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COMPANIES FORM No. 466(Scot)

Particulars of an instrument of alteration to a floating charge created by a company registered in Scotland

466

Please do not
write in
this margin

Pursuant to section 410 and 466 of the Companies Act 1985

Please complete
legibly, preferably
in black type, or
bold block lettering

To the Registrar of Companies
(Address overleaf - Note 5)

For official use

Company number

2

SC483145

Name of company

* R&B Distillers Limited (the "Borrower")

* insert full name
of company

Date of creation of the charge (note 1)

12 June 2020

Description of the instrument creating or evidencing the charge or of any ancillary document which has
been altered (note 1)

Floating Charge (the "Senior Floating Charge")

Names of the persons entitled to the charge

Santander UK PLC as security trustee for each Group Member (the "Senior Lender")

Please see the appendix attached for additional defined terms.

Short particulars of all the property charged

The whole of the property (including uncalled capital) which is or may from time to time, while the
Senior Floating Charge is in force, be comprised in the property and undertaking of the Borrower.

Presenter's name address and
reference (if any):

Addleshaw Goddard LLP
DX: ED27 Edinburgh

Ref: WRIGT/355087-146

For official use (02/06)

Charges Section

Post room

TUESDAY



SCT

S97T1RJ7

23/06/2020

#173

COMPANIES HOUSE

Names, and addresses of the persons who have executed the instrument of alteration (note 2)

1. Borrower - 23 Manor Place, Edinburgh, EH3 7DX
2. Salvators Lending Limited - 23 Manor Place, Edinburgh, Midlothian, EH3 7XC (the "Subordinated Creditor")
3. Senior Lender - One Cornwall Street, Birmingham, B3 2DX

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legibly, preferably
in black type, or
bold block lettering*

Date(s) of execution of the instrument of alteration

1. Borrower - 2 June 2020
2. Subordinated Creditor - 2 June 2020
3. Senior Lender - 3 June 2020

Date of delivery - 12 June 2020

A statement of the provisions, if any, imposed by the instrument of alteration prohibiting or restricting the creation by the company of any fixed security or any other floating charge having, priority over, or ranking pari passu with the floating charge

4.1 Undertakings of the Borrower

At any time on or before the Senior Discharge Date, the Borrower will not except with the prior written consent of the Senior Lender:

(c) create or permit to subsist any Security over any of its assets for any of the Subordinated Debt (other than the Subordinated Security set out in paragraph (a) of the definition of Subordinated Security Documents)

4.2 Undertakings of Subordinated Creditors

At any time on or before the Senior Discharge Date, the Subordinated Creditor will not, except with the prior written consent of the Senior Lender:

(c) receive or permit to subsist any Security (other than the Subordinated Floating Charge) over any asset of the Borrower for any of the Subordinated Debt (other than the Subordinated Security set out in paragraph (a) of the definition of Subordinated Security Documents)

Please see the appendix attached for additional defined terms.

Short particulars of any property released from the floating charge

N/A

The amount, if any, by which the amount secured by the floating charge has been increased

N/A

A statement of the provisions, if any, imposed by the instrument of alteration varying or otherwise regulating the order of the ranking of the floating charge in relation to fixed securities or to other floating charges

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legibly, preferably
in black type, or
bold block lettering*

3.2 Priority of Security

The security constituted by each of the Senior Security Documents ranks, and shall rank, in priority to the Security constituted by the Subordinated Security Documents and the security constituted by the Subordinated Security Documents is and shall be postponed to, and rank after the Security constituted by the Senior Security Documents and such priority will not be affected by any intermediate reduction in the principal amount secured by any of the Senior Security Documents or by any intermediate reduction in or satisfaction of the Senior Debt.

Please see the appendix attached for additional defined terms.

Continuation of the statement of the provisions, if any, imposed by the instrument of alteration varying or otherwise regulating the order of the ranking of the floating charge in relation to fixed securities or to other floating charges

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legibly, preferably
in black type, or
bold block lettering***

Signed  Date 17.6.2020

On behalf of ~~[company]~~ [chargee] []

Notes

1. A description of the instrument e.g. "Instrument of Charge" "Debenture" etc as the case may be, should be given. ☐ delete as appropriate
For the date of creation of a charge see section 410(5) of the Companies Act.
2. In accordance with section 466(1) the instrument of alteration should be executed by the company, the holder of the charge and the holder of any other charge (including a fixed security) which would be adversely affected by the alteration.
3. A certified copy of the instrument of alteration, together with this form with the prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of execution of that instrument.
4. A certified copy must be signed by or on behalf of the person giving the certification and where this is a body corporate it must be signed by an officer of that body.
5. The address of the Registrar of Companies is: Companies Registration Office, 139 Fountainbridge, Edinburgh EH3 9FF DX 235 Edinburgh

Appendix to Form 466

Additional defined terms used:

Additional Debt means, in relation to any Debt:

