



Registration of a Charge

Company Name: **THE HARBOUR BREWING COMPANY LIMITED**

Company Number: **07741321**



Received for filing in Electronic Format on the: **29/11/2022**

XBHTNP23

Details of Charge

Date of creation: **25/11/2022**

Charge code: **0774 1321 0002**

Persons entitled: **F.H.ROWSE LIMITED**

Brief description: **1) THE WAREHOUSE UNIT WHICH FORMS PART OF TRETOIL FARM, BODMIN PL30 5BA OCCUPIED PURSUANT TO A LEASE MADE BETWEEN (1) F.H.ROWSE LIMITED AND (2) THE HARBOUR BREWING COMPANY LIMITED, DATED 6 SEPTEMBER 2018. 2) UNITS 1, 2 AND 3 AND THE CAR PARK AREA AT TREKILLICK FARM OCCUPIED PURSUANT TO A SUBLEASE BETWEEN (1) F.H.ROWSE LIMITED AND (2) THE HARBOUR BREWING COMPANY LIMITED (WITH A HEADLEASE MADE BETWEEN (1) COLIN JOHN DYER AND (2) F.H.ROWSE LIMITED)**

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 THE ELECTRONIC COPY INSTRUMENT DELIVERED
AS PART OF THIS APPLICATION FOR REGISTRATION IS A
CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **PENNINGTONS MANCHES COOPER**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 7741321

Charge code: 0774 1321 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 25th November 2022 and created by THE HARBOUR BREWING COMPANY LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 29th November 2022 .

Given at Companies House, Cardiff on 30th November 2022

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

DATED 25 November 2022

- (1) THE HARBOUR BREWING COMPANY LIMITED**
- (2) F.H.ROWSE LIMITED**

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THIS DEED is dated

25 November 2022

PARTIES

- (1) **THE HARBOUR BREWING COMPANY LIMITED** incorporated and registered in England and Wales with company number 07741321 whose registered office is at 4 St Mary's Arcade, Wallingford, Oxon, OX10 0EY (**Company**);
- (2) **F.H.ROWSE LIMITED** incorporated and registered in England and Wales with company number 00158243 whose registered office is at 4 St. Mary's Street, Wallingford, Oxon, England, OX10 0EY (**Chargee**).

BACKGROUND

- (A) The Chargee and the Company propose to enter into the Debt Waiver Deed, pursuant to which the Chargee agrees to waive and forever discharge the Shareholder Loan.
- (B) In consideration of the waiver of the Shareholder Loan, the Company has agreed to provide security to the Chargee for the Secured Liabilities.

AGREED TERMS

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

The following definitions apply in this Deed:

Administrator: an administrator appointed to manage the affairs, business and property of the Company pursuant to clause 8.8.

Book Debts: all present and future book and other debts, and monetary claims due or owing to the Company, and the benefit of all security, guarantees and other rights of any nature enjoyed or held by the Company in relation to any of them.

Business Day: a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.

Charged Property: any freehold, leasehold or commonhold property the subject of the security constituted by this Deed and references to "Charged Property" shall include references to the whole or any part of it.

Debt Waiver Deed: the debt waiver deed between the Company and the Chargee dated on or around the date of this Deed.

Delegate: any person appointed by the Chargee or any Receiver pursuant to clause 13 and any person appointed as attorney of the Chargee or any Receiver or Delegate.

Designated Account: any account of the Company nominated by the Chargee as a designated account for the purposes of this Deed.

Equipment: all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property owned by the Company or in which it has an interest, including any part of it and all spare parts, replacements, modifications and additions.

Event of Default: any of the following events:

- a) the Company fails to pay any of the Secured Liabilities when due, unless its failure to pay is caused solely by an administrative error or technical problem and payment is made within three Business Days of its due date;
- b) the Company fails (other than by failing to pay), to comply with any provision of this Deed (if the Chargee considers, acting reasonably, that the default is capable of remedy), such default is not remedied within 14 Business Days of the earlier of:
 - i. the Chargee notifying the Company of the default and the remedy required; and
 - ii. the Company becoming aware of the default;
- c) any representation, warranty or statement made, repeated or deemed made by the Company in, or pursuant to, this Deed is (or proves to have been) incomplete, untrue, incorrect or misleading in any material respect when made, repeated or deemed made;
- d) the Company stops or suspends payment of any of its debts, or is unable to, or admits its inability to, pay its debts as they fall due;
- e) a moratorium is declared in respect of any indebtedness of the Company;
- f) any action, proceedings, procedure or step is taken for:
 - i. the suspension of payments, a moratorium in respect of any indebtedness, winding up, dissolution, administration or reorganisation (using a voluntary arrangement, scheme of arrangement or otherwise) of the Company; or
 - ii. the composition, compromise, assignment or arrangement with any creditor; or
 - iii. the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Company or any of its assets; or
 - iv. the enforcement of any Security over any assets of the Company;
- g) the Company commences negotiations, or enters into any composition, compromise, assignment or arrangement, with one or more of its creditors with a view to rescheduling any of its indebtedness (because of actual or anticipated financial difficulties);
- h) any event occurs in relation to the Company similar to those in paragraph (e) to paragraph (g) (inclusive) of this definition under the laws of any applicable jurisdiction;
- i) a winding-up petition that is frivolous or vexatious and is discharged, stayed or dismissed within 14 days of commencement or, if earlier, the date on which it is advertised shall be excluded from paragraph (e) to paragraph (h) of this definition. The ending of any moratorium referred to in paragraph (e) of this definition shall not remedy any Event of Default caused by that moratorium;
- j) a distress, attachment, execution, expropriation, sequestration or another analogous legal process is levied, enforced or sued out on, or against, the Company's assets and is not discharged or stayed within 21 days;

- k) any provision of this Deed is or becomes, for any reason, invalid, unlawful, unenforceable, terminated, disputed or ceases to be effective or to have full force and effect;
- l) the Company repudiates or rescinds this Deed; or
- m) the Company suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a substantial part of its business.

Excluded Property: each leasehold property held by the Company under a lease that either precludes absolutely, or requires consent of a third party to, the creation of Security over the Company's leasehold interest in that property.

Financial Collateral: has the meaning given to that expression in the Financial Collateral Regulations.

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

Guarantee: the unlimited guarantee from the Chargee in favour of Barclays Bank UK plc in respect of the liabilities of the Company;

Insurance Policy: each contract and policy of insurance effected or maintained by the Company from time to time in respect of its assets or business (including, without limitation, any contract or policy of insurance relating to the Charged Properties or the Equipment).

Intellectual Property: the Company's present and future patents, utility models, rights to inventions, copyright and neighbouring and related rights, moral rights, trade marks and service marks, business names and domain names, rights in get-up and trade dress, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how and trade secrets) and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world.

