



Registration of a Charge

Company name: **STONE ACRE DISTILLERS HOUSE LIMITED**

Company number: **SC507097**



X5H1N6Y9

Received for Electronic Filing: **06/10/2016**

Details of Charge

Date of creation: **04/10/2016**

Charge code: **SC50 7097 0003**

Persons entitled: **ARBUTHNOT LATHAM & CO., LIMITED**

Brief description:

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: **RICHARD GOODFELLOW**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 507097

Charge code: SC50 7097 0003

The Registrar of Companies for Scotland hereby certifies that a charge dated 4th October 2016 and created by STONE ACRE DISTILLERS HOUSE LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 6th October 2016 .

Given at Companies House, Edinburgh on 7th October 2016

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

Burness Paull

STONE ACRE DISTILLERS HOUSE LIMITED

as Chargor

in favour of

ARBUTHNOT LATHAM & CO., LIMITED

as Lender

BOND AND FLOATING CHARGE

Certified a true copy

Aberdeen 21.10.16

for and on behalf of Burness Paull LLP

INDEX

Clause No.	Heading	Page No.
1	DEFINITIONS AND INTERPRETATION	1
2	BOND	3
3	FLOATING CHARGE	3
4	NEGATIVE PLEDGE AND RANKING OF FLOATING CHARGE	3
5	UNDERTAKINGS	4
6	SET-OFF	6
7	ENFORCEMENT	6
8	OFFICE OF RECEIVER	8
9	APPLICATION OF ENFORCEMENT PROCEEDS	9
10	PROTECTION OF SECURITY	9
11	FURTHER ASSURANCE	11
12	MANDATE AND ATTORNEY	11
13	EXPENSES	12
14	INDEMNITY	12
15	AVOIDANCE OF PAYMENTS	12
16	NOTICES	12
17	GOVERNING LAW AND JURISDICTION	14
18	CONSENT TO REGISTRATION	14

BOND AND FLOATING CHARGE

by

- (1) **STONE ACRE DISTILLERS HOUSE LIMITED**, a company incorporated under the Companies Acts with registered number SC507097 and having its registered office at 59 Bonnygate, Cupar, United Kingdom, KY15 4BY (the “**Chargor**”)

in favour of

- (2) **ARBUTHNOT LATHAM & CO., LIMITED**, a company incorporated under the Companies Acts with registered number 00819519 and having its registered office at 7 Wilson Street, London, EC2M 2SN (the “**Lender**”)

CONSIDERING THAT:

- (i) the Lender has agreed or will agree to make certain facilities available to the Borrower;
- (ii) one of the conditions precedent to the availability of the facilities referred to in paragraph (i) above is that the Chargor grants to the Lender this bond and floating charge.

NOW IT IS HEREBY AGREED AND DECLARED AS FOLLOWS:**1 DEFINITIONS AND INTERPRETATION****1.1 In this Instrument:**

“**Administrator**” means any administrator appointed pursuant to this Instrument;

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

“**Borrower**” means Haaz Real Estate (Distillers House) Limited, a company incorporated in the Isle of Man under company number 012996v and whose registered office is at 2a Lord Street, Douglas, IM1 2BD, Isle of Man;

“**Event of Default**” means (i) any breach by the Chargor of any of the provisions of this Instrument or (ii) any failure by the Chargor to make payment of any of the Secured Liabilities when demanded or (iii) a petition being presented for the making of an administration order in respect of the Chargor, an application being made or a resolution being passed for the winding up of the Chargor or a receiver being appointed in respect of any of the property, undertakings or assets of the Chargor or (iv) any other event designated as an event of default or any similar expression or which otherwise entitles the Lender to demand payment from the Chargor in terms of any loan or other documentation in force from time to time;

"Financial Collateral" shall have the meaning given to that expression in the Financial Collateral Regulations;

"Financial Collateral Regulations" means the Financial Collateral Arrangements (No. 2) Regulations 2003 (S.I. 2003 No. 3226);

"Insurances" means the Chargor's interest in all contracts and policies of insurance which are from time to time taken out or effected by or on behalf of the Chargor in connection with the Secured Assets;

"Receiver" means any receiver or administrative receiver appointed in respect of the Secured Assets (whether pursuant to this Instrument, pursuant to any statute, by a court or otherwise) and includes joint receivers;

"Secured Assets" means the whole of the property (including uncalled capital) which is or may be from time to time while this Instrument is in force comprised in the property and undertaking of the Chargor;

"Secured Liabilities" means all present and future obligations and liabilities of the Borrower to the Lender, whether actual, contingent, sole, joint and/or several or otherwise, including, without prejudice to the foregoing generality, all obligations to indemnify the Lender; and

"Security Financial Collateral Arrangements" shall have the meaning given to that expression in the Financial Collateral Regulations.