- (a) any refinancing, novation, deferral or extension of that Debt
- (b) any further advance which may be made under any agreement supplemental to any relevant Document, together with all related interest, fees and costs
- (c) any claim for damages or restitution in the event of rescission of that Debt or otherwise in connection with any Document
- (d) any claim against the Borrower arising from any recovery by the Borrower or any other person of a payment or discharge in respect of that Debt on the grounds of preference or otherwise
- (e) any claim for breach of representation, warranty, undertaking or in respect of an event of default (howsoever defined) or under any indemnity in connection with any relevant Document and/or
- (f) any amounts (such as post-insolvency interest) which would otherwise be included in any of paragraphs (a) to (e) of this definition but for any discharge, non-provability, unenforceability or non-allowability of the same in any insolvency or other proceedings

Affiliate means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company

Debt means the Senior Debt and the Subordinated Debt

Documents means the Senior Documents and the Subordinated Documents

Group means the Senior Lender and its Subsidiaries for the time being

Group Member means a member of the Group

Holding Company means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary

Security means a mortgage, charge, pledge, lien, assignment or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect

Senior Debt means all present and future liabilities and obligations due, owing or incurred by the Borrower to the Senior Lender in any currency or currencies, whether actual or contingent, whether incurred solely or jointly with any other person and whether incurred as principal or surety together with any Additional Debt relating to such liabilities and obligations

Senior Debt Documents means each agreement or other document evidencing or recording the terms of any Senior Debt

Senior Discharge Date means the date on which the Senior Lender notifies the Subordinated Creditor and the Borrower in writing that it is satisfied that all of the Senior Debt has been unconditionally and irrevocably paid and discharged in full, whether or not as the result of an enforcement, and all commitments of the Senior Lender to the Borrower have been cancelled

Senior Document means the Senior Debt Documents and the Senior Security Documents

Senior Security Documents means:

- (a) the Senior Floating Charge

- (b) any other document entered into at any time by the Borrower creating any guarantee, indemnity, Security or other assurance against financial loss in favour of the Senior Lender as security for any of the Senior Debt and
- (c) any Security granted under any covenant for further assurance in any of the documents set out in paragraphs (a) and (b) above

Subordinated Debt means all present and future liabilities and obligations due, owing or incurred by the Borrower to any Subordinated Creditor (or any of its Affiliates) including, without limitation, under or in connection with any Subordinated Document in any currency or currencies, whether actual or contingent, whether incurred solely or jointly with any other person and whether incurred as principal or surety together with any Additional Debt relating to such liabilities and obligations

Subordinated Debt Document each agreement or other document evidencing or recording the terms of any Subordinated Debt

Subordinated Document means the Subordinated Debt Documents and the Subordinated Security Documents

Subordinated Floating Charge means the floating charge granted by the Borrower to the Subordinated Creditor on 31 October 2017

Subordinated Security means the Security constituted by the Subordinated Security Documents

Subordinated Security Documents means:

- (a) the Subordinated Floating Charge
- (b) any other document entered into at any time by the Borrower creating any guarantee, indemnity, Security or other assurance against financial loss in favour of any Subordinated Creditor as security for any of the Subordinated Debt and
- (c) any Security granted under any covenant for further assurance in any of the documents set out above

Subsidiary means a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006 and any company which would be a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006 but for any Security subsisting over the shares in that company from time to time



FILE COPY

**CERTIFICATE OF THE REGISTRATION
OF AN ALTERATION TO A FLOATING CHARGE**

**COMPANY NO. 483145
CHARGE CODE SC48 3145 0002**

**I HEREBY CERTIFY THAT PARTICULARS OF AN INSTRUMENT
OF ALTERATION DATED 12 JUNE 2020 WERE DELIVERED
PURSUANT TO SECTION 466 OF THE COMPANIES ACT 1985
ON 23 JUNE 2020**

**THE INSTRUMENT RELATES TO A CHARGE CREATED ON 12
JUNE 2020**

BY R&B DISTILLERS LIMITED

**IN FAVOUR OF
SANTANDER UK PLC AS SECURITY TRUSTEE**

GIVEN AT COMPANIES HOUSE, EDINBURGH 23 JUNE 2020



Companies House



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



Delivered on 12 June 2020

R&B DISTILLERS LIMITED

(as Borrower)

SALVATORS LENDING LIMITED

(as Subordinated Creditor)

SANTANDER UK PLC

(as Senior Lender)

"Certified as a true copy of the original subject to the exclusion of personal information permitted by Section 859G of the Companies Act 2006"



Addleshaw Goddard LLP

RANKING AGREEMENT

Contents

| Clause | Page |
|---|------|
| 1 Definitions and interpretation | 1 |
| 2 Consent | 6 |
| 3 Ranking and Priority | 6 |
| 4 Undertakings | 6 |
| 5 Permitted payments of Subordinated Debt | 8 |
| 6 Turnover | 8 |
| 7 Subordination on insolvency | 9 |
| 8 Enforcement Action | 10 |
| 9 Distressed Disposal | 10 |
| 10 Non-subrogation | 10 |
| 11 Consents and override | 11 |
| 12 Protection of subordination | 11 |
| 13 Preservation of rights | 12 |
| 14 Application of recoveries | 12 |
| 15 Representations and warranties | 13 |
| 16 Status of the Borrower | 13 |
| 17 Information | 14 |
| 18 Changes to the Parties | 14 |
| 19 Notices | 14 |
| 20 Waivers | 15 |
| 21 Presentation | 15 |
| 22 Counterparts | 15 |
| 23 Governing law | 16 |
| 24 Enforcement | 16 |