Interest Rate: the percentage rate per annum determined by the Chargee to be the aggregate of (i) 2.75% and (ii) the Bank of England's Bank Rate as varied from time to time.

Investments: all certificated shares, stock, debentures, bonds or other securities or investments (whether or not marketable) from time to time legally or beneficially owned by or on behalf of the Company

LPA 1925: the Law of Property Act 1925.

Permitted Security: any Security arising under:

- (a) this Deed;
- (b) the debenture granted by the Company in favour of St Austell Brewery Company Limited (company number 00107021) dated on or around the date of this Deed;
- (c) any liens arising by operation of law and in the ordinary course of the Company's business and not as a result of any default or omission by the Company;

- (d) any normal title retention arrangements included in a supplier's standard conditions of supply of goods acquired by the Company in the ordinary course of trade;
- (e) any netting or set-off arrangement entered into by the Company in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances; and
- (f) Security created or outstanding with the Chargee's prior written consent.

Receiver: a receiver, receiver and manager or administrative receiver appointed by the Chargee under clause 11.

Secured Assets: all the assets, property and undertaking of the Company which are, or are expressed to be, subject to the Security created by, or pursuant to, this Deed (and references to the Secured Assets shall include references to any part of them).

Secured Liabilities: all present and future obligations and liabilities of the Company to the Chargee, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity, under or in connection with any claim or right of action (including, without limitation, any right to an indemnity) that the Chargee has against the Company in relation to the Guarantee (or any demand by Barclays Bank UK plc thereunder) or this deed (including, without limitation, under clause 15.2), together with all interest (including, without limitation, default interest) accruing in respect of those obligations or liabilities.

Security Financial Collateral Arrangement: has the meaning given to that expression in the Financial Collateral Regulations.

Security: any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect.

Security Period: the period starting on the date of this Deed and ending on the date on which the Chargee is satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding.

Shareholder Loan: the loan of £1,660,664.22 from the Chargee to the Company to be waived and forever discharged pursuant to the Debt Waiver Deed.

VAT: value added tax or any equivalent tax chargeable in the UK or elsewhere.

1.2 Interpretation

In this Deed:

- 1.2.1 clause, Schedule and paragraph headings shall not affect the interpretation of this Deed;
- 1.2.2 a **person** includes an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality);
- 1.2.3 unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- 1.2.4 unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;

- 1.2.5 a reference to a party shall include that party's successors, permitted assigns and permitted transferees and this Deed shall be binding on, and enure to the benefit of, the parties to this Deed and their respective successors, permitted assigns and permitted transferees;
- 1.2.6 a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- 1.2.7 a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- 1.2.8 a reference to **writing** or **written** includes fax and email;
- 1.2.9 an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- 1.2.10 a reference to **this Deed** (or any provision of it) or to any other agreement or document referred to in this Deed is a reference to this Deed, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this Deed) from time to time;
- 1.2.11 unless the context otherwise requires, a reference to a clause or Schedule is to a clause of, or Schedule to, this Deed and a reference to a paragraph is to a paragraph of the relevant Schedule;
- 1.2.12 any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;
- 1.2.13 a reference to an **amendment** includes a novation, supplement or variation (and **amend** and **amended** shall be construed accordingly);
- 1.2.14 a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- 1.2.15 a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration or resolution;
- 1.2.16 a reference to **continuing** in relation to an Event of Default means an Event of Default that has not been remedied or waived;
- 1.2.17 a reference to **determines** or **determined** means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it; and
- 1.2.18 a reference to a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation.

1.3 Clawback

If the Chargee considers that an amount paid by the Company in respect of the

Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of the Company or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed.

1.4 Nature of security over real property

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

- 1.4.1 all buildings and fixtures and fittings (including trade and tenant's fixtures and fittings) and fixed plant and machinery that are situated on or form part of that Charged Property at any time;
- 1.4.2 the proceeds of the sale of any part of that Charged Property and any other monies paid or payable in respect of or in connection with that Charged Property;
- 1.4.3 the benefit of any covenants for title given, or entered into, by any predecessor in title of the Company in respect of that Charged Property, and any monies paid or payable in respect of those covenants; and
- 1.4.4 all rights under any licence, agreement for sale or agreement for lease in respect of that Charged Property.

1.5 Nature of security over Investments

A reference in this Deed to any share, stock, debenture or other security or investment includes:

- 1.5.1 any dividend, interest or other distribution paid or payable in respect of that share, stock, debenture or other security or investment;
- 1.5.2 any right, money, shares or property accruing, offered or issued at any time in relation to that share, stock, debenture or other security or investment by way of redemption, substitution, exchange, conversion, bonus, preference or otherwise, under option rights or otherwise.

1.6 Schedules

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

2 COVENANT TO PAY

2.1 Covenant to pay

The Company shall, on demand, pay to the Chargee and discharge the Secured Liabilities when they become due.

3 GRANT OF SECURITY

3.1 Legal mortgage

As a continuing security for the payment and discharge of the Secured Liabilities and in consideration of the waiver of the Shareholder Loan by the Chargee pursuant to the

Debt Waiver Deed, the Company with full title guarantee charges to the Chargee, by way of a first legal mortgage, all estates or interests in any freehold, leasehold or commonhold property now owned by it, including the real property (if any) specified in Schedule 1.

3.2 Fixed charges

As a continuing security for the payment and discharge of the Secured Liabilities and in consideration of the waiver of the Shareholder Loan by the Chargee pursuant to the Debt Waiver Deed, the Company with full title guarantee charges to the Chargee by way of a first fixed charge:

- 3.2.1 all present and future estates or interests of the Company in, or over, any freehold, leasehold or commonhold property (other than any such property effectively mortgaged under clause 3.1);
- 3.2.2 the benefit of all other contracts, guarantees, appointments and warranties relating to each Charged Property and other documents to which the Company is a party or which are in its favour or of which it has the benefit relating to any letting, development, sale, purchase, use or the operation of any Charged Property or otherwise relating to any Charged Property (including, in each case, but without limitation, the right to demand and receive all monies whatever payable to or for its benefit under or arising from any of them, all remedies provided for in any of them or available at law or in equity in relation to any of them, the right to compel performance of any of them and all other rights, interests and benefits whatever accruing to or for its benefit arising from any of them);
- 3.2.3 all licences, consents and authorisations (statutory or otherwise) held or required in connection with its business or the use of any Secured Asset, and all rights in connection with them;
- 3.2.4 all its present and future goodwill;
- 3.2.5 all its uncalled capital;
- 3.2.6 all the Equipment;
- 3.2.7 all the Intellectual Property;
- 3.2.8 all the Book Debts;
- 3.2.9 all the Investments;
- 3.2.10 all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person (including each Designated Account), together with all other rights and benefits accruing to or arising in connection with each account (including, but not limited to, entitlements to interest); and
- 3.2.11 all its rights in respect of each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy, to the extent not effectively assigned under clause 3.3.

