PropCo S.a.r.l.	8 Langham Road, Teddington (TW11 9HQ)	Freehold SGL63251
Kindred Education Limited	8 Langham Road, Teddington (TW11 9HQ)	Leasehold TGL434744
Eduko Education PropCo S.a.r.l. following a transfer dated on or about the date of this debenture and made between (1) David John Stephen Perrott and Glenda Elizabeth Perrott and (2) Eduko Education PropCo S.a.r.l	Barents House, 10 Compass Point Business Park, Stocks Bridge Way, St Ives (PE27 5JL)	Leasehold CB295826
Eduko Education PropCo S.a.r.l	9-11 Kinson Road, Bournemouth (BH10 4AQ)	Freehold DT353242
Kindred Education Limited	9-11 Kinson Road, Bournemouth (BH10 4AQ)	Leasehold DT418694
Kindred Education (Les Enfants) Limited	8-10 Blyth Road, Bromley (BR1 3RX)	Leasehold SGL778803
Dizzy Ducks Day Nurseries Limited	Hainault Forest High School, Harbourn Road, Ilford (IG6 3TN)	Leasehold Not registered

Kindred Education (Little Learners) limited	Land adjoining Havelock Recreation Ground Pavilion, Havelock Road, Bromley (BR2 9NY)	Leasehold SGL732717
Dizzy Ducks Nurseries Community Interest Company Limited	Land at Mayflower High School, Stock Road, Billericay (CM12 0RT)	Leasehold EX891892
Dizzy Ducks Day Nurseries Limited	Buttsbury Pre-School, Perry Street, Billericay CM12 0NX	Leasehold Not registrable
Bourne Valley Nursery School Limited	Bourne Valley Nursery, Winterbourne Earls, Salisbury, Wiltshire, SP4 6HA	Leasehold WT449070

SCHEDULE 3

1. Share purchase agreement for the sale and purchase of all the issued share capital of H.R.H. Nurseries Ltd dated on or around the date of this Deed and made between (1) David John Stephen Perrott (2) Glenda Elizabeth Perrott and (3) Kindred Education Limited.
2. Disclosure letter from David John Stephen Perrott and Glenda Elizabeth Perrott to Kindred Education Limited dated on or around the date of this Deed in relation to the acquisition of the entire issued share capital of H.R.H. Nurseries Ltd.

SCHEDULE 4

Blocked Accounts

SCHEDULE 5

Subsidiary Shares

Chargor	Subsidiary	Number and Class of Shares / partnership interest
Eduko Education Holdco S.à r.l.,	Kindred Education Limited	3,692,279 ordinary shares of £1 each
Kindred Education Limited	Kindred Education (Hanwell) Limited	100 ordinary shares of £1 each
Kindred Education Limited	N/A	Designated member of Kindred Education (Teddington) LLP
Kindred Education Limited	N/A	Designated member of Kindred Education (Bournemouth) LLP
Kindred Education (Hanwell) Limited	N/A	Designated member of Kindred Education (Bournemouth) LLP
Kindred Education (Hanwell) Limited	N/A	Designated member of Kindred Education (Teddington) LLP
Kindred Education Limited	Kindred Education (Bournemouth) LLP	Not applicable
Kindred Education Limited	Kindred Education (Teddington) LLP	Not applicable
Kindred Education Limited	Kindred Education (Les Enfants) Limited	100 ordinary shares of £1 each
Kindred Education Limited	Kindred Education (Little Learners) Limited	2 ordinary shares of £1 each
Kindred Education Limited	Windmill Montessori Nursey School Limited	100 ordinary shares of £1 each
Kindred Education Limited	Dizzy Ducks Day Nurseries Limited	100 A ordinary shares of £1 each and 100 B ordinary shares of £1 each
Kindred Education Limited	Dizzy Ducks Nurseries Community Interest Company	100 ordinary shares of £1 each
Kindred Education Limited	Channel Your Energies Limited	100 ordinary shares of £1 each
Kindred Education Limited	Wanstead Nursery Limited	100 ordinary shares of £1 each
Kindred Education Limited	Bourne Valley Nursery School Limited	100 ordinary shares of £0.01 each

SCHEDULE 6

Forms of Notice and Acknowledgement

Part 1 - Form of Notice and Acknowledgement of Assignment/Charging of Insurance

[To be printed on the letterhead of the relevant Chargor]

[name of Insurer]

[address of Insurer]

[date]

Dear Sirs

Debenture (the Debenture) dated [date of debenture] between [relevant Chargor] (the Chargor) (and others) and Santander UK Plc (the Lender) in respect of [insert description and number of Policy] (the Policy)

This letter is notice that under the Debenture we have [assigned absolutely (subject to any requirement for re-assignment on redemption)] [and] [charged by way of a first fixed charge to the Lender, all our rights in respect of the Policy].