This Deed is delivered on

12 June

2020

Between

- (1) **R&B DISTILLERS LIMITED** (Company Number SC483145) incorporated in Scotland whose registered office is at 23 Manor Place, Edinburgh, EH3 7DX (as **Borrower**);
- (2) **SALVATORS LENDING LIMITED** (Company Number SC492486) whose registered office is at 23 Manor Place, Edinburgh, Midlothian, EH3 7XC and whose address for the purposes of this agreement is at 23 Manor Place, Edinburgh, Midlothian, EH3 7XC (as **Subordinated Creditor**); and
- (3) **SANTANDER UK PLC** (Company Number 2294747) incorporated in England and Wales whose registered office is at 2 Triton Square, Regents Place, London, NW1 3AN and whose address for the purpose of this agreement is One Cornwall Street, Birmingham, B3 2DX (**Senior Lender**).

It is agreed

1 Definitions and interpretation

1.1 Definitions

In this Deed:

Additional Debt means, in relation to any Debt:

- (a) any refinancing, novation, deferral or extension of that Debt
- (b) any further advance which may be made under any agreement supplemental to any relevant Document, together with all related interest, fees and costs
- (c) any claim for damages or restitution in the event of rescission of that Debt or otherwise in connection with any Document
- (d) any claim against the Borrower arising from any recovery by the Borrower or any other person of a payment or discharge in respect of that Debt on the grounds of preference or otherwise
- (e) any claim for breach of representation, warranty, undertaking or in respect of an event of default (howsoever defined) or under any indemnity in connection with any relevant Document and/or
- (f) any amounts (such as post-insolvency interest) which would otherwise be included in any of paragraphs (a) to (e) of this definition but for any discharge, non-provability, unenforceability or non-allowability of the same in any insolvency or other proceedings

Affiliate means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company

Business Day means a day (other than a Saturday or Sunday) on which banks are open for general business in London

Consent means any consent, approval, release, waiver or agreement to amend

Creditors means the Subordinated Creditor and the Senior Lender

Debt means the Senior Debt and the Subordinated Debt

Documents means the Senior Documents and the Subordinated Documents

Enforcement Action means in relation to any Debt, any action whatsoever to:

- (a) demand payment of, declare prematurely due and payable, or otherwise seek to accelerate payment of, or place on demand, all or any part of that Debt
- (b) recover all or any part of that Debt (including by exercising any rights of set-off or combination of accounts)
- (c) exercise or enforce directly or indirectly any rights under or pursuant to the provisions of any guarantee, surety or any security document, or other document (including the crystallisation of any floating charge) in relation to, or given in support of, all or any part of that Debt
- (d) petition for (or take any other steps which may lead to) an Insolvency Event in relation to the Borrower or
- (e) commence or support legal proceedings against the Borrower

Holding Company means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary

Insolvency Event means in relation to the Borrower:

- (a) it is unable or admits inability to pay its debts as they fall due or is deemed to or declared to be unable to pay its debts under applicable law, suspends or threatens to suspend making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness
- (b) the value of its assets is less than its liabilities (taking into account contingent and prospective liabilities)
- (c) a moratorium is declared in respect of any indebtedness of it (irrespective of whether such moratorium subsequently ends)
- (d) any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of it
 - (ii) a composition, compromise, assignment or arrangement with any of its creditors
 - (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of it or any of its assets or

(iv) enforcement of any Security over any of its assets

or any analogous procedure or step is taken in any jurisdiction (but, in each case, not including any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 14 days of commencement) and/or

(e) any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any of its assets and is not discharged within 14 days of the commencement of such process

Party means a party for the time being to this Deed

Permitted Payments means the payments permitted by clause 5 (Permitted payments of Subordinated Debt) so long as they are permitted

Permitted Subordinated Loan Agreement means the loan agreement between the Borrower and the Subordinated Creditor dated 31 October 2017, as subsequently amended by an amendment letter in the form delivered to and approved by Santander and dated on or before the date of the first advance under the Senior Debt Documents.

Receiver means a receiver or receiver and manager or administrative receiver of the whole or any part of the assets of the Borrower which from time to time are, or are expressed to be, the subject of the Senior Security

Security means a mortgage, charge, pledge, lien, assignment or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect

Senior Debt means all present and future liabilities and obligations due, owing or incurred by the Borrower to the Senior Lender in any currency or currencies, whether actual or contingent, whether incurred solely or jointly with any other person and whether incurred as principal or surety together with any Additional Debt relating to such liabilities and obligations

Senior Debt Documents means each agreement or other document evidencing or recording the terms of any Senior Debt

Senior Default means an event of default howsoever defined in any Senior Document

Senior Discharge Date means the date on which the Senior Lender notifies the Subordinated Creditor and the Borrower in writing that it is satisfied that all of the Senior Debt has been unconditionally and irrevocably paid and discharged in full, whether or not as the result of an enforcement, and all commitments of the Senior Lender to the Borrower have been cancelled

Senior Document means the Senior Debt Documents and the Senior Security Documents