3.3 Assignment

As a continuing security for the payment and discharge of the Secured Liabilities and in consideration of the waiver of the Shareholder Loan by the Chargee pursuant to the Debt Waiver Deed, the Company with full title guarantee assigns to the Chargee absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy.

3.4 Floating charge

As a continuing security for the payment and discharge of the Secured Liabilities and in consideration of the waiver of the Shareholder Loan by the Chargee pursuant to the Debt Waiver Deed, the Company with full title guarantee charges to the Chargee, by way of first floating charge, all its undertaking, property, assets and rights not otherwise effectively mortgaged, charged or assigned under clause 3.1 to clause 3.3 inclusive.

3.5 Leasehold security restrictions

3.5.1 Subject to clause 3.5.2 to clause 3.5.4, the security created by clause 3.1 to clause 3.2 shall not apply to an Excluded Property until the Company obtains any relevant consent, or waiver of any prohibition, to the creation of security over that Excluded Property.

3.5.2 In relation to each Excluded Property, the Company undertakes to:

3.5.2.1 apply for the relevant consent or waiver of prohibition within five Business Days of the date of this Deed, and to use its best endeavours to obtain that consent or waiver as soon as possible;

3.5.2.2 keep the Chargee informed of its progress in obtaining that consent or waiver; and

3.5.2.3 immediately on receipt of the consent or waiver, provide the Chargee with a copy of that consent or waiver.

3.5.3 Immediately on receipt by the Company of the relevant consent or waiver, that Excluded Property shall become the subject of a mortgage or charge (as appropriate) pursuant to clause 3.1 to clause 3.2.

3.5.4 If required by the Chargee at any time following receipt of that consent or waiver, the Company shall, at its own cost, prepare and execute any further documents and take any further action the Chargee may require, in its absolute discretion, for perfecting its security over that Excluded Property.

3.6 Qualifying floating charge

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by clause 3.4.

3.7 Automatic crystallisation of floating charge

The floating charge created by clause 3.4 shall automatically and immediately (without

notice) convert into a fixed charge over the assets subject to that floating charge if:

3.7.1 the Company:

3.7.1.1 creates, or attempts to create, without the prior written consent of the Chargee, Security or a trust in favour of another person over all or any part of the Secured Assets (except as expressly permitted by the terms of this Deed); or

3.7.1.2 disposes, or attempts to dispose, of all or any part of the Secured Assets (other than Secured Assets that are only subject to the floating charge while it remains uncrystallised);

3.7.2 any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Secured Assets;

3.7.3 a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of the Company; or

3.7.4 an application is made to court, or an order is made, for the appointment of an administrator, or a notice of intention to appoint an administrator is given or an administrator is appointed

3.8 Crystallisation of floating charge by notice

Except as provided in clause 3.9, the Chargee may, in its sole discretion, by written notice to the Company, convert the floating charge created under this Deed into a fixed charge as regards any part of the Secured Assets specified by the Chargee in that notice if:

3.8.1 an Event of Default is continuing; or

3.8.2 the Chargee considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.

3.9 Part A1 moratorium

3.9.1 Subject to paragraph (b) below, the floating charge created by clause 3.4 may not be converted into a fixed charge solely by reason of obtaining a moratorium (or anything done with a view to obtaining a moratorium) under Part A1 of the Insolvency Act 1986.

3.9.2 Paragraph (a) above does not apply to any floating charge referred to in section A52(4) of Part A1 of the Insolvency Act 1986.

3.10 Assets acquired after any floating charge has crystallised

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

4 LIABILITY OF THE COMPANY

4.1 Liability not discharged

The Company's liability under this Deed in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by:

- 4.1.1 any security, guarantee, indemnity, remedy or other right held by, or available to, the Chargee that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;
- 4.1.2 the Chargee renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person; or
- 4.1.3 any other act or omission that, but for this clause 4.1, might have discharged, or otherwise prejudiced or affected, the liability of the Company.

4.2 Immediate recourse

The Company waives any right it may have to require the Chargee to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this Deed against the Company.

5 GENERAL COVENANTS

5.1 Negative pledge and disposal restrictions

The Company shall not at any time, except with the prior written consent of the Chargee:

- 5.1.1 create, purport to create or permit to subsist any Security on, or in relation to, any Secured Asset other than any Permitted Security;
- 5.1.2 sell, assign, transfer, part with possession of, or otherwise dispose of in any manner (or purport to do so), all or any part of, or any interest in, the Secured Assets (except, in the ordinary course of business, Secured Assets that are only subject to an uncrystallised floating charge or any assets exchanged for other assets comparable or superior as to type, value and quality); or
- 5.1.3 create or grant (or purport to create or grant) any interest in the Secured Assets in favour of a third party other than pursuant to any Permitted Security.

5.2 Preservation of Secured Assets

The Company shall not do, or permit to be done, any act or thing that would or might depreciate, jeopardise or otherwise prejudice the security held by the Chargee, or materially diminish the value of any of the Secured Assets or the effectiveness of the security created by this Deed.

5.3 Compliance with laws and regulations

- 5.3.1 The Company shall not, without the Chargee's prior written consent, use or

permit the Secured Assets to be used in any way contrary to law.

5.3.2 The Company shall:

- 5.3.2.1 comply with the requirements of any law or regulation relating to or affecting the Secured Assets or the use of it or any part of them;
- 5.3.2.2 obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Secured Assets or their use or that are necessary to preserve, maintain or renew any Secured Asset; and
- 5.3.2.3 promptly effect any maintenance, modifications, alterations or repairs that are required by any law or regulation to be effected on or in connection with the Secured Assets.

5.4 Notification of default

- 5.4.1 The Company shall notify the Chargee of any Event of Default or any event or circumstance which would, on the giving of notice, expiry of any grace period, making of any determination under this deed or any document under which the Company owes obligations to the Chargee or satisfaction of any other condition (or any combination thereof), become an Event of Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.
- 5.4.2 The Company shall, promptly on request by the Chargee, supply a certificate signed by a director or senior officer on its behalf certifying that no Event of Default is continuing (or, if an Event of Default is continuing, specifying the Event of Default and the steps, if any, being taken to remedy it).

5.5 Authorisations

The Company shall promptly obtain all consents and authorisations under any law or regulation (and do all that is needed to maintain them in full force and effect) to enable it to perform its obligations under this deed and to ensure the legality, validity, enforceability and admissibility in evidence of this deed in its jurisdiction of incorporation.

5.6 Compliance with law

The Company shall comply in all respects with all laws to which it may be subject, if failure to do so would materially impair its ability to perform its obligations under this deed.