We confirm that:

1. we will remain liable under the Policy to perform all the obligations assumed by us under it;
2. none of the Lender, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Policy (unless, and to the extent, otherwise expressly provided for in the Policy);
3. we instruct you to disclose to the Lender any information relating to the Policy which the Lender requests;
4. [we have agreed that we will not amend or waive any provision of or terminate the Policy without the prior written consent of the Lender;]
5. unless and until you receive notice from the Lender to the contrary stating that the security under the Debenture has become enforceable we will remain entitled to exercise all our rights, powers and discretions under the Policy (as agent of the Lender) (unless, and to the extent, otherwise expressly provided for in the Policy or in any insurer letter you may have issued to the Lender in respect of the Policy) and you should continue to give notices [and make payments] under the Policy to us; and
6. once you receive notice from the Lender stating that the security under the Debenture has become enforceable, all the rights, powers and discretions will be exercisable by, and notices must be given and payments must be made to, the Lender or as it directs.

Please note, the instructions in this letter may not be revoked or amended without the prior written consent of the Lender.

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

- (a) you agree to the terms of this letter and agree to comply with it;

- (b) you will give notices and make payments under the Policy as directed in this letter;
- (c) you have not received notice that the Chargor has assigned its rights under the Policy to a third party, or created any other interest in the Policy in favour of a third party; and
- (d) the Lender will not in any circumstances have any liability relating to the Policy.

This letter and any non-contractual obligations arising out of or in connection with it are governed by the laws of England and Wales.

Yours faithfully

.....

Name:

For and on behalf of

[name of relevant Chargor]

[On acknowledgement copy]

To: *[insert name and address of Lender]*

Copy To: *[insert name and address of relevant Chargor]*

We acknowledge receipt of the above notice and confirm the matters set out in paragraphs (a) to (d) above.

.....

Name:

For and on behalf of

[name of Insurer]

Dated:

Part 2 - Form of Notice and Acknowledgement of Assignment of Material Contracts

[To be printed on the letterhead of the Chargor]

[name of counterparty]

[address of counterparty]

[date]

Dear Sirs

Debenture (the Debenture) dated *[date of debenture]* between *[Chargor]* (the Chargor) and *[Lender]* (the Lender) in respect of *[insert description of relevant material contract/[hedging agreement]]/[any hedging agreements between you and us]* (the Agreement[s])

This letter is notice that under the Debenture we have assigned absolutely (subject to any requirement for re-assignment on redemption) and charged by way of a first fixed charge to the Lender all our rights in respect of the Agreement[s].

We confirm that:

1. we will remain liable under the Agreement[s] to perform all the obligations assumed by us under [it]/[them];
2. none of the Lender, its agents, any receiver or any other person will at any time be under any obligation or liability to you under, or in respect of, the Agreement[s];
3. we instruct you to disclose to the Lender any information relating to the Agreement[s] which the Lender requests;
4. we have agreed that we will not amend or waive any provision of or terminate the Agreement[s] without the prior written consent of the Lender;
5. unless and until you receive notice from the Lender to the contrary stating that the security under the Debenture has become enforceable we will remain entitled to exercise all our rights, powers and discretions under the Agreement[s] (as agent of the Lender) and you should continue to give notices [and make payments] under the Agreement[s] to us; and
6. once you receive notice from the Lender stating that the security under the Debenture has become enforceable, all the rights, powers and discretions will be exercisable by, and notices must be given and payments must be made to, the Lender or as it directs.

Please note, the instructions in this letter may not be revoked or amended without the prior written consent of the Lender.