Senior Floating Charge means the floating charge granted by the Borrower to the Senior Lender dated on or around the date of this document

Senior Security means the Security constituted by the Senior Security Documents

Senior Security Documents means:

(a) the Senior Floating Charge

- (b) any other document entered into at any time by the Borrower creating any guarantee, indemnity, Security or other assurance against financial loss in favour of the Senior Lender as security for any of the Senior Debt and
- (c) any Security granted under any covenant for further assurance in any of the documents set out in paragraphs (a) and (b) above

Subordinated Debt means all present and future liabilities and obligations due, owing or incurred by the Borrower to any Subordinated Creditor (or any of its Affiliates) including, without limitation, ~~under or in connection with any Subordinated Document in any currency or~~ currencies, whether actual or contingent, whether incurred solely or jointly with any other person and whether incurred as principal or surety together with any Additional Debt relating to such liabilities and obligations

Subordinated Debt Document each agreement or other document evidencing or recording the terms of any Subordinated Debt

Subordinated Document means the Subordinated Debt Documents and the Subordinated Security Documents

Subordinated Floating Charge means the floating charge granted by the Borrower to the Subordinated Creditor on 31 October 2017

Subordinated Security means the Security constituted by the Subordinated Security Documents

Subordinated Security Documents means:

- (a) the Subordinated Floating Charge
- (b) any other document entered into at any time by the Borrower creating any guarantee, indemnity, Security or other assurance against financial loss in favour of any Subordinated Creditor as security for any of the Subordinated Debt and
- (c) any Security granted under any covenant for further assurance in any of the documents set out above

Subsidiary means a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006 and any company which would be a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006 but for any Security subsisting over the shares in that company from time to time

1.2 Interpretation

- (a) Unless a contrary indication appears, a reference in this Deed to:
 - (i) the Senior Lender, any Subordinated Creditor or the Borrower, shall be construed so as to include its successors in title, assigns and transferees;
 - (ii) ~~assets~~ includes present and future properties, revenues and rights of every description (including any right to receive such revenues);
 - (iii) a Document or any other document, agreement or instrument is a reference to that Document or other document, agreement or instrument as amended, novated, supplemented or restated (however fundamentally);

- (iv) **guarantee** means any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;
 - (v) **indebtedness** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
 - (vi) **a person** includes any individual person, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality), or any other entity or body of any description;
 - (vii) **a regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but if not having the force of law, then being a type with which persons to which it applies customarily comply) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;
 - (viii) **a provision of law** is a reference to a provision, of any treaty, legislation, regulation, decree, order or by-law and any secondary legislation enacted under a power given by that provision, as amended, applied or re-enacted or replaced (whether with or without modification) whether before or after the date of this Deed;
 - (ix) **sterling** and **£** shall be construed as a reference to the lawful currency of the United Kingdom.
- (b) Clause and schedule headings are for ease of reference only.
 - (c) Any word importing the singular shall include the plural and vice versa.
 - (d) A Senior Default is **continuing** if it has not been waived to the satisfaction of the Senior Lender.
 - (e) A **payment** includes a distribution, prepayment or repayment and references to **pay** include distribute, prepay or repay.

1.3 Third party rights

- (a) Unless expressly provided to the contrary in this Deed, a person who is not a Party has no right under the Contract (Third Party Rights) (Scotland) Act 2017 to enforce or enjoy the benefit of any term of this Deed.
- (b) Notwithstanding any term of this Deed, the consent of any person who is not a Party is not required to rescind or vary this Deed.

1.4 Conflict

In the event of any conflict between the terms of this Deed and the terms of any other Document, the terms of this Deed will prevail.

2 Consent

2.1 Senior Lender consent

The Senior Lender consents to the Borrower having entered into the Subordinated Floating Charge.

2.2 Subordinated Creditor consent

The Subordinated Creditor consents to the entry by the Borrower into the Senior Security Documents.

3 Ranking and Priority

3.1 Ranking of Debt

The Senior Debt will at all times rank in right and priority of payment ahead of the Subordinated Debt.

3.2 Priority of Security

The security constituted by each of the Senior Security Documents ranks, and shall rank, in priority to the Security constituted by the Subordinated Security Documents and the security constituted by the Subordinated Security Documents is and shall be postponed to, and rank after the Security constituted by the Senior Security Documents and such priority will not be affected by any intermediate reduction in the principal amount secured by any of the Senior Security Documents or by any intermediate reduction in or satisfaction of the Senior Debt.

3.3 Continuation

The ranking provided for in this clause 3 shall apply regardless of:

- (a) the date upon which any Debt arose;
- (b) whether a person is obliged to advance any such Debt;
- (c) the date or order of execution, registration, filing or giving of notice of any Document; or
- (d) any fluctuations in the amount of, or any intermediate discharge in whole or in part of, any Debt.