5.7 Change of business

The Company shall not make any substantial change to the general nature or scope of its business as carried on at the date of this deed.

5.8 Title documents

The Company shall, as so required by the Chargee, deposit with the Chargee and the

Chargee shall, for the duration of this Deed be entitled to hold:

- 5.8.1 all deeds and documents of title relating to the Secured Assets that are in the possession or control of the Company (and if they are not within the possession or control of the Company, the Company undertakes to obtain possession of all those deeds and documents of title); and
- 5.8.2 all Insurance Policies and any other insurance policies relating to any of the Secured Assets that the Company is entitled to possess;
- 5.8.3 all deeds and documents of title (if any) relating to the Book Debts as the Chargee may specify from time to time.

5.9 Insurance

- 5.9.1 The Company shall insure and keep insured (or where, in the case of any leasehold property, insurance is the responsibility of the landlord under the terms of the lease, either procure that the landlord insures and keeps insured or, if and to the extent that the landlord does not do so, itself insure and keep insured) the Secured Assets against:
 - 5.9.1.1 loss or damage by fire or terrorist acts, including any third party liability arising from such acts;
 - 5.9.1.2 other risks, perils and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business as the Company; and
 - 5.9.1.3 any other risk, perils and contingencies as the Chargee may reasonably require.

5.10 Payment of outgoings

The Company shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Secured Assets and, on demand, produce evidence of payment to the Chargee.

6 PROPERTY COVENANTS

6.1 Repair and maintenance

The Company shall keep all premises and fixtures and fittings on each Charged Property:

- 6.1.1 in good and substantial repair and condition and shall keep all premises adequately and properly painted and decorated and replace any fixtures and fittings which have become worn out or otherwise unfit for use with others of a like nature and equal value; and
- 6.1.2 in such repair and condition as to enable each Charged Property to be let in accordance with all applicable laws and regulations.

6.2 No alterations

The Company shall not, without the prior written consent of the Chargee:

- 6.2.1 pull down or remove the whole, or any part of, any building forming part of any Charged Property or permit the same to occur;
- 6.2.2 make or permit to be made any material alterations to any Charged Property, or sever or remove or permit to be severed or removed, any of its fixtures or fittings (except to make any necessary repairs or renew or replace the same in accordance with clause 6.1); or
- 6.2.3 remove or make any material alterations to any of the Equipment belonging to, or in use by, the Company on any Charged Property (except to effect necessary repairs or replace them with new or improved models or substitutes).

6.3 Conduct of business on Charged Properties

The Company shall carry on its trade and business on those parts (if any) of the Charged Properties as are used for the purposes of trade or business in accordance with the standards of good management from time to time current in that trade or business.

6.4 Compliance with and enforcement of covenants

The Company shall:

- 6.4.1 observe and perform all covenants, stipulations and conditions to which each Charged Property, or the use of it, is or may be subject, and (if the Chargee so requires) produce to the Chargee evidence sufficient to satisfy the Chargee that those covenants, stipulations and conditions have been observed and performed; and
- 6.4.2 diligently enforce all covenants, stipulations and conditions benefiting each Charged Property and shall not (and shall not agree to) waive, release or vary any of the same.

6.5 Payment of rent and outgoings

The Company shall:

- 6.5.1 where a Charged Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time; and
- 6.5.2 pay (or procure payment of the same) when due all charges, rates, taxes, duties, assessments and other outgoings relating to or imposed on each Charged Property or on its occupier.

6.6 Leases and licences affecting the Charged Properties

The Company shall not, without the prior written consent of the Chargee (which consent, in the case of clause 6.6.4, is not to be unreasonably withheld or delayed in circumstances in which the Company may not unreasonably withhold or delay its consent):

- 6.6.1 grant any licence or tenancy affecting the whole or any part of any Charged Property, or exercise the statutory powers of leasing or of accepting

surrenders under sections 99 or 100 of the LPA 1925 (or agree to grant any such licence or tenancy, or agree to exercise the statutory powers of leasing or of accepting surrenders under section 99 or section 100 of the LPA 1925);

- 6.6.2 in any other way dispose of, accept the surrender of, surrender or create any legal or equitable estate or interest in the whole or any part of any Charged Property (or agree to dispose of, accept the surrender of, surrender or create any legal or equitable estate or interest in the whole or any part of any Charged Property);
- 6.6.3 let any person into occupation of or share occupation of the whole or any part of any Charged Property; or
- 6.6.4 grant any consent or licence under any lease or licence affecting any Charged Property.

6.7 Registration of legal mortgage at the Land Registry

The Company consents to an application being made by the Chargee to the Land Registrar for the following restriction in Form P to be registered against its title to each Charged Property over which the Chargee has a legal mortgage:

"No disposition of the registered estate by the proprietor of the registered estate, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated _____ in favour of F.H.Rowse Limited referred to in the charges register or their conveyancer."

7 EQUIPMENT COVENANTS

7.1 Maintenance of Equipment

The Company shall:

- 7.1.1 maintain the Equipment in good and serviceable condition (except for expected fair wear and tear) in compliance with all relevant manuals, handbooks, manufacturer's instructions and recommendations and maintenance or servicing schedules;
- 7.1.2 at its own expense, renew and replace any parts of the Equipment when they become obsolete, worn out or damaged with parts of a similar quality and of equal or greater value; and
- 7.1.3 not permit any Equipment to be:
 - 7.1.3.1 used or handled other than by properly qualified and trained persons; or
 - 7.1.3.2 overloaded or used for any purpose for which it is not designed or reasonably suitable.

7.2 Payment of Equipment taxes

The Company shall promptly pay all taxes, fees, licence duties, registration charges,

insurance premiums and other outgoings in respect of the Equipment and, on demand, produce evidence of such payment to the Chargee.

7.3 Notice of charge

7.3.1 The Company shall, if so requested by the Chargee, affix to and maintain on each item of Equipment in a conspicuous place, a clearly legible identification plate containing the following wording:

"NOTICE OF CHARGE

This [DESCRIBE ITEM] and all additions to it and ancillary equipment are subject to a fixed charge dated _____ in favour of F.H.Rowse Limited."

7.3.2 The Company shall not, and shall not permit any person to, conceal, obscure, alter or remove any plate affixed in accordance with clause 7.3.1.

8 POWERS OF THE CHARGEES

8.1 Power to remedy

8.1.1 The Chargee shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Company of any of its obligations contained in this Deed.

8.1.2 The Company irrevocably authorises the Chargee and its agents to do all things that are necessary or desirable for that purpose.

8.1.3 The Company shall reimburse the Chargee, on a full indemnity basis, for any monies the Chargee expends in remedying a breach by the Company of its obligations contained in this Deed, and such monies shall carry interest in accordance with clause 15.1.