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

- (e) you agree to the terms of this letter and agree to comply with it;
- (f) there has been no amendment, waiver or release of any rights or interests in the Agreement[s] since [it was]/[they were] entered into;

- (g) you have not received notice that the Chargor has assigned its rights under the Agreement[s] to a third party, or created any other interest in the Agreement[s] in favour of a third party; and
- (h) the Lender will not in any circumstances have any liability relating to the Agreement[s].

This letter and any non-contractual obligations arising out of or in connection with it are governed by the laws of England and Wales.

Yours faithfully

.....

Name:

For and on behalf of

[name of Chargor]

[On acknowledgement copy]

To: *[insert name and address of Lender]*

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

We acknowledge receipt of the above notice and confirm the matters set out in paragraphs (a) to (d) above.

.....

Name:

For and on behalf of

[name of Counterparty]

Dated:

Part 3 - Form of Notice and Acknowledgement of Assignment of Rental Income

[To be printed on the letterhead of the relevant Chargor]

[name of Tenant]

[address of Tenant]

[date]

Dear Sirs

Debenture (the Debenture) dated [date of debenture] between [relevant Chargor] (the Chargor) (and others) and [Lender] (the Lender)

We refer to the *[[lease/licence/tenancy agreement] [and related property]]* dated [•] between the Chargor and you (the **Agreement**).

This letter is notice to you that under the Debenture we have assigned absolutely (subject to any requirement for re-assignment on redemption) and charged by way of a first fixed charge to the Lender all our rights under the Agreement including our rights to rent and any other sums due to us from time to time under the Agreement.

We confirm that:

1. we will remain liable under the Agreement to perform all the obligations assumed by us under it;
2. none of the Lender, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Agreement;
3. we instruct you to disclose to the Lender any information relating to the Agreement which the Lender requests;
4. [we have agreed that we will not amend or waive any provision of or terminate the Agreement without the prior written consent of the Lender;]
5. [we irrevocably instruct and authorise you to pay any rent and other money payable by you under the Agreement to our account detailed below (the **Account**):]

Bank: [•]

Name of Account: [•]

Sort code: [•]

Account number: [•]

6. unless and until you receive notice from the Lender to the contrary stating that the security under the Debenture has become enforceable we will remain entitled to exercise all our rights, powers and discretions under the Agreement (as agent of the Lender) and you should continue to give notices [and make payments] under the Agreement to us; and

7. once you receive notice from the Lender stating that the security under the Debenture has become enforceable, all the rights, powers and discretions will be exercisable by, and notices must be given and payments must be made to, the Lender or as it directs.

Please note, the instructions in this letter may not be revoked or amended without the prior written consent of the Lender.

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

- (i) you agree to the terms of this letter and agree to comply with it;
- (j) you have not received notice that the Chargor has assigned its rights under the Agreement (or any rent or other sums owing under it) to a third party, or created any other interest in the Agreement (or any rent or other sums owing under it) in favour of a third party;
- (k) you will pay all rent and other money payable by us under the Agreement into the Account until you receive your written instructions to the contrary from the Lender; and
- (l) the Lender will not in any circumstances have any liability relating to the Agreement.

This letter and any non-contractual obligations arising out of or in connection with it are governed by the laws of England and Wales.

Yours faithfully

.....

Name:

For and on behalf of

[name of relevant Chargor]

[On acknowledgement copy]

To: *[insert name and address of Lender]*

Copy To: *[insert name and address of relevant Chargor]*

We acknowledge receipt of the above notice and confirm the matters set out in paragraphs (a) to (d) above.

.....

Name:

For and on behalf of

[*name of Tenant*]

Dated:

Part 4 - Form of Notice and Acknowledgement of Account Charge

[To be printed on the letterhead of the relevant Chargor]

[name of Account Bank]

[address of Account Bank]

[date]

Dear Sirs

Debenture (the Debenture) dated [date of debenture] between [relevant Chargor] (the Chargor) (and others) and Santander UK Plc (the Lender)

This letter is notice to you that under the Debenture we have charged (by way of first fixed charge) in favour of the Lender all our rights in respect of our account with you detailed below (the **Account**) and any amount standing to the credit of the Account from time to time (including, but not limited to, entitlements to interest):

Name of Account: [•]

Sort code: [•]

Account number: [•]

We irrevocably instruct and authorise you to:

1. disclose to the Lender any information relating to the Account which the Lender requests;
2. comply with the terms of any written notice or instructions relating to the Account received by you from the Lender; [and]
3. hold all sums from time to time standing to the credit of the Account to the order of the Lender[.]; and
4. pay or release any sum standing to the credit of the Account only in accordance with the written instructions of the Lender.