4 Undertakings

4.1 Undertakings of the Borrower

At any time on or before the Senior Discharge Date, the Borrower will not except with the prior written consent of the Senior Lender:

- (a) make, or take any action to make, any payment in respect of, or on account of, or purchase, redeem or otherwise acquire any of, the Subordinated Debt in cash or in kind except, in each case, to the extent expressly permitted by clause 5 (Permitted Payments of Subordinated Debt);

- (b) discharge any of the Subordinated Debt by set-off, combination of accounts or otherwise except, in each case, to the extent expressly permitted by clause 5 (Permitted Payments of Subordinated Debt);
- (c) create or permit to subsist any Security over any of its assets for any of the Subordinated Debt (other than the Subordinated Security set out in paragraph (a) of the definition of Subordinated Security Documents);
- (d) give any financial support (including, without limitation, the giving of any guarantee, indemnity or other assurance against financial loss, the making of any deposit or the taking of any participation) to any person for or in connection with any of the Subordinated Debt (other than the Subordinated Security set out in paragraph (a) of the definition of Subordinated Security Documents);
- (e) take or omit to take any action which would be likely, directly or indirectly, to result in the ranking and/or subordination of the Subordinated Debt provided for in this Deed being prejudiced or impaired in any respect;
- (f) amend, supplement, novate or vary any of the terms applicable to the Subordinated Debt;
- (g) incur any financial indebtedness that ranks ahead of the Subordinated Debt other than Senior Debt; or
- (h) petition for (or take any other steps which may lead to) an Insolvency Event in respect of the Borrower.

4.2 Undertakings of Subordinated Creditors

At any time on or before the Senior Discharge Date, the Subordinated Creditor will not, except with the prior written consent of the Senior Lender:

- (a) demand, receive or take any action to receive any payment in respect of, or on account of, any of the Subordinated Debt in cash or in kind or apply any money or property in or towards discharge of any of the Subordinated Debt except, in each case, to the extent expressly permitted by clause 5 (Permitted Payments of Subordinated Debt);
- (b) discharge any of the Subordinated Debt by set-off, combination of accounts or otherwise except, in each case, to the extent expressly permitted by clause 5 (Permitted Payments of Subordinated Debt);
- (c) receive or permit to subsist any Security (other than the Subordinated Floating Charge) over any asset of the Borrower for any of the Subordinated Debt (other than the Subordinated Security set out in paragraph (a) of the definition of Subordinated Security Documents);
- (d) receive or permit to subsist any financial support (including without limitation, any guarantee, indemnity or other assurance against financial loss, any deposit or any participation) from any person for or in connection with any of the Subordinated Debt (other than the Subordinated Security set out in paragraph (a) of the definition of Subordinated Security Documents);
- (e) allow any of the Subordinated Debt to be subordinated to any person other than in accordance with this Deed or as may arise by operation of law;

- (f) take or omit to take any action which would be likely, directly or indirectly, to result in the ranking, priority and/or subordination of the Subordinated Debt and/or the Subordinated Security provided for in this Deed being prejudiced or impaired in any respect;
 - (g) amend, supplement, novate or vary any of the terms applicable to the Subordinated Debt or Subordinated Security; or
 - (h) take any Enforcement Action except to the extent expressly required under clause 8 (Enforcement Action).
-

5 Permitted payments of Subordinated Debt

At any time on or before the Senior Discharge Date, the Borrower may, with consent of the Senior Lender, pay in cash and the Subordinated Creditor may receive scheduled payments in respect of Subordinated Debt and scheduled payments of interest on the principal amount of the Subordinated Debt in each case pursuant to the Permitted Subordinated Loan Agreement on the dates and in the amounts specified in the Subordinated Documents (as in force as at the date of this Deed) provided that no Senior Default is continuing.

6 Turnover

6.1 Turnover

If at any time on or before the Senior Discharge Date:

- (a) any Subordinated Creditor receives or recovers a payment or distribution of any kind in respect of or on account of any of the Subordinated Debt other than in accordance to clause 5 (Permitted Payments of Subordinated Debt);
- (b) any Subordinated Creditor receives or recovers proceeds pursuant to any action required under clause 8 (Enforcement Action);
- (c) any of the Subordinated Debt is discharged by set-off, combination of accounts or otherwise in a manner which is not expressly permitted by clause 4 (Undertakings); or
- (d) the Borrower makes any payment or distribution of any kind in respect of or on account of the purchase or other acquisition of any of the Subordinated Debt other than in accordance to clause 5 (Permitted Payments of Subordinated Debt),

other than pursuant to clause 14 (Application of recoveries) (the amount of each such payment, distribution, set-off or combination being a **Turnover Amount**), the recipient or beneficiary of that Turnover Amount will promptly pay an amount equal to the lesser of:

- (i) that Turnover Amount; and
- (ii) the amount of the Senior Debt,

to the Senior Lender for application in accordance with clause 14 (Application of recoveries) and, pending that payment, will hold such amount on trust for the Senior Lender.

6.2 Recovering Creditor's rights

- (a) Any amount paid by a Subordinated Creditor (**Recovering Creditor**) to the Senior Lender under clause 6.1 (Turnover Payment) shall be treated as having been paid by

the Borrower and shall be applied by the Senior Lender in accordance with clause 14 (Application of recoveries).

