

WE HEREBY CERTIFY THAT
THIS IS TO BE A TRUE COPY

Simmons & Simmons
SIMMONS & SIMMONS
21 WILSON STREET
LONDON EC2M 2TQ

Hive-Down Agreement

PASSED FOR FILING

between

Bass Holdings Limited
as Vendor

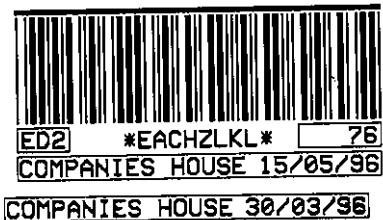
and

Bass Brewers Limited
as Purchaser

*£60,000,000 at 15/03/96
plus 10% of profits
for 1995/96*

relating to

the sale and purchase of the Bass Brewers business
carried on as a division of Bass Holdings Limited



SIMMONS & SIMMONS

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of every such holding company from time to time;

"Bass International Brewers Assets" means those assets described in paragraph 1.2 of the second schedule;

"Bass Ireland Brewers Assets" means those assets described in paragraph 1.1 of the second schedule;

"Book Debts" means the sum of the asset categories listed as such in the first schedule in respect of the Business as at the Transfer Date determined in accordance with the accounting policies used in preparing the Vendor's Accounts;

"Business" means the entire business of brewing and/or distribution and wholesaling of beers, ciders, wines, spirits, flavoured alcoholic beverages and other alcoholic beverages and the wholesaling of soft drinks in Great Britain hitherto carried on by the Vendor and certain of its subsidiaries under the name "Bass Brewers" and the Names;

"Business Assets" means all the assets, rights of, and the benefit of all claims relating to, the Business other than the Excluded Assets (and any rights and claims relating to the Excluded Assets) and including (without limitation) the assets, rights and claims specified in clauses 2.1 and 2.2;

"Completion" means completion of the sale and purchase of the Business and Business Assets hereby agreed to be made under or pursuant to clause 6;

"Completion Release" means the release to be issued by Messrs. Simmons & Simmons (acting as escrow agent, pursuant to the terms of an escrow agreement between the Vendor, the Purchaser and Simmons & Simmons dated 15th March, 1996);

"Consideration Shares" means the 1,000,000 ordinary shares of £1 each in the Purchaser credited as fully paid (at a premium of £599 per share) representing the consideration for the Business Assets as referred to in clause 3.2(A);

"Contracts" means all contracts, contractual arrangements, engagements, tenders, offers, quotations, orders or other arrangements entered into by the Vendor or any member of the Bass Group on behalf of the Business (including any trading arrangements made by the Business with any other trading division of the Vendor or made by any other trading division of the Vendor with the Business) and remaining unperformed in whole or in part at the Transfer Date or under which any warranties, liabilities, benefits or consideration rights are still outstanding (whether or not the same have been performed);

"Current Assets" means the sum of the asset and liability categories listed as such in the first schedule (including the Book Debts) relating to the Business at the Transfer Date determined in accordance with the accounting policies used in preparing the Vendor's Accounts;

- (C) The Vendor undertakes that until completion of such assignments it will (or will procure that any relevant member of the Bass Group will) with effect from the Transfer Date act under the direction of the Purchaser and as its agent in all matters relating to such property and assets and the Vendor (or the relevant member of the Bass Group (as the case may be)) shall be entitled to be fully and effectively indemnified by the Purchaser in so acting provided that the Vendor (or the relevant member of the Bass Group (as the case may be)) shall in no circumstances be required to act (by act or omission) in a way which would have a material adverse effect upon the bona fide commercial interests of the Vendor and/or other members of the Bass Group.

3. Consideration

3.1 Amount

The consideration for the sale and purchase of the Business Assets shall be the sum of £825,000,000 ("the Consideration") which shall be apportioned (subject to adjustment pursuant to the provisions of clause 7) between the Business Assets as follows:-

- (A) for the Current Assets the sum of £4,00,000;
- (B) for the Premises the sum of £78,500,000 (apportioned as shown in the third schedule);
- (C) for the Movable Fixed Assets the sum of £330,000,000;
- (D) for the Immovable Fixed Assets the sum of £36,000,000;
- (E) for the Goodwill the sum of £1;
- (F) for the Records the sum of £1;
- (G) for the benefit (subject to the burden) of the Contracts the sum of £1;
- (H) for the Third Party Rights the sum of £1;
- (I) for the Shares the sum of £500,000; and
- (J) for the Free Trade Loans the sum of £376,000,000.