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

We are permitted to withdraw any amount from the Account for any purpose unless and until you receive a notice from the Lender to the contrary stating that we are no longer permitted to withdraw any amount from the Account without its consent. If and from the date on which you receive any such notice, we will not be permitted to withdraw any amount from the Account without the prior written consent of the Lender.

Please note, the instructions in this letter may only be revoked or amended with the prior written consent of the Lender.

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

- (m) you agree to the terms of this letter and agree to comply with it;
- (n) you have not received notice of any prior security over, or the interest of any third party in, the Account;
- (o) you 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;
- (p) you will not permit any amount to be withdrawn from the Account without the Lender's prior written consent;
- (q) you will comply with any notice you may receive from the Lender in respect of the Account; and
- (r) the Lender will not in any circumstances have any liability relating to the Account.

This letter and any non-contractual obligations arising out of or in connection with it are governed by the laws of England and Wales.

Yours faithfully

.....

Name:

For and on behalf of

[name of relevant Chargor]

[On acknowledgement copy]

To: *[insert name and address of Lender]*

Copy To: *[insert name and address of relevant Chargor]*

We acknowledge receipt of the above notice and confirm the matters set out in paragraphs (a) to (f) above.

.....

Name:

For and on behalf of

[name of Account Bank]

Dated:

SCHEDULE 7

Form of Security Accession Deed

DATE 20[●]

PARTIES

- (1) [●] [LIMITED/PLC] a company incorporated and registered in [England and Wales] (registered number [●]) whose registered office is at [●] (the **Acceding Chargor**); and
- (2) [insert full name of Lender] a company incorporated and registered in [England and Wales] (registered number [●]) whose registered office is at [●] (the **Lender**).

INTRODUCTION

- (A) This accession deed is supplemental to a Debenture (the **Debenture**) dated [●] between the Chargors named in that Debenture and the Lender (as previously supplemented and amended by earlier Security Accession Deeds, if any).
- (B) This document is intended to take effect as a deed despite the fact the Lender may only execute it under hand.

IT IS AGREED

5. DEFINITIONS AND INTERPRETATION

- 5.1 Capitalised terms defined in the Debenture (as defined above) have the same meaning in this accession deed unless expressly defined in this accession deed.
- 5.2 The provisions of clause [●] (*Construction*) of the Debenture apply to this accession deed as though they were set out in full in this accession deed, except that references to 'this deed' will be construed as references to this accession deed.
- 5.3 The schedules to this accession deed form part of this accession deed as if set out on the body of this accession deed.

6. ACCESSION

The Acceding Chargor agrees to be a Chargor for the 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.

7. CREATION OF SECURITY

7.1 Security

7.1.1 The Acceding Chargor covenants to pay or discharge, on demand, the Secured Liabilities when they fall due and in accordance with the terms of the Finance Documents.

7.1.2 This Security is:

- (a) created in favour of the Lender;
- (b) created over present and future assets of the Acceding Chargor;
- (c) security for payment of all the Secured Liabilities; and

(d) made with full title guarantee under the LPMPA.

7.1.3 Clause 7.2 and clause 7.3 shall be construed as creating a separate and distinct mortgage, fixed charge or security assignment over each Charged Asset within any particular class of assets specified.

7.1.4 Any failure to create an effective fixed Security Interest (for whatever reason) over a Charged Asset shall not affect the fixed nature of the Security Interest over any other Charged Asset, whether within the same class of assets or not.

7.2 Fixed charges

7.2.1 The Acceding Chargor charges by first legal mortgage its Property listed in schedule 1 to this accession deed.

7.2.2 Each Chargor charges by first fixed charge:

- (a) all its other interests in Property (not effectively charged by clause 7.2.1);
- (b) all its other Equipment;
- (c) its Subsidiary Shares, including those listed in schedule 3 to this accession deed;
- (d) all its Securities other than its Subsidiary Shares;
- (e) its Blocked Accounts, including those listed in schedule 4 to this accession deed;
- (f) all its other Bank Accounts;
- (g) the benefit of all Authorisations used in connection with its business or any of its Charged Assets and the right to recover and receive compensation which may be payable to it in respect of any of those Authorisations;
- (h) all its Intellectual Property;
- (i) all its goodwill and uncalled capital;
- (j) all its Receivables; and
- (k) to the extent not effectively assigned under clause 7.3:
 - (i) all its Insurance;
 - (ii) its Material Contracts including those listed in schedule 5 to this accession deed; and
 - (iii) all its Rental Income.

7.3 Assignments

The Acceding Chargor assigns and will assign absolutely (subject to a condition for reassignment on irrevocable discharge in full of the Secured Liabilities) all its rights, title, interest and benefit in and to:

7.3.1 Insurance;

7.3.2 Material Contracts and the benefit of any guarantee or Security Interest for the performance of any of its Material Contracts; and

7.3.3 Rental Income.

7.4 Floating charge

7.4.1 The Acceding Chargor charges by a first floating charge all its assets not effectively mortgaged, charged or assigned by fixed mortgage, fixed charge or assignment.

7.4.2 The floating charge created by clause 7.4.1 is a qualifying floating charge for the purpose of Paragraph 14 of Schedule B1 to the Insolvency Act.

8. NEGATIVE PLEDGE AND NO DISPOSAL

The Acceding Chargor may not:

8.1 create, purport to create or permit to exist any Security Interest over any Charged Asset (unless it is Permitted Security); or

8.2 dispose of any Charged Asset (unless it is a Permitted Disposal),

except as permitted by and in accordance with the Facilities Agreement or otherwise with the prior written consent of the Lender.

9. REPRESENTATIONS AND WARRANTIES

The Acceding Chargor makes the following representations and warranties to the Lender:

9.1 all Property beneficially owned by that Chargor at the date of this deed is identified in schedule 1 to this accession deed;

9.2 it is the legal and beneficial owner of the Subsidiary Shares identified against its name in schedule 3 to this accession deed (or, in the case of any held by a nominee its behalf, the beneficial owner); and

9.3 it is the legal and beneficial owner of the Charged Assets.

10. INCORPORATION INTO DEBENTURE

This accession deed and the Debenture shall be read together as one instrument and references in the Debenture to 'this deed' are deemed to include this accession deed.

11. NOTICES

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of the Acceding Chargor for any communication or document to be made or delivered under or in connection with the Debenture (including this accession deed) is:

Address: [●]

Fax: [●]

Attention: [●]

12. **GOVERNING LAW**

This accession deed and any non-contractual obligations arising out of or relating to it are governed by the laws of England and Wales.

EXECUTED as a deed and delivered on the date stated at the beginning of this accession deed.

*[insert execution blocks for parties]*¹

SCHEDULE 1 – PROPERTY

[•]

SCHEDULE 2 – SUBSIDIARY SHARES

[•]

SCHEDULE 3 – BLOCKED ACCOUNTS

[•]

SCHEDULE 4 – MATERIAL CONTRACTS

[•]

¹ We deliberately leave the form of execution block out of the template form of Security Accession Deed as it can cause confusion on execution of the debenture.

SCHEDULE 8

THIS SUPPLEMENTAL LEGAL CHARGE is made the day of 20[●]

AMONG:

- (1) [●] having its registered office at [●] (the “**Chargor**”); and
- (2) **SANTANDER UK PLC** as Lender (the “**Lender**”).

and is supplemental to the Debenture (as defined below).

BACKGROUND

- (A) The Chargor enters into this Supplemental Legal Charge in connection with the Facilities Agreement.
- (B) It is a condition to the Lender continuing to make available the credit facilities pursuant to the terms of the Facilities Agreement (as defined below) that the Chargor enters into this Supplemental Legal Charge.
- (C) The Board of Directors or the board of managers (as applicable) of the Chargor is satisfied that the giving of the security contained or provided for in this Supplemental Legal Charge is in the interests of the Chargor and has passed a resolution to that effect.