- (b) On application by the Senior Lender pursuant to clause 14 (Application of recoveries) of a Turnover Payment, as between the Borrower and the Recovering Creditor an amount equal to the Turnover Payment will be treated as not having been paid by the Borrower and, to the extent of an amount equal to such Turnover Payment only, no reduction or discharge of any Subordinated Debt shall result from any receipt or recovery of an amount by the Recovering Creditor which is so applied by the Senior Lender.

6.3 Nothing in this clause 6 or any other provision of this Deed is intended to or shall create a charge or other Security.

7 Subordination on insolvency

7.1 Filing of claims and voting

- (a) Upon the occurrence of an Insolvency Event in relation to the Borrower at any time on or before the Senior Discharge Date, the Senior Lender may and is irrevocably authorised by the Subordinated Creditor to:
 - (i) demand, claim, enforce and prove for;
 - (ii) exercise all powers of convening meetings, voting and representation in respect of;
 - (iii) file claims and proofs, give receipts and take all proceedings and do all other things which the Senior Lender considers reasonably necessary or advisable to recover; and
 - (iv) collect and receive all payments and distributions of any kind in respect of or on account of,the Subordinated Debt due from the Borrower.
- (b) Subject to clause 7.1(d), the Subordinated Creditor undertakes not to take any of the actions referred to in clause 7.1(a).
- (c) The Subordinated Creditor will provide all forms of proxy and of representation requested by the Senior Lender for the purpose of clause 7.1(a) and do all other things that the Senior Lender reasonably requests in order to give effect to this clause 7.1.
- (d) If, for whatever reason, the Senior Lender is not entitled to take, or does not wish to take, any of the actions listed in clause 7.1(a), the Subordinated Creditor undertakes promptly to take any action and give any notices which the Senior Lender requires from time to time.
- (e) Without prejudice to clause 11 (Consents and override), nothing in this clause 7 will entitle the Senior Lender to exercise or require the Subordinated Creditor to exercise such power of voting or representation to waive or amend any of the provisions of the Subordinated Documents or waive, reduce, discharge or extend the due date for payment of or reschedule any of the Subordinated Debt.

7.2 Distributions

Upon the occurrence of an Insolvency Event in relation to the Borrower at any time on or before the Senior Discharge Date, the person responsible for the distribution of the assets of the Borrower or their proceeds shall be directed by the Subordinated Creditor to pay any distributions or proceeds in respect of any of the Subordinated Debt owed to them direct to the Senior Lender for application in accordance with clause 14 (Application of recoveries) until the Senior Debt has been paid in full.

8 Enforcement Action

8.1 At any time on or before the Senior Discharge Date, when a Senior Default is continuing the Subordinated Creditor will take such Enforcement Action in relation to the Subordinated Debt due to it which the Senior Lender in its absolute discretion directs it to take.

8.2 At any time on or before the Senior Discharge Date, the Subordinated Creditor shall not take any Enforcement Action in relation to any Subordinated Debt or Subordinated Security unless the Subordinated Creditor has:

- (a) received the prior written consent of the Senior Lender; and
- (b) provided the Senior Lender with not less than 30 Business Days' notice of its intention to do so any such notice has expired.

9 Distressed Disposal

9.1 If a Distressed Disposal is being effected, the Senior Lender is irrevocably authorised (at the cost of the Borrower and without any consent, sanction, authority or further confirmation from the Borrower or any Subordinated Creditor), to release the Borrower from all or any part of its liabilities in respect of the Subordinated Debt and/or the Subordinated Security.

9.2 If the Senior Lender has exercised any of its powers granted pursuant to clause 9.1, the Subordinated Creditor shall immediately upon request by the Senior Lender do all and any such things as are necessary to give effect to such release (at the cost of the Borrower).

9.3 The net proceeds of a Distressed Disposal shall be paid to the Senior Lender for application in accordance with clause 14 (Application of recoveries) as if those proceeds were the proceeds of an enforcement of the Senior Security.

9.4 For the purposes of this clause 9, a **Distressed Disposal** shall mean a disposal of any of the assets of the Borrower which is (a) being effected in circumstances where the Senior Security has become enforceable, (b) being effected by enforcement of the Senior Security or (c) being effected by a Subordinated Creditor after the enforcement of any Senior Security or after service by the Senior Lender of a notice of acceleration in accordance with the terms of any Senior Debt Document (an **Acceleration Notice**) or after the Senior Lender has served a demand following service of an Acceleration Notice.

10 Non-subrogation

At any time on or before the Senior Discharge Date, no Subordinated Creditor will be subrogated to or entitled to exercise any of the rights of the Senior Lender under the Senior Documents.

11 Consents and override

11.1 Deemed consent

Subject to clause 11.2, if, at any time on or before the Senior Discharge Date, the Senior Lender gives a Consent in respect of the Senior Documents then the Subordinated Creditor will (or will be deemed to):

- (a) give a corresponding Consent in equivalent terms in relation to each of the Subordinated Documents; and
- (b) execute any document or deed and do anything else necessary to give effect to this clause.

11.2 Excluded consents

Clause 11.1 shall not apply to any Consent which has the effect of extending the due date for, or reducing the amount of, or changing the currency of, any payment due to the Subordinated Creditor or changing any terms by reference to which any such payment is to be calculated or made.