8.2 Exercise of rights

8.2.1 The rights of the Chargee under clause 8.1 are without prejudice to any other rights of the Chargee under this Deed.

8.2.2 The exercise of any rights of the Chargee under this Deed shall not make the Chargee liable to account as a mortgagee in possession.

8.3 Power to dispose of chattels

8.3.1 At any time after the security constituted by this Deed has become enforceable, the Chargee or any Receiver may, as agent for the Company, dispose of any chattels or produce found on any Charged Property.

8.3.2 Without prejudice to any obligation to account for the proceeds of any disposal made under clause 8.3.1, the Company shall indemnify the Chargee and any Receiver against any liability arising from any disposal made under clause 8.3.1.

8.4 Chargee has Receiver's powers

To the extent permitted by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may, after the security constituted by this Deed has become enforceable, be exercised by the Chargee in relation to any of the Secured Assets whether or not it has taken possession of any Secured Assets and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

8.5 Conversion of currency

8.5.1 For the purpose of, or pending the discharge of, any of the Secured Liabilities, the Chargee may convert any monies received, recovered or realised by it under this Deed (including the proceeds of any previous conversion under this clause 8.5) from their existing currencies of denomination into any other currencies of denomination that the Chargee may think fit.

8.5.2 Any such conversion shall be effected at Barclays Bank PLC's then prevailing spot selling rate of exchange for such other currency against the existing currency.

8.5.3 Each reference in this clause 8.5 to a currency extends to funds of that currency and, for the avoidance of doubt, funds of one currency may be converted into different funds of the same currency.

8.6 New accounts

8.6.1 If the Chargee receives, or is deemed to have received, notice of any subsequent Security, or other interest, affecting all or part of the Secured Assets, the Chargee may open a new account for the Company in the Chargee's books. Without prejudice to the Chargee's right to combine accounts, no money paid to the credit of the Company in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Liabilities.

8.6.2 If the Chargee does not open a new account immediately on receipt of the notice, or deemed notice, under clause 8.6.1, then, unless the Chargee gives express written notice to the contrary to the Company, all payments made by the Company to the Chargee shall be treated as having been credited to a new account of the Company and not as having been applied in reduction of the Secured Liabilities, as from the time of receipt or deemed receipt of the relevant notice by the Chargee.

8.7 Indulgence

The Chargee may, at its discretion, grant time or other indulgence, or make any other arrangement, variation or release with any person not being a party to this Deed (whether or not any such person is jointly liable with the Company) in respect of any of the Secured Liabilities, or of any other security for them without prejudice either to this Deed or to the liability of the Company for the Secured Liabilities.

8.8 Appointment of an Administrator

- 8.8.1 The Chargee may, without notice to the Company, appoint any one or more persons to be an Administrator of the Company pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986 if the security constituted by this Deed becomes enforceable.
- 8.8.2 Any appointment under this clause 8.8 shall:
- 8.8.2.1 be in writing signed by a duly authorised signatory of the Chargee; and
 - 8.8.2.2 take effect in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986.
- 8.8.3 The Chargee may apply to the court for an order removing an Administrator from office and may by notice in writing in accordance with this clause 8.8 appoint a replacement for any Administrator who has died, resigned, been removed or who has vacated office upon ceasing to be qualified.

8.9 Further advances

The Chargee covenants with the Company that it shall perform its obligations to make advances (including any obligation to make available further advances).

9 WHEN SECURITY BECOMES ENFORCEABLE

9.1 Security becomes enforceable on Event of Default

The security constituted by this Deed shall become immediately enforceable if an Event of Default occurs and is continuing.

9.2 Discretion

After the security constituted by this Deed has become enforceable, the Chargee may, in its absolute discretion, enforce all or any part of that security at the times, in the manner and on the terms it thinks fit, and take possession of and hold or dispose of all or any part of the Secured Assets.

10 ENFORCEMENT OF SECURITY

10.1 General

- 10.1.1 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.
- 10.1.2 The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this Deed) shall be immediately exercisable at any time after the security constituted by this Deed has become enforceable under clause 9.1.
- 10.1.3 Section 103 of the LPA 1925 does not apply to the security constituted by this Deed.

10.2 Extension of statutory powers of leasing

The statutory powers of leasing and accepting surrenders conferred on mortgagees under the LPA 1925 and by any other statute are extended so as to authorise the Chargee and any Receiver, at any time after the security constituted by this Deed has become enforceable, whether in its own name or in that of the Company, to:

- 10.2.1 grant a lease or agreement for lease;
- 10.2.2 accept surrenders of leases; or
- 10.2.3 grant any option in respect of the whole or any part of the Secured Assets with whatever rights relating to other parts of it,

whether or not at a premium and containing such covenants on the part of the Company, and on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) as the Chargee or Receiver thinks fit without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925.

10.3 Access on enforcement

- 10.3.1 At any time after the Chargee has demanded payment of the Secured Liabilities or if the Company defaults in the performance of its obligations under this Deed, the Company will allow the Chargee or its Receiver, without further notice or demand, immediately to exercise all its rights, powers and remedies in particular (and without limitation) to take possession of any Secured Asset and for that purpose to enter on any premises where a Secured Asset is situated (or where the Chargee or a Receiver reasonably believes a Secured Asset to be situated) without incurring any liability to the Company for, or by any reason of, that entry.
- 10.3.2 At all times, the Company must use its best endeavours to allow the Chargee or its Receiver access to any premises for the purpose of clause 10.3.1 (including obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same.

10.4 Redemption of prior Security

- 10.4.1 At any time after the security constituted by this Deed has become enforceable, or after any powers conferred by any Security having priority to this Deed shall have become exercisable, the Chargee may:
 - 10.4.1.1 redeem any prior Security over any Secured Asset;
 - 10.4.1.2 procure the transfer of that Security to itself; and
 - 10.4.1.3 settle and pass the accounts of the holder of any prior Security (and any accounts so settled and passed shall, in the absence of any manifest error, be conclusive and binding on the Company).
- 10.4.2 The Company shall pay to the Chargee immediately on demand all principal, interest, costs, charges and expenses of, and incidental to, any such redemption or transfer, and such amounts shall be secured by this Deed as

part of the Secured Liabilities.

10.5 Protection of third parties

No purchaser, mortgagee or other person dealing with the Chargee, any Receiver or any Delegate shall be concerned to enquire:

- 10.5.1 whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;
- 10.5.2 whether any power the Chargee, a Receiver or Delegate is purporting to exercise has become exercisable or is being properly exercised; or
- 10.5.3 how any money paid to the Chargee, any Receiver or any Delegate is to be applied.

10.6 Privileges

Each Receiver and the Chargee is entitled to all the rights, powers, privileges and immunities conferred by the LPA 1925 on mortgagees and receivers.

10.7 Exclusion of liability

Neither the Chargee, nor any Receiver or Delegate, shall be liable to the Company or any other person:

- 10.7.1 (by reason of entering into possession of a Secured Asset, or for any other reason) to account as mortgagee in possession in respect of all or any of the Secured Assets;
- 10.7.2 for any loss on realisation, or for any act, default or omission for which a mortgagee in possession might be liable; or
- 10.7.3 for any expense, loss or liability:
 - 10.7.3.1 relating to the enforcement of, or any failure to enforce or delay in enforcing, any security constituted by or pursuant to this Deed;
 - 10.7.3.2 relating to an exercise of rights, or by any failure to exercise or delay in exercising, rights under this Deed; or
 - 10.7.3.3 arising in any other way in connection with this Deed,

except that this does not exempt the Chargee or any Receiver or Delegate from liability for losses caused by the gross negligence, fraud or wilful misconduct of the Chargee or the relevant Receiver or Delegate.

10.8 Conclusive discharge to purchasers

The receipt of the Chargee, or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Secured Assets or in making any acquisition in the exercise of their respective powers, the Chargee, and every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it thinks fit.

10.9 Right of appropriation

10.9.1 To the extent that:

10.9.1.1 the Secured Assets constitute Financial Collateral; and

10.9.1.2 this Deed and the obligations of the Company under it constitute a Security Financial Collateral Arrangement,

the Chargee shall have the right, at any time after the security constituted by this Deed has become enforceable, to appropriate all or any of those Secured Assets in or towards the payment or discharge of the Secured Liabilities in any order that the Chargee may, in its absolute discretion, determine.

10.9.2 The value of any Secured Assets appropriated in accordance with this clause shall be:

10.9.2.1 in the case of cash, the amount standing to the credit of each of the Company's accounts with any bank, financial institution or other person, together with any accrued but unpaid interest, at the time the right of appropriation is exercised; and

10.9.2.2 in the case of Investments, the market price of those Investments at the time the right of appropriation is exercised determined by the Chargee by reference to a recognised market index or by any other method that the Chargee may select (including independent valuation).

10.9.3 The Company agrees that the methods of valuation provided for in this clause are commercially reasonable for the purposes of the Financial Collateral Regulations.

11 RECEIVER

11.1 Appointment

11.1.1 At any time after the security constituted by this Deed has become enforceable, or at the request of the Company, the Chargee may, without further notice, appoint by way of deed, or otherwise in writing, any one or more persons to be a Receiver of all or any part of the Secured Assets.

11.1.2 The Chargee may not appoint a Receiver solely as a result of the obtaining of a moratorium (or as a result of anything done with a view to obtaining a moratorium) under Part A1 of the Insolvency Act 1986 other than in respect of a floating charge referred to in section A52(4) of Part A1 of the Insolvency Act 1986.

11.2 Removal

The Chargee may, without further notice (subject to section 45 of the Insolvency Act 1986 in the case of an administrative receiver), from time to time, by way of deed, or otherwise in writing, remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for

any reason have terminated.

11.3 Remuneration

The Chargee may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA 1925, and the remuneration of the Receiver shall be a debt secured by this Deed, to the extent not otherwise discharged.

11.4 Power of appointment additional to statutory powers

The power to appoint a Receiver conferred by this Deed shall be in addition to all statutory and other powers of the Chargee under the Insolvency Act 1986, the LPA 1925 or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925 or otherwise.

11.5 Power of appointment exercisable despite prior appointments

The power to appoint a Receiver (whether conferred by this Deed or by statute) shall be, and remain, exercisable by the Chargee despite any prior appointment in respect of all or any part of the Secured Assets.

11.6 Agent of the Company

Any Receiver appointed by the Chargee under this Deed shall be the agent of the Company and the Company shall be solely responsible for the contracts, engagements, acts, omissions, defaults, losses and remuneration of that Receiver and for liabilities incurred by that Receiver. The agency of each Receiver shall continue until the Company goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Chargee.

12 POWERS OF RECEIVER

12.1 General

12.1.1 Any Receiver appointed by the Chargee under this Deed shall, in addition to the powers conferred on it by statute, have the rights, powers and discretions set out in clause 12.2 to clause 12.23.

12.1.2 A Receiver has all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the LPA 1925, and shall have those rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986 whether it is an administrative receiver or not.

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

12.1.4 Any exercise by a Receiver of any of the powers given by clause 12 may be on behalf of the Company, the directors of the Company (in the case of the power contained in clause 12.16) or itself.

12.2 Repair and develop Charged Properties

A Receiver may undertake or complete any works of repair, alteration, building or development on the Charged Properties and may apply for and maintain any planning permission, development consent, building regulation approval or any other permission, consent or licence to carry out any of the same.

12.3 Grant or accept surrenders of leases

A Receiver may grant, or accept, surrenders of any leases or tenancies affecting any Secured Asset on any terms, and subject to any conditions, that it thinks fit.

12.4 Employ personnel and advisers

12.4.1 A Receiver may provide services and employ or engage any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms, and subject to any conditions, that it thinks fit.

12.4.2 A Receiver may discharge any such person or any such person appointed by the Company.

12.5 Make and revoke VAT options to tax

A Receiver may make, exercise or revoke any VAT option to tax as it thinks fit.

12.6 Remuneration

A Receiver may charge and receive any sum by way of remuneration (in addition to all costs, charges and expenses incurred by it) that the Chargee may prescribe or agree with it.

12.7 Possession

A Receiver may take immediate possession of, get in and realise any Secured Asset.

12.8 Manage or reconstruct the Company's business

A Receiver may carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Company.

12.9 Dispose of Secured Assets

A Receiver may sell, exchange, convert into money and realise all or any of the Secured Assets in respect of which it is appointed in any manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions as it thinks fit. Any sale may be for any consideration that the Receiver thinks fit and a Receiver may promote, or concur in promoting, a company to purchase the Secured Assets to be sold.

12.10 Sever fixtures and fittings

A Receiver may sever and sell separately any fixtures or fittings from any Charged Property without the consent of the Company.

12.11 Sell Book Debts

A Receiver may sell and assign all or any of the Book Debts in respect of which it is appointed in any manner, and generally on any terms and conditions, that it thinks fit.

12.12 Valid receipts

A Receiver may give a valid receipt for all monies and execute all assurances and things that may be proper or desirable for realising any of the Secured Assets.

12.13 Make settlements

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

12.14 Legal action

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Secured Assets as it thinks fit.

12.15 Improve the Equipment

A Receiver may make substitutions of, or improvements to, the Equipment as it may think expedient.

12.16 Make calls on Company members

A Receiver may make calls conditionally or unconditionally on the members of the Company in respect of uncalled capital with (for that purpose and for the purpose of enforcing payments of any calls so made) the same powers as are conferred by the articles of association of the Company on its directors in respect of calls authorised to be made by them.

12.17 Insure

A Receiver may, if it thinks fit, but without prejudice to the indemnity in clause 15, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by the Company under this Deed.

12.18 Subsidiaries

A Receiver may form a subsidiary of the Company and transfer to that subsidiary any Secured Asset.

12.19 Borrow

A Receiver may, for whatever purpose it thinks fit, raise and borrow money either unsecured or on the security of all or any of the Secured Assets in respect of which it is appointed on any terms that it thinks fit (including, if the Chargee consents, terms under which that security ranks in priority to this Deed).

12.20 Redeem prior Security

A Receiver may redeem any prior Security and settle and pass the accounts to which

the Security relates. Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Company, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver.

12.21 Delegation

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

12.22 Absolute beneficial owner

A Receiver may, in relation to any of the Secured Assets, exercise all powers, authorisations and rights it would be capable of exercising as, and do all those acts and things, an absolute beneficial owner could exercise or do, in the ownership and management of the Secured Assets or any part of the Secured Assets.

12.23 Incidental powers

A Receiver may do any other acts and things that it:

12.23.1 may consider desirable or necessary for realising any of the Secured Assets;

12.23.2 may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this Deed or law; or

12.23.3 lawfully may or can do as agent for the Company.

13 DELEGATION

13.1 Delegation

The Chargee or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this Deed (including the power of attorney granted under clause 17.1).

13.2 Terms

The Chargee and each Receiver may make a delegation on the terms and conditions (including the power to sub-delegate) that it thinks fit.

13.3 Liability

Neither the Chargee nor any Receiver shall be in any way liable or responsible to the Company for any loss or liability of any nature arising from any act, default, omission or misconduct on the part of any Delegate.

14 APPLICATION OF PROCEEDS

14.1 Order of application of proceeds

All monies received or recovered by the Chargee, a Receiver or a Delegate under this Deed or in connection with the realisation or enforcement of all or part of the security constituted by this Deed (other than sums received under any Insurance Policy), shall (subject to the claims of any person having prior rights and by way of variation of the LPA 1925) be applied in the following order of priority (but without prejudice to the

Chargee's right to recover any shortfall from the Company):

- 14.1.1 in or towards payment of all costs, liabilities, charges and expenses incurred by or on behalf of the Chargee (and any Receiver, Delegate, attorney or agent appointed by it) under or in connection with this Deed, and of all remuneration due to any Receiver under or in connection with this Deed;
- 14.1.2 in or towards payment of the Secured Liabilities in any order and manner that the Chargee determines; and
- 14.1.3 in payment of the surplus (if any) to the Company or other person entitled to it.

14.2 Appropriation

Neither the Chargee, any Receiver nor any Delegate shall be bound (whether by virtue of section 109(8) of the LPA 1925, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Liabilities.

14.3 Suspense account

All monies received by the Chargee, a Receiver or a Delegate under this Deed (other than sums received under any Insurance Policy that are not going to be applied in or towards discharge of the Secured Liabilities):

- 14.3.1 may, at the discretion of the Chargee, Receiver or Delegate, be credited to a suspense account;
- 14.3.2 shall bear interest, if any, at the rate agreed in writing between the Chargee and the Company; and
- 14.3.3 may be held in that account for so long as the Chargee, Receiver or Delegate thinks fit.

15 COSTS AND INDEMNITY

15.1 Costs

The Company shall, promptly on demand, pay to, or reimburse, the Chargee and any Receiver, on a full indemnity basis, all costs, charges, expenses, taxes and liabilities of any kind (including, without limitation, legal, printing and out-of-pocket expenses) incurred by the Chargee, any Receiver or any Delegate in connection with:

- 15.1.1 the Secured Assets;
- 15.1.2 enforcing (or attempting to do so) any of the Chargee's, a Receiver's or a Delegate's rights under this Deed;
- 15.1.3 any release of any security constituted by this Deed; or
- 15.1.4 taking proceedings for, or recovering, any of the Secured Liabilities,

together with interest, which shall accrue and be payable (without the need for any demand for payment being made) from the date on which the relevant cost, charge,

expense, tax or liability arose until full discharge of that cost, charge, expense, tax or liability (whether before or after judgment) at the Interest Rate.

15.2 Indemnity

15.2.1 The Company shall, promptly on demand, indemnify the Chargee, each Receiver and each Delegate, and their respective employees and agents against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by any of them arising out of or in connection with:

15.2.1.1 the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this Deed or by law in respect of the Secured Assets;

15.2.1.2 releasing or enforcing (or attempting to do so) the security constituted by this Deed; or

15.2.1.3 any default or delay by the Company in performing any of its obligations under this Deed.

15.2.2 Any past or present employee or agent may enforce the terms of this clause 15.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

15.2.3 The Company hereby irrevocably and unconditionally indemnifies the Chargee on demand against all liabilities, costs, expenses, damages and losses suffered or incurred by the Chargee arising from or in connection with the Guarantee.

16 FURTHER ASSURANCE

16.1 Further assurance

The Company shall promptly, at its own expense, take whatever action the Chargee or any Receiver may reasonably require for:

16.2 creating, perfecting or protecting the security created or intended to be created by this Deed;

16.3 facilitating the realisation of any Secured Asset; or

16.4 facilitating the exercise of any right, power, authority or discretion exercisable by the Chargee or any Receiver in respect of any Secured Asset,

including, without limitation the execution of any mortgage, transfer, conveyance, assignment or assurance of all or any of the assets forming part of (or intended to form part of) the Secured Assets (whether to the Chargee or to its nominee) and the giving of any notice, order or direction and the making of any filing or registration which, in any such case, the Chargee may consider necessary or desirable.

17 POWER OF ATTORNEY

17.1 Appointment of attorneys

By way of security, the Company irrevocably appoints the Chargee, every Receiver and every Delegate separately to be the attorney of the Company and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things that:

17.1.1 the Company is required to execute and do under this Deed; or

17.1.2 any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this Deed or by law on the Chargee, any Receiver or any Delegate.

17.2 Ratification of acts of attorneys

The Company ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities and discretions referred to in clause 17.1.

18 RELEASE

Subject to clause 25.3, at the end of the Security Period, the Chargee shall, at the request and cost of the Company, take whatever action is necessary to:

18.1 release the Secured Assets from the security constituted by this Deed; and

18.2 reassign the Secured Assets to the Company.

19 ASSIGNMENT AND TRANSFER

19.1 No party may assign any of its rights or transfer any of its rights or obligations under this Deed or enter into any transaction which would result in any of those rights or obligations passing to another person unless the other party has given its prior written consent.