3.2 Form of Payment

- (A) £600,000,000 of the Consideration shall be satisfied by the issue of the Consideration Shares credited as fully paid to the Vendor; and
- (B) £225,000,000 of the Consideration shall be satisfied by way of the making of the Loan by the Vendor to the Purchaser.

3.3 Timing of payment

The Consideration shall be satisfied in full on Completion and any adjustment thereto shall be satisfied in accordance with clause 7.1(H).

4. The Premises

The fourth schedule contains the provisions relating to the Premises.

5. Pensions

The Vendor and the Purchaser acknowledge that some or all of the Employees are members of one or more of the occupational pension schemes referred to below and that as the Purchaser is already an employer under those schemes there will not be any break in the pensionable service of the Employees when they become employees of the Purchaser at the Transfer. The schemes are the following:

- (A) Bass Employees' Security Plan;
- (B) Bass Executive Pension Plan;
- (C) Bass Executive Top-Up Scheme.

6. Completion

6.1 Time and place of Completion

Completion shall take place on 15th March 1996 at the registered office of the Purchaser (137 High Street, Burton-on-Trent, Staffordshire) immediately upon issue of the Completion Release.

6.2 Completion obligations

Upon Completion:-

- (A) The Vendor shall deliver or cause to be delivered to the Purchaser:-
 - (1) (at the Premises where the same are respectively currently located) the Records, the Current Assets and all documents of title relating thereto or in the case of any Records, Current Assets and documents of title thereto located otherwise than at the Premises, such location as shall have been agreed with the Vendor by the date of this Agreement;
 - (2) duly executed transfers of the Premises and the Immovable Fixed Assets situated thereon in agreed terms together with all title deeds and documents relating thereto and the licences of the Licensed Properties;

- (3) the Movable Fixed Assets and all documents of title relating thereto;
- (4) an assignment of Goodwill in agreed terms;
- (5) the Intellectual Property Licence in agreed terms;
- (6) assignments in agreed terms of such the Contracts and Third Party Rights as the Purchaser shall have notified to the Vendor prior to the date of this Agreement;
- (7) a certificate from the company secretary of Bass PLC in agreed terms relating to the Existing Finance Agreements;
- (8) duly executed stock transfer forms in favour of the Purchaser (or it may direct) in respect of the Shares together with the relative share certificates relating to such Shares evidencing the Vendor's ownership thereof;
- (9) a duly executed Loan Facility; and
- (10) a form of notice under seal in agreed terms terminating the Agency Agreement and giving the releases and confirmations referred to in clause 2.4.

(B) The Purchaser shall deliver to the Vendor:-

- (1) a counterpart notice under seal acknowledging and accepting termination of the Agency Agreement and giving the releases and confirmations referred to in clause 2.4;
- (2) a share certificate in the name of the Vendor in respect of the Consideration Shares;
- (3) a duly executed counterpart Loan Facility; and
- (4) a duly executed counterpart Intellectual Property Licence.

7. Adjustment of Consideration

7.1 Adjustment Accounts

- (A) The Purchaser shall as soon as practicable and in any event within [30] days after the Adjustment Accounts Date procure that the Adjustment Accounts shall be drawn up. The Vendor shall promptly supply all such information and provide access to all such records and personnel as the Purchaser shall reasonably require for such purpose.

14.4 Other Methods of process

The parties hereto irrevocably consent to any process in any proceedings anywhere being served in accordance with the provisions of this Agreement relating to the service of notices. Such service shall become effective 14 days after despatch. Nothing herein contained shall affect the right to serve process in any other manner permitted by law.

AS WITNESS the hands of the duly authorised representatives of the parties the day and year first above written.

SIGNED by *A.D. PORTNO.*

for and on behalf of

BASS HOLDINGS LIMITED

in the presence of:

T.W. MATTHEWS
20 North Haly St
London W1
SOLICITOR



SIGNED by

EDWARD HATCHLIFE

for and on behalf of

BASS BREWERS LIMITED

in the presence of:-

T.W. MATTHEWS
as above