11.3 Non-objection

No Subordinated Creditor shall have any remedy against the Senior Lender by reason of any transaction entered into between the Senior Lender and the Borrower or any requirement or condition imposed by the Senior Lender on the Borrower which breaches or is, or causes, a default under any of the Documents, unless entered into in breach of the terms of this Deed.

11.4 Agreement override

Unless expressly stated in this Deed, this Deed overrides anything in the Documents to the contrary.

12 Protection of subordination

12.1 Continuing subordination

The subordination provisions in this Deed constitute a continuing subordination and benefit to the ultimate balance of the Senior Debt regardless of any intermediate payment or discharge of the Senior Debt in whole or in part.

12.2 Waiver of defences

The provisions in this Deed will not be affected by any act, omission, matter or thing which but for this clause 12 would reduce, release or otherwise prejudice the subordination in this Deed or the obligations of any Subordinated Creditor or the Borrower under this Deed including, without limitation:

- (a) any time, waiver or consent granted to, or composition with any person;
- (b) any release of any person under the terms of any composition or arrangement;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any 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;

- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any person;
- (e) any amendment (however fundamental) or replacement of any document;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any document; or
- (g) any intermediate payment or discharge of any of the Senior Debt.

12.3 Immediate recourse

The Subordinated Creditor waives any right it may have of first requiring the Senior Lender to proceed against, or enforce any other rights or Security or claim payment from, any person before claiming the benefit of the priority and subordination provided for under this Deed. This waiver applies irrespective of any law or any provision of a Document to the contrary.

13 Preservation of rights

- 13.1 Notwithstanding any provision of this Deed postponing, subordinating or preventing the payment of any of the Subordinated Debt as between the Borrower and the Subordinated Creditor, the Subordinated Debt shall remain owing or due and payable in accordance with the terms of the Subordinated Documents, and interest and default interest (if applicable) will continue to accrue in accordance with the terms of the Subordinated Documents.
- 13.2 No delay in exercising rights and remedies under any of the Subordinated Documents by reason of any term of this Deed shall operate as a permanent waiver of any of those rights and remedies.

14 Application of recoveries

14.1 Order of application

Subject to the rights of any prior or preferential creditor, the Senior Lender or any Receiver shall hold on trust, to apply at any time as the Senior Lender (in its discretion) or Receiver (in its discretion) sees fit, all amounts paid to it in accordance with this Deed, all proceeds of realisation or enforcement of the Security and all amounts received or recovered by it pursuant to the terms of any Document as follows:

- (a) first, in payment of all costs and expenses incurred by the Senior Lender or Receiver in connection with:
 - (i) any realisation or enforcement of the Senior Security taken in accordance with the terms of this Deed or
 - (ii) any action taken at the request of the Senior Lender under clause 7.1 (Filing of claims and voting);
- (b) secondly, in payment to the Senior Lender for application towards the discharge of the Senior Debt (in accordance with the terms of the Senior Documents);

- (c) thirdly, to the Subordinated Creditor to repay amounts due under the Permitted Subordinated Loan Agreement; and
- (d) lastly, the balance, if any, in payment to the Borrower or other persons entitled to it.

14.2 General

Clause 14.1 will override any appropriation made by the Borrower.

14.3 Appropriations

At any time on or before the Senior Discharge Date, the Senior Lender may (subject to the terms of this Deed and any other Senior Documents):

- (a) apply any monies received by it under this Deed to the Senior Debt owed to it in such order as it may determine; and
- (b) hold any monies received by it under this Deed in a suspense account (bearing interest at a market rate usual for an account of that type) unless and until all monies received by it are sufficient in aggregate to result in the Senior Discharge Date.

15 Representations and warranties

The Subordinated Creditor represents and warrants to and for the benefit of the Senior Lender that:

- (a) it is a corporation duly incorporated and validly existing under the laws of its place of incorporation and has the power to own its property and assets and to carry on its business as it is being conducted;
- (b) the Documents to which it is a party are within its powers and have been duly authorised and executed by it;
- (c) this Deed constitutes its legal, valid and binding obligations, enforceable against it in accordance with its terms and the entry into and performance by it of this Deed does not and will not conflict with any law or regulation applicable to it, its constitutional documents or with any agreement or instrument binding upon its or any of its assets;
- (d) the Documents to which it is a party (copies of which have been provided to the Senior Lender on or before the date of this Deed) contain all the terms and conditions of the Subordinated Debt owed to it and the Subordinated Security; and
- (e) it is the sole legal and beneficial owner of the Subordinated Debt and the Subordinated Security owed to it free from any Security or subordination in favour of any person except any existing under this Deed.

16 Status of the Borrower

The Borrower shall not have any rights under this Deed and none of the representations or undertakings by any Subordinated Creditor in this Deed are given (or deemed to be given) to or for the benefit of the Borrower.

17 Information

17.1 Defaults

The Borrower shall promptly upon becoming aware of its occurrence notify in writing the Senior Lender and the Subordinated Creditor of the occurrence of a default, an event of default or potential event of default (howsoever described) under, or in respect of the terms of any Document.

17.2 Other information

The Subordinated Creditor shall, upon request by the Senior Lender, provide to the Senior Lender any information, including without limitation details of the amount of outstanding Subordinated Debt, that the Senior Lender may reasonably specify as being necessary or desirable to enable the Senior Lender to perform its rights and obligations under this Deed.