20 SET-OFF

20.1 Chargee's right of set-off

The Chargee may at any time set off any liability of the Company to the Chargee against any liability of the Chargee to the Company, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this Deed. If the liabilities to be set off are expressed in different currencies, the Chargee may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Chargee of its rights under this clause 20 shall not limit or affect any other rights or remedies available to it under this Deed or otherwise.

20.2 No obligation to set off

The Chargee is not obliged to exercise its rights under clause 20.1. If it does exercise those rights it must promptly notify the Company of the set-off that has been made.

20.3 Exclusion of Company's right of set-off

All payments made by the Company to the Chargee under this Deed shall be made in full without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).

21 AMENDMENTS, WAIVERS AND CONSENTS

21.1 Amendments

No amendment of this Deed shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative).

21.2 Waivers and consents

21.2.1 A waiver of any right or remedy under this Deed or by law, or any consent given under this Deed, is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any subsequent right or remedy. It only applies to the circumstances in relation to which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.

21.2.2 A failure by the Chargee to exercise, or delay by it in exercising any right or remedy provided under this Deed or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this Deed. No single or partial exercise of any right or remedy provided under this Deed or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this Deed by the Chargee shall be effective unless it is in writing.

21.3 Rights and remedies

The rights and remedies provided under this Deed are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.

22 PARTIAL INVALIDITY

22.1 Partial invalidity

If, at any time, any provision of this Deed is or becomes invalid, illegal or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

23 COUNTERPARTS

23.1 Counterparts

23.2 This Deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one deed.

23.3 Transmission of an executed counterpart of this Deed (but for the avoidance of doubt not just a signature page) by fax or email (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this Deed. If either method of delivery is adopted, without prejudice to the validity of the deed thus made, each party shall provide the others with the original of such counterpart as soon as reasonably possible thereafter.

23.4 No counterpart shall be effective until each party has executed and delivered at least one counterpart.

24 THIRD PARTY RIGHTS

24.1 Third party rights

24.2 Except as expressly provided elsewhere in this Deed, a person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this Deed.

24.3 Notwithstanding any term of this Deed, the consent of any person who is not a party to this Deed is not required to rescind or vary this Deed at any time.

25 FURTHER PROVISIONS

25.1 Independent security

The security constituted by this Deed shall be in addition to, and independent of, any other security or guarantee that the Chargee may hold for any of the Secured Liabilities at any time. No prior security held by the Chargee over the whole or any part of the Secured Assets shall merge in the security created by this Deed.

25.2 Continuing security

The security constituted by this Deed shall remain in full force and effect as a continuing security for the Secured Liabilities, despite any settlement of account, or intermediate payment, or other matter or thing, unless and until the Chargee discharges this Deed in writing.

25.3 Discharge conditional

Any release, discharge or settlement between the Company and the Chargee shall be conditional on no payment or security received by the Chargee in respect of the Secured Liabilities being avoided, reduced, set aside or ordered to be refunded under any law relating to insolvency, bankruptcy, winding-up, administration, receivership or for any other reason. Despite any such release, discharge or settlement:

25.3.1 the Chargee or its nominee may retain this Deed and the security created by or under it, including all certificates and documents relating to the whole or any part of the Secured Assets, for any period that the Chargee deems necessary to provide the Chargee with security against any such avoidance, reduction or order for refund; and

25.3.2 the Chargee may recover the value or amount of such security or payment from the Company subsequently as if the release, discharge or settlement had not occurred.

25.4 Certificates

Any certification or determination by the Chargee of any rate or amount under this Deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

25.5 Consolidation

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

26 NOTICES

26.1 Delivery

Any notice or other communication given to a party under or in connection with this Deed shall be:

26.1.1 in writing;

26.1.2 delivered by hand, by pre-paid first-class post or other next working day delivery service or sent by email; and

26.1.3 sent to:

26.1.3.1 the Company at:

4 St Mary's Arcade, Wallingford, Oxon, OX10 0EY

Email: Ed@camelsback.co.uk and phillipa@camelsback.co.uk

Attention: Ed Cooke and Phillipa Daw

26.1.3.2 the Chargee at:

4 St. Mary's Street, Wallingford, Oxon, OX10 0EY

Email: Richard@pettitsofwallingford.co.uk

Attention: Rick Rowse

or to any other address or email address as is notified in writing by one party to the other from time to time.

26.2 Receipt

Any notice or other communication that a party gives gives to the other shall be deemed to have been received:

26.2.1 if delivered by hand, at the time it is left at the relevant address;

26.2.2 if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting; and

26.2.3 if sent by email, at the time of transmission.

A notice or other communication given as described in clause 26.2.1 or clause 26.2.3 on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

26.3 Service of proceedings

This clause 26 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

27 GOVERNING LAW AND JURISDICTION

27.1 Governing law

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

27.2 Jurisdiction

Each party irrevocably agrees that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this Deed or its subject matter or formation. Nothing in this clause shall limit the right of the Chargee to take proceedings against the Company in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

27.3 Other service

The Company irrevocably consents to any process in any legal action or proceedings under clause 27.2 being served on it in accordance with the provisions of this Deed relating to service of notices. Nothing contained in this Deed shall affect the right to serve process in any other manner permitted by law.

In witness whereof this document has been executed and delivered on the date first stated above.

SCHEDULE 1

REAL PROPERTY

Part 1. Registered Property

None at the date of this Deed

Part 2. Unregistered Property

None at the date of this Deed

Part 3. Excluded Property

- 1) The warehouse unit which forms part of Tretoil Farm, Bodmin PL30 5BA occupied pursuant to a Lease made between (1) the Chargee and (2) the Company, dated 6 September 2018.
- 2) Units 1, 2 and 3 and the car park area at Trekillick Farm occupied pursuant to a sublease between (1) the Chargee and (2) the Company (with a headlease made between (1) Colin John Dyer and (2) the Chargee)

Company

Executed as deed by
THE HARBOUR BREWING COMPANY LIMITED
acting by a director,
in the presence of:

DocuSigned by:
Edward Lofthouse
.....8C2F0CECE6B148T.....
Director

DocuSigned by:
Adam Sargent
.....F2676C2D93E74AF.....
Witness signature:

Witness name: Adam Sargent

Witness address: 27 ST JOHNS STREET, HAYLE, TR27 4LL

Witness occupation: MARKETING MANAGER

Chargee

Executed as deed by
F.H.ROWSE LIMITED
acting by a director,
in the presence of:

DocuSigned by:
Richard Rowse
.....8760B9B447664AB.....
Director

DocuSigned by:
Samantha Avenell
.....DC312B16CF05470.....
Witness signature:

Witness name: Samantha Avenell

Witness address: 1 Glyn Road, wallingford, Oxfordshire, OX10 8JX

Witness occupation: Finance Assistant