1.2 References in this Instrument to a **"fixed security"** shall be construed as a reference to a fixed security as defined by Section 70 of the Insolvency Act 1986 as in force at the date of this Instrument.

1.3 Unless a contrary indication appears, any reference in this Instrument to:

1.3.1 the **"Chargor"** and the **"Lender"** shall be construed so as to include their respective successors in title, permitted assignees and permitted transferees; and

1.3.2 a **"person"** includes any individual, 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).

1.4 Unless any provision of this Instrument or the context otherwise requires, any reference in this Instrument to a provision of law is a reference to that provision as amended or re-enacted.

1.5 In this Instrument the singular includes the plural and *vice versa*. Clause headings are for ease of reference only and a reference to a Clause is to be construed as a reference to a clause of this Instrument.

1.6 Any appointment of a Receiver under Clause 7 (Enforcement) may be made by any successor or permitted assignee or transferee of the Lender and the Chargor hereby irrevocably appoints each such successor or assignee or transferee to be its attorney in the terms and for the purposes stated in Clause 12 (Mandate and Attorney).

2 BOND

2.1 The Chargor undertakes to the Lender that it will pay or discharge to the Lender all the Secured Liabilities on demand in writing when the Secured Liabilities become due for payment or discharge (whether by acceleration or otherwise).

2.2 Paragraph 14 of Schedule B1 to the Insolvency Act (incorporated by Schedule 16 to the Enterprise Act 2002) shall apply to this Instrument which is accordingly a qualifying floating charge. Notwithstanding any other provision of this Instrument, the Chargor and the Lender agree and acknowledge that an Administrator may only be appointed if the Chargor is a "company" within the meaning of paragraph 111 of Schedule B1 to the Insolvency Act and that a Receiver may only be appointed if the Chargor falls within the terms of section 51 of the Insolvency Act but the Charge falls outside the terms of section 72A of the Insolvency Act.

3 FLOATING CHARGE

The Chargor as security for the payment and discharge of all the Secured Liabilities hereby grants in favour of the Lender a floating charge over the Secured Assets.

4 NEGATIVE PLEDGE AND RANKING OF FLOATING CHARGE

4.1 The Chargor agrees that it shall be prohibited from granting or creating subsequent to the date of execution of this Instrument any fixed security or any other floating charge over the Secured Assets or any part or parts of them, other than in favour of the Lender or in favour of another person and with the prior written consent of the Lender.

4.2 Any fixed security granted by the Chargor in favour of the Lender (whether before or after the date of execution of this Instrument) shall rank in priority to the floating charge created by this Instrument.

4.3 In the event that the Chargor grants or creates any fixed security or floating charge in breach of the prohibition in Clause 4.1 or with the consent of the Lender under Clause 4.1 but with no written agreement of the Lender as to the ranking of them, this Instrument shall rank in priority to that fixed security or floating charge.

5 UNDERTAKINGS

5.1 The Chargor hereby undertakes to the Lender that it shall carry on and conduct its business and affairs in a proper and efficient manner and it shall:

- 5.1.1 keep all of the Secured Assets in good and sufficient repair and all plant and machinery or other moveable property in good working order and condition, in each case fair wear and tear excepted, and, where necessary for the efficient conduct of its business, renew and replace the same as and when the same shall become obsolete, worn out or destroyed (if commercially prudent to do so);
- 5.1.2 not, without the prior written consent of the Lender, become cautioner, guarantor or surety for any person, firm or company;
- 5.1.3 not, without the prior written consent of the Lender, undertake any obligation to any third party whereby the Chargor's rights to recover or take payment of any monies due or which may become due to the Chargor from any debtor of the Chargor are postponed or subordinated to the claims of such third party;
- 5.1.4 pay all rents, rates, taxes, levies, assessments, impositions and outgoings whatsoever, whether governmental, municipal or otherwise, which may be imposed upon or payable in respect of the Secured Assets as and when the same shall become payable, taking into account agreed periods of grace (if any) and also punctually pay and discharge all debts and obligations which by law may have priority over the floating charge created by this Instrument;
- 5.1.5 insure and keep insured such of the Secured Assets as comprise heritable and real, moveable and personal property and effects of every description with underwriters, insurance companies or other insurers to be approved by the Lender against loss or damage by fire and such other contingencies and risks as may be required by the Lender in their full reinstatement value or for such insured value as the Lender may specify or agree from time to time in writing for the time being in the name of the Chargor with the interest of the Lender endorsed on the policy or policies or noted as the Lender may require;
- 5.1.6 duly pay all premiums and sums payable for the purposes of any Insurances and produce the receipts therefor or other evidence of payment to the Lender within fourteen days of being requested by the Lender so to do, and not do anything or omit to do anything in or upon or relating to the Secured Assets or any part thereof which may render any Insurances void or voidable;
- 5.1.7 not, without the prior written consent of the Lender, sell, transfer, lease, hire out, lend, discount, factor, charge or otherwise dispose of, deal in or remove all or any of the Secured Assets;

- 5.1.8 notify the Lender of any freehold or leasehold property the title to which is registered at H.M. Land Registry (England and Wales) and of any application which may be made to record or register at H.M. Land Registry or any other land registry (other than the Register of Sasines and the Land Register of Scotland) the title to any freehold or leasehold or other property owned by it and to produce to the Lender the relevant official copy of the title;
 - 5.1.9 notify the Lender of any trade marks registered or applied to be registered in the register maintained under Section 63 of the Trade Marks Act 1994 at any time prior to or after the date of this Instrument in the United Kingdom and deliver to the Lender along with such notification Form TM 24 (or such other form as may be prescribed by the Registrar of Trade Marks for the registration of the prescribed particulars of the grant of a security interest (whether fixed or floating) under Section 25 of the Trade Marks Act 1994), duly completed and ready to be signed and despatched by the Lender to the Comptroller General of Patents Designs and Trade Marks.
 - 5.1.10 maintain its centre of main interests (COMI) for the purposes of the Council Regulation (EC) No 1346/2000 on Insolvency Proceedings, in the United Kingdom.
- 5.2 Except as the Lender may from time to time otherwise agree in writing:
- 5.2.1 the Chargor shall promptly get in and realise in the ordinary course of its trade or business all its book debts (but this shall not permit the selling, assigning, factoring or discounting of all or any of such book debts) apart from balances standing to the credit of any account with any bank or financial institution and, until payment into an account as provided below, shall procure that it holds the proceeds of such getting in and realisation (including all monies receivable in respect thereof) in trust for the Lender in such manner as the Lender may require;
 - 5.2.2 the Chargor shall immediately pay into such account or accounts with such bank or banks as the Lender may from time to time direct in writing all monies whatever payable or paid to it from time to time including, without limitation, all monies which it may receive in respect of the book and other debts and claims secured by it under this Instrument; and
 - 5.2.3 if at any time called upon to do so by the Lender, the Chargor shall immediately execute and deliver to the Lender an assignation of all or any of its book debts to the Lender at the cost of the Chargor and in such form as the Lender may require.
- 5.3 The Chargor will observe and perform in all respects restrictive and other covenants and stipulations and burdens for the time being affecting its heritable, freehold or leasehold property or the mode of use or the enjoyment of the same or affecting its

moveable or personal property or its ancillary or connected rights and will not, without the prior consent in writing of the Lender, enter into any onerous or restrictive obligations with regard thereto and the Chargor will not do or suffer or omit to be done any act, matter or thing whereby any provisions of any Act of Parliament, order or regulation whatever from time to time in force affecting such property or rights shall be infringed.

5.4 The Chargor will notify the Lender promptly in the event of any creditor exercising diligence against it or any of the Secured Assets wherever situated or taking any steps which might be expected to lead thereto.

5.5 The Chargor will notify the Lender promptly of the acquisition by it of any heritable, freehold or leasehold property.

5.6 The Chargor will, if the Lender so requires, deposit with the Lender all certificates, deeds and other documents of title or evidence of ownership in relation to all or any of the Secured Assets.

6 SET-OFF

Without prejudice to any of its other rights, remedies or powers, the Lender shall be entitled to hold all sums which are now or which may at any time hereafter be at the credit of any account or accounts in the name of the Chargor with the Lender as security for the Secured Liabilities and to apply without notice to the Chargor any such sums in and towards discharge of the Secured Liabilities. The Lender shall not be obliged to exercise its rights under this Clause 6, which shall be without prejudice and in addition to any right of set-off, compensation, combination of accounts, lien or other right to which it is at any time otherwise entitled (whether by operation of law, contract or otherwise).

7 ENFORCEMENT

7.1 In addition to any statutory provisions concerning enforceability or attachment the floating charge created by this Instrument shall become enforceable upon and the Lender's powers of appointment and other rights and powers shall become exercisable at any time after:

7.1.1 the occurrence of an Event of Default; or

7.1.2 the receipt of any request from the board of directors of the Chargor; or

7.1.3 the taking (or purported taking) by any person of any step towards the winding up or dissolution of the Chargor or towards the appointment of any administrator, trustee, administrative receiver, receiver, liquidator or the like to the Chargor or the whole or any part of its property

and the Lender may then (or as soon thereafter as permitted by law) by instrument in writing appoint any person or persons (if more than one with power to act both jointly and separately) to be an administrator of the Chargor or (subject, if applicable, to Section 72A of the Insolvency Act 1986) a receiver of the Secured Assets. In addition, and without prejudice to the foregoing provisions of this Clause 7.1, in the event that any person appointed to be a Receiver shall be removed by a court or shall otherwise cease to act as such, then the Lender shall be entitled so to appoint another person as Receiver in his place.

- 7.2 An Administrator shall have and be entitled to exercise, in addition to and without limiting all the powers of an administrator under the Insolvency Act 1986, all the powers of a receiver under Schedule 2 of the Insolvency Act 1986 and a Receiver shall have and be entitled to exercise, in addition to and without limiting all the powers of a receiver under Schedule 2 of the Insolvency Act 1986, all the powers of an administrative receiver set out in Schedule 1 of the Insolvency Act 1986 together with (in either case) the power to exercise any powers or rights incidental to ownership of the Secured Assets, including (as regards shares and other securities) any voting rights or rights of enforcing the same together with power to:
- 7.2.1 implement and exercise all or any of the Chargor's powers and/or rights and/or obligations under any contract or other agreement forming a part of the Secured Assets;
 - 7.2.2 make any arrangement or compromise which he shall think expedient of or in respect of any claim by or against the Chargor;
 - 7.2.3 promote or procure the formation of any new company or corporation;
 - 7.2.4 subscribe for or acquire for cash or otherwise any share capital of such new company or corporation in the name of the Chargor and on its behalf and/or in the name(s) of a nominee(s) or trustee(s) for it;
 - 7.2.5 sell, assign, transfer, exchange, hire out, grant leases of or otherwise dispose of or realise the Secured Assets or any part thereof to any such new company or corporation and accept as consideration or part of the consideration therefor in the name of the Chargor and on its behalf and/or in the name(s) of any nominee(s) or trustee(s) for it, any shares or further shares in any such company or corporation or allow the payment of the whole or any part of such consideration to remain deferred or outstanding by way of loan or debt or credit;
 - 7.2.6 sell, assign, transfer, exchange, hire out, grant leases of or otherwise dispose of or realise on behalf of the Chargor any such shares or deferred consideration or part thereof or any rights or benefits attaching thereto;
 - 7.2.7 convene an extraordinary general meeting of the Chargor;

- 7.2.8 acquire any property on behalf of the Chargor;
- 7.2.9 do all such other acts and things as he may consider necessary or desirable for protecting or realising the Secured Assets, or any part thereof, or incidental or conducive to any of the matters, powers or authorities conferred on a Receiver under or by virtue of or pursuant to this Instrument and exercise in relation to the Secured Assets, or any part thereof, all such powers and authorities and do all such things as he would be capable of exercising or doing if he were the absolute beneficial owner of the same and use the name of the Chargor for all and any of the purposes aforesaid;

subject always to the rights of the Lender as holder of the floating charge created by this Instrument.

- 7.3 To the extent that Secured Assets constitute Financial Collateral and are subject to a Security Financial Collateral Arrangement created by or pursuant to this Instrument, the Lender shall have the right, at any time after this Instrument becomes enforceable, to appropriate all or any part of those Secured Assets in or towards the payment or discharge of the Secured Liabilities. The value of any Secured Assets appropriated in accordance with this Clause 7.3 shall be the price of those Secured Assets at the time the right of appropriation is exercised as listed on any recognised market index, or determined by such other method as the Lender may select (including independent valuation). The Chargor agrees that the methods of valuation provided for in this Clause 7.3 are commercially reasonable for the purposes of Regulation 18 of the Financial Collateral Regulations. To the extent that Secured Assets constitute Financial Collateral, the Chargor agrees that such Secured Assets shall be held or designated so as to be under the control of the Lender for all purposes of the Financial Collateral Regulations.

8 OFFICE OF RECEIVER

- 8.1 Any Receiver appointed under Clause 7 (Enforcement) shall be the agent of the Chargor for all purposes and (subject to the provisions of the Insolvency Act 1986) the Chargor alone shall be responsible for his contracts, engagements, acts, omissions, defaults and losses and for liabilities incurred by him and for his remuneration and his costs, charges and expenses and the Lender shall not incur any liability for those (either to the Chargor or any other person) by reason of the Lender making his appointment as such Receiver or for any other reason whatsoever.
- 8.2 Any Receiver appointed under Clause 7 (Enforcement) shall be entitled to remuneration for his services and the services of his firm appropriate to the responsibilities involved. Subject to Section 58 of the Insolvency Act 1986, the remuneration of the Receiver may be fixed by the Lender (and may be or include a commission calculated by reference to the gross amount of all money received or otherwise and may include remuneration in connection with claims, actions or proceedings made or brought against the Receiver by the Chargor or any other person

or the performance or discharge of any obligation imposed upon him by statute or otherwise) but such remuneration shall be payable by the Chargor alone and the amount of such remuneration shall form part of the Secured Liabilities and accordingly be secured on the Secured Assets under the floating charge constituted by this Instrument.

9 APPLICATION OF ENFORCEMENT PROCEEDS

9.1 All monies received by the Lender or any Receiver under or by virtue of this Instrument following enforcement of the security hereby granted or of any security interest constituted pursuant hereto shall be applied, subject to the claims of any creditors ranking in priority to or *pari passu* with the claims of the Lender under this Instrument, in the following order:

9.1.1 firstly, in or towards payment of all costs, charges and expenses of or incidental to the appointment of the Receiver and the exercise of all or any of his powers, including his remuneration and all outgoings paid by and liabilities incurred by him as a result of such exercise;

9.1.2 secondly, in or towards satisfaction of the Secured Liabilities in such order as the Lender shall in its absolute discretion decide; and

9.1.3 thirdly, any surplus shall be paid to the Chargor or any other person entitled thereto.

9.2 Nothing contained in this Instrument shall limit the right of the Receiver or the Lender (and the Chargor acknowledges that the Receiver and the Lender are so entitled) if and for so long as the Receiver or the Lender, in their discretion, shall consider it appropriate, to place all or any monies arising from the enforcement of the security interest hereby granted or any security created pursuant to this Instrument into a suspense account, without any obligation to apply the same or any part thereof in or towards the discharge of any of the Secured Liabilities.

10 PROTECTION OF SECURITY

10.1 The security created by and any security interest constituted pursuant to this Instrument shall be a continuing security notwithstanding any settlement of account or other matter or thing whatsoever and in particular (but without prejudice to the generality of the foregoing) shall not be considered satisfied by an intermediate repayment or satisfaction of part only of the Secured Liabilities and shall continue in full force and effect until total and irrevocable satisfaction of all the Secured Liabilities.

10.2 The security created by and any security interest constituted pursuant to this Instrument shall be in addition to and shall not in any way prejudice or be prejudiced by any collateral or other security, right or remedy which the Lender may now or at any time hereafter hold for all or any part of the Secured Liabilities.

- 10.3 No failure on the part of the Lender to exercise and no delay on its part in exercising any right, remedy, power or privilege under or pursuant to this Instrument or any other document relating to or securing all or any part of the Secured Liabilities will operate as a waiver thereof, nor will any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy. The rights and remedies provided in this Instrument and any such other document are cumulative and not exclusive of any right or remedies provided by law.
- 10.4 Each of the provisions in this Instrument shall be severable and distinct from one another and if at any time any one or more of such provisions is or becomes or is declared null and void, invalid, illegal or unenforceable in any respect under any law or otherwise howsoever, the validity, legality and enforceability of the remaining provisions of this Instrument shall not in any way be affected or impaired by that occurrence.
- 10.5 If the Lender receives or is deemed to be affected by notice, whether actual or constructive, of any subsequent security or other interest affecting any part of the Secured Assets and/or the proceeds of sale(s) thereof, the Lender may open a new account or accounts with the Chargor. If the Lender does not open a new account or accounts, it shall nevertheless be treated as if it had done so at the time when it receives or was deemed to have received notice and as from that time, all payments made to the Lender shall be credited or be treated as having been credited to the new account or accounts and shall not operate to reduce the amount for which this Instrument is security.
- 10.6 Neither the security created by, nor any security interest constituted pursuant to, this Instrument nor the rights, powers, discretions and remedies conferred upon the Lender by this Instrument or by law shall be discharged, impaired or otherwise affected by reason of:
- 10.6.1 any present or future security, guarantee, indemnity or other right or remedy held by or available to the Lender being or becoming wholly or in part void, voidable or unenforceable on any ground whatsoever or by the Lender from time to time exchanging, varying, realising, releasing or failing to perfect or enforce any of the same; or
 - 10.6.2 the Lender compounding with, discharging or releasing or varying the liability of, or granting any time, indulgence or concession to, the Chargor or any other person or renewing, determining, varying or increasing any accommodation or transaction in any manner whatsoever or concurring in accepting or varying any compromise, arrangement or settlement or omitting to claim or enforce payment from the Chargor or any other person; or
 - 10.6.3 any act or omission which would not have discharged or affected the liability of the Chargor had it been a principal debtor instead of cautioner or by

anything done or omitted which but for this provision might operate to exonerate the Chargor from the Secured Liabilities; or

10.6.4 any legal limitation, disability, incapacity or other similar circumstance relating to the Chargor.

10.7 The Lender shall not be obliged, before exercising any of the rights, powers or remedies conferred upon it by or pursuant to this Instrument or by law, to:

10.7.1 take any action or obtain judgement or decree in any court against the Chargor; or

10.7.2 make or file any claim to rank in a winding-up or liquidation of the Chargor; or

10.7.3 enforce or seek to enforce any other security taken, or exercise any right or plea available to the Lender, in respect of any of the Chargor's obligations to the Lender.

11 FURTHER ASSURANCE

The Chargor shall execute and do all such assurances, acts and things as the Lender may require for perfecting or protecting the security created by or pursuant to this Instrument over the Secured Assets or for facilitating the realisation of such assets and the exercise of all powers, authorities and discretions conferred on the Lender or on any Receiver by this Instrument and shall in particular (but without limitation) promptly after being requested to do so by the Lender or any Receiver, execute all assignments and transfers (in favour of the Lender or any Receiver or to such nominee as either shall direct) of the Secured Assets which come into existence after the date of this Instrument and give all notices orders and directions which the Lender or any Receiver may think expedient for the purposes specified in this Clause 11.

12 MANDATE AND ATTORNEY

12.1 The Chargor hereby irrevocably appoints the Lender and any Receiver to be its mandatary and attorney for it and on its behalf and in its name or otherwise and as such to create or constitute any deed, or to make any alteration or addition or deletion in or to, any documents which the Lender or the Receiver may require for perfecting or protecting the title of the Lender or the Receiver to the Secured Assets or for vesting any of the Secured Assets in the Lender or the Receiver or its nominees or any purchaser and to re-deliver the same thereafter and otherwise generally to sign, seal and deliver and perfect any fixed security, floating charge, transfer, disposition, assignment, security and/or assurance or any writing, assurance, document or act which may be required or may be deemed proper by the Lender or the Receiver on or in connection with any sale, lease, disposition, realisation, getting in or other enforcement by the Lender or the Receiver of all or any of the Secured Assets.

- 12.2 The Chargor hereby ratifies and confirms and agrees to ratify and confirm whatever any such mandatary or attorney shall do in the exercise or purported exercise of all or any of the powers, authorities and discretions referred to in this Clause 12.

13 EXPENSES

- 13.1 The Chargor binds and obliges itself for the whole expenses of completing and enforcing the security granted by this Instrument and the expenses of any discharge thereof.

- 13.2 All costs, charges and expenses incurred and all payments made by the Lender or any Receiver under this Instrument in the lawful exercise of the powers conferred by this Instrument, whether or not occasioned by any act, neglect or default of the Chargor, shall be payable by the Chargor on demand and shall be a Secured Liability. All such costs, charges, expenses and payments shall be paid and secured as between the Lender or any Receiver and the Chargor on the basis of a full and unqualified indemnity.

14 INDEMNITY

The Lender, every Receiver and every attorney, manager, agent or other person appointed by the Lender or any such Receiver in connection with this Instrument shall be entitled to be indemnified out of the Secured Assets in respect of all liabilities and expenses incurred by it or him in the execution or purported execution of any of the powers, authorities or discretions vested in it or him pursuant to this Instrument and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way relating to the Secured Assets and the Lender and any Receiver may retain and pay all sums in respect of the same out of any monies received under the powers conferred by this Instrument.

15 AVOIDANCE OF PAYMENTS

Any amount which has been paid by the Chargor to a Receiver or the Lender and which is, in the opinion of the Lender, capable of being reduced or restored or otherwise avoided, in whole or in part, in the liquidation or administration of the Chargor shall not be regarded as having been irrevocably paid for the purposes of this Instrument.

16 NOTICES

16.1 Communications in writing

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

16.2 Addresses

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

16.2.1 in the case of the Chargor:

Address:	2a Lord Street, Douglas, Isle of Man, IM1 2BD
Attention:	John Murphy

16.2.2 in the case of the Lender:

Address:	Arbuthnot Latham & Co., Limited Arbuthnot House 7 Wilson Street London EC2M 2SN
Attention:	Credit Department
Facsimile:	+44 (0)20 7012 2501

or any substitute address or fax number or department or officer as the Chargor may notify to the Lender (or the Lender may notify to the Chargor if a change is made by the Lender) by not less than 5 Business Days' notice.

16.3 Delivery**16.3.1 Any communication or document made or delivered by one person to another under or in connection with this Instrument will only be effective:**

- (a) if by way of fax, when received in legible form; or
- (b) if by way of letter, when it has been left at the relevant address or 5 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 16.2 (Addresses), if addressed to that department or officer.

16.3.2 Any communication or document to be made or delivered to the Lender will be effective only when actually received by the Lender and then only if it is expressly marked for the attention of the department or officer specified as part of its address details provided under Clause 16.2 (Addresses) (or any substitute department or officer as the Lender shall specify for this purpose).

16.4 English language

Any notice given under or in connection with this Instrument must be in English.

17 GOVERNING LAW AND JURISDICTION

This Instrument shall be governed by, and construed in all respects in accordance with, the law of Scotland and, for the benefit of the Lender, the Chargor irrevocably submits to the non-exclusive jurisdiction of the Scottish courts but without prejudice to the ability of the Lender to proceed against the Chargor in any other appropriate jurisdiction.

18 CONSENT TO REGISTRATION

A certificate signed by any official, manager or equivalent account officer of the Lender shall, in the absence of manifest error, conclusively determine the Secured Liabilities at any relevant time and shall constitute a balance and charge against the Chargor, and no suspension of a charge or of a threatened charge for payment of the balance so constituted shall pass nor any sist of execution thereon be granted except on consignment. The Chargor hereby consents to the registration of this Instrument and of any such certificate for preservation and execution: IN WITNESS WHEREOF these presents consisting of this and the preceding 13 pages are executed as follows and DELIVERED on 4th October 2016 :

SUBSCRIBED for and on behalf of the STONE ACRE DISTILLERS HOUSE LIMITED

at Douglas, Isle of Man

on 3rd October 2016

by

EDWARD NORMAN BOLERS *Coners*

Print Full Name

Director

JANICE MARGARET WATTERSON

Print Full Name

Director / Secretary *J. Waterson*