NOW THEREFORE IT IS HEREBY AGREED as follows:

1. INTERPRETATION

Definitions

- 1.1 In this Supplemental Legal Charge:

“**Debenture**”: the debenture dated [●] between the Chargor and the Lender as supplemented, acceded to and amended from time to time;

“**Facilities Agreement**”: means the revolving credit facility agreement entered into on [●] and made between, amongst others, Santander UK Plc as Lender and Kindred Education Limited as Borrower;

“**Mortgaged Property**”: the freehold and leasehold property specified in the Schedule hereto (*Mortgaged Property*) and includes all buildings and fixtures on that property, the proceeds of sale of any part of that property, any licence, agreement for sale or agreement for lease in relation to that property, the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor in respect of that property and any monies paid or payable in respect of those covenants.

Interpretation

- 1.2 The provisions set out at clause 1 of the Debenture shall apply equally to this Supplemental Legal Charge.
- 1.3 This Supplemental Legal Charge is a Finance Document and a Transaction Security Document.

2. FIXED SECURITY

Mortgage

- 2.1 The Chargor charges by way of first legal mortgage all its right title and interest in the Mortgaged Property.

Fixed Charge

- 2.2 To the extent not validly and effectively charged by way of first legal mortgage pursuant to Clause 2.1 (*Mortgage*) above, as security for the payment of the Secured Liabilities, the Chargor charges by way of first fixed charge the Mortgaged Property

3. LAND REGISTRY

In respect of the Mortgaged Property specified in the Schedule the Chargor consents to a restriction being registered at HM Land Registry. The restriction will be as follows:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [●] in favour of Santander UK Plc referred to in the charges register or their conveyancer (Standard Form P)."

4. CONTINUATION

- 4.1 References in the Debenture to "this Debenture", "this Deed", "hereof", "hereunder" and expressions of similar import shall be deemed to be references to the Debenture as amended by this Supplemental Legal Charge and to this Supplemental Legal Charge.

- 4.2 This Supplemental Legal Charge is supplemental to the Debenture. On and from the date of this Supplemental Legal Charge:

- (a) the Supplemental Legal Charge and the Debenture shall be read and construed as one document and in particular the property charged pursuant to Clause 2 of the Debenture and the definition of "Property" shall include the Mortgaged Property described in the Schedule hereto; and
- (b) the Chargor acknowledges that references to the "Debenture" in any Facilities Agreement is a reference to the Debenture as amended by this Supplemental Legal Charge.

- 4.3 Except insofar as supplemented hereby, the Debenture will remain in full force and effect.

5. COUNTERPARTS

This Supplemental Legal Charge may be executed in any number of counterparts and all of those counterparts taken together shall be deemed to constitute one and the same instrument.

6. GOVERNING LAW

This Supplemental Legal Charge and any non-contractual obligations arising from or in connection with it shall be governed by and construed in accordance with English law.

IN WITNESS WHEREOF this Supplemental Legal Charge has been duly executed as a Deed on the date first above written.

SCHEDULE
MORTGAGED PROPERTY

[•]

SIGNATORIES TO THE SUPPLEMENTAL LEGAL CHARGE

Chargor

Executed as a deed by)
[•])
acting by)
in the presence of:) Director

Name of witness:

Signature of witness:

Address:

.....

Occupation:

Lender

Executed as a deed by)
SANTANDER UK PLC)
as Lender)
in the presence of this witness:) Authorised Signatory

Name of witness:

Signature of witness:

Address:

.....

Occupation:

EXECUTION PAGES FOR DEBENTURE

CHARGORS

EXECUTED and DELIVERED as a DEED by)
KINDRED EDUCATION LIMITED acting by)
a director in the presence of:)
)


Director

Witness signature

Witness name

(in BLOCK CAPITALS)

Address

Occupation

RETIRED

EXECUTED and DELIVERED as a DEED by)
KINDRED EDUCATION (HANWELL))
LIMITED acting by a director in the presence)
of:)


Director

Witness signature

Witness name

(in BLOCK CAPITALS)

Address

Occupation

RETIRED

EXECUTED and DELIVERED as a DEED by)
KINDRED EDUCATION (LES ENFANTS))
LIMITED acting by a director in the presence)
of:)

[Redacted]

Director ✓

Witness signature

[Redacted]

Witness name

PETER ABBEY

(in BLOCK CAPITALS)

Address

[Redacted]

Occupation

RETIRED

EXECUTED and DELIVERED as a DEED by)
KINDRED EDUCATION (LITTLE)
LEARNERS) LIMITED acting by a director in)
the presence of:)

[Redacted]

Director ✓

Witness signature

[Redacted]

Witness name

PETER ABBEY

(in BLOCK CAPITALS)

Address

[Redacted]

Occupation

RETIRED

EXECUTED and DELIVERED as a DEED by)
WINDMILL MONTESSORI NURSERY)
SCHOOL LIMITED acting by a director in the)
presence of:)

[Redacted]

Director ✓

Witness signature

[Redacted]

Witness name PETER ARZEY
(in BLOCK CAPITALS)

Address

[Redacted]

Occupation RETIRED

EXECUTED and DELIVERED as a DEED by)
DIZZY DUCKS DAY NURSERIES LIMITED)
acting by a director in the presence of:)

[Redacted]

Director ✓

Witness signature

[Redacted]

Witness name PETER ARZEY
(in BLOCK CAPITALS)


Address

[Redacted]

Occupation RETIRED

EXECUTED and DELIVERED as a DEED by)
DIZZY DUCKS NURSERIES COMMUNITY)
INTEREST COMPANY acting by a director in)
the presence of:)

Director 

Witness signature 

Witness name PETER ABZEY
(in BLOCK CAPITALS)

Address 

Occupation RETIRED

EXECUTED and DELIVERED as a DEED by)
CHANNEL YOUR ENERGIES LIMITED)
acting by a director in the presence of:)

Director 

Witness signature 

Witness name PETER ABZEY
(in BLOCK CAPITALS)

Address 

Occupation RETIRED

EXECUTED and DELIVERED as a DEED by)
WANSTEAD NURSERY LIMITED acting by)
a director in the presence of:)
)

Director 

Witness signature

Witness name Peter Abbey
(in BLOCK CAPITALS)

Address

Occupation

Retired

EXECUTED and DELIVERED as a DEED by)
BOURNE VALLEY NURSERY SCHOOL)
LIMITED acting by a director in the presence)
of:)

Director 

Witness signature

Witness name Peter Abbey
(in BLOCK CAPITALS)

Address

Occupation

Retired

EXECUTED and DELIVERED as a DEED by)
KINDRED EDUCATION (TEDDINGTON))
LLP acting by a member in the presence of:)
)

Witness signature

Witness name PETER ABZEY
(in BLOCK CAPITALS)

Address

Occupation

RETIRED

Member

EXECUTED and DELIVERED as a DEED by)
KINDRED EDUCATION (BOURNEMOUTH))
LLP acting by a member in the presence of:)
)

Witness signature

Witness name PETER ABZEY
(in BLOCK CAPITALS)

Address

Occupation

RETIRED

Member

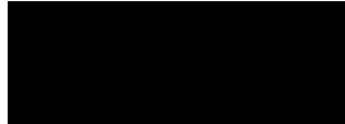
EXECUTED as a DEED by EDUKO)
EDUCATION HOLDCO S.A R.L acting by a)
manager in the presence of:



Name:
Title: Manager

NICOLAS GAUTIER

Witness signature



Witness name
(in BLOCK CAPITALS)

ANDREAS WECKHERIN

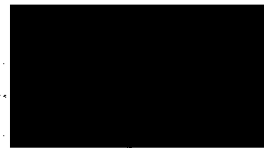
Address



Occupation

Partner

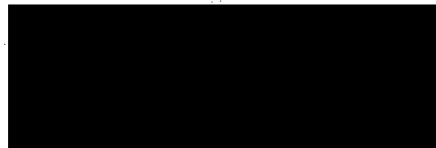
EXECUTED as a DEED by EDUKO)
EDUCATION PROPCO S.A R.L acting by a)
manager in the presence of:



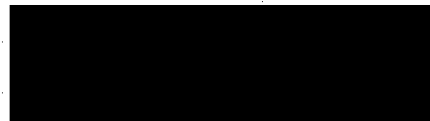
Name:
Title: Manager

NICOLAS GAUTIER

Witness signature



Witness name
(in BLOCK CAPITALS)



Address

Occupation

Partner

SIGNED by _____ as _____)
attorney for **SANTANDER UK PLC** under a _____)
power of attorney dated _____ :

.....
Attorney for **SANTANDER UK PLC**