17.3 Consent to disclosure

Notwithstanding any agreement to the contrary, the Borrower consents to the disclosure by the Subordinated Creditor or the Senior Lender to each other of such information concerning the Borrower as that Subordinated Creditor or Senior Lender shall see fit.

18 Changes to the Parties

18.1 Successors and assigns

This Deed will be binding upon, and enure for the benefit of, the successors and assigns of the Parties.

18.2 Borrower

The Borrower may not assign any of its rights (if any) or transfer any of its rights (if any) or obligations under this Deed.

18.3 Subordinated Creditor

No Subordinated Creditor may assign any of its rights or transfer any of its rights, benefits or obligations in respect of any of the Subordinated Documents, the Subordinated Debt or the Subordinated Security.

19 Notices

19.1 Communications in writing

Any communication to be made under or in connection with this Deed shall be made in writing and, unless otherwise stated, may be made by fax or by letter.

19.2 Addresses

The address and the fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Deed is in the case of each of the Borrower, the Subordinated Creditor and the Senior Lender that identified with its name below or any substitute address, fax number or department or officer as the Party may notify to the other Parties by not less than 7 days' notice.

19.3 Delivery

- (a) Any communication or document made or delivered by one person to another under or in connection with this Deed will only be effective:

- (i) if by way of fax, when received in legible form; or
- (ii) if by way of letter, when it has been left at the relevant address or 3 Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and if a particular department or officer is specified as part of its address details provided under clause 19.2 if addressed to that department or officer.

- (b) Any communication or document to be made or delivered to the Senior Lender will be effective only when actually received by the Senior Lender and then only if it is expressly marked for the attention of the department or officer identified with the Senior Lender's signature below (or any substitute department or officer as the Senior Lender shall specify for this purpose).

20 Waivers

- 20.1 No failure to exercise, nor any delay in exercising, on the part of any Party, any right, under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right, or remedy prevent any further or other exercise or the exercise of any other right.

- 20.2 The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by law.

21 Presentation

21.1 Partial Invalidity

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

21.2 No impairment

If, at any time after its date, any provision of a Document or this Deed, is not binding or enforceable in accordance with its terms against a person expressed to be a party to that Document or this Deed, neither the binding nature nor the enforceability of that provision or any other provision of that Document or this Deed will be impaired as against the other parties to that Document or the other Parties to this Deed.

22 Counterparts

- 22.1 This Deed may be executed in any number of counterparts and by the parties on separate counterparts.

- 22.2 Where executed in counterpart:

- (a) this Deed shall not take effect until all of the counterparts have been delivered;

- (b) each counterpart will be held as undelivered until the parties agree a date on which the counterparts are to be treated as delivered; and
- (c) the parties may choose to evidence the date of delivery of this Deed by inserting this on the front page of this Deed.

22.3 If this Deed is not executed in counterparts, this Deed shall be delivered on the date inserted on the front page of this Deed or, if no such date is inserted, the date on which the last party signed this Deed.

22.4 The parties to this Deed, in accordance with section 2(1) of the Legal Writings (Counterparts and Delivery)(Scotland) Act 2015 ("Counterparts Act"), nominate Addleshaw Goddard LLP to take delivery of all counterparts of this Deed. The parties agree that the provisions of section 2(3) of the Counterparts Act shall not apply to any counterpart of this Deed.

23 Governing law

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

24 Enforcement

24.1 Jurisdiction of Scottish courts

- (a) The courts of Scotland have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed or any non-contractual disputes or claims) ("Dispute").
- (b) The Parties agree that the courts of Scotland are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

- (c) This Clause 24 is for the benefit of the Creditors only. As a result, no Creditor shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, a Creditor may take concurrent proceedings in any number of jurisdictions.

IN WITNESS WHEREOF, these presents consisting of this and the preceding 16 pages are executed by the parties hereto as follows:

Borrower

Executed as a deed by *WILLIAM EDWARD*)
R&B Distillers Limited *DOBBIE*)
acting by a director) Director

at *Edinburgh*

on *2nd June 2020*

in the presence of

Signature of witness

Name *LEONIE DOBBIE*

Address

Address:

Fax No:

Attention:

**Executed as a deed by
Salvators Lending Limited
acting by a director**

on

in the presence of

Signature of witness

Name

Address

Attention:

The Senior Lender

Executed as a deed by *Macey Bern*
as duly authorised attorney for and on behalf
of Santander UK plc
at *Birmingham*
on

3 June 2020

in the presence of

Signature of witness

Name Clare Hyland

Address ...

Attention: N

Subordinated Creditor

Executed as a deed by *William DOBBIE*)
Salvators Lending Limited)
acting by a director)

Director

at *Edinburgh*

on *2nd June 2020*

in the presence of

Signature of witness

Name *LEONIE DOBBIE*

Address

Address:

Fax No:

Attention:

The Senior Lender

Executed as a deed by)
as duly authorised attorney for and on behalf)
of Santander UK plc)
at)
on)

in the presence of

Signature of witness

Name

Address

Address:

Fax No:

Attention: