



Registration of a Charge

Company Name: **THE BRITISH HONEY COMPANY PLC**

Company Number: **09300046**



Received for filing in Electronic Format on the: **14/12/2022**

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Details of Charge

Date of creation: **13/12/2022**

Charge code: **0930 0046 0003**

Persons entitled: **TUSMORE COLLECTION LIMITED**

Brief description: **MATERIAL INTELLECTUAL PROPERTY INCLUDING TRADEMARKS IN 1606 (WIPO), DODD'S, DODD'S (EU), DODD'S (F I G) AND VARIOUS OTHER TRADEMARKS. FOR MORE DETAIL PLEASE REFER TO THE INSTRUMENT.**

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: **WE CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by:

STEPHENSON HARWOOD LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 9300046

Charge code: 0930 0046 0003

The Registrar of Companies for England and Wales hereby certifies that a charge dated 13th December 2022 and created by THE BRITISH HONEY COMPANY PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 14th December 2022 .

Given at Companies House, Cardiff on 16th December 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**

Execution Version

Security Agreement

Dated 13 December **2022**

- (1) The British Honey Company Plc
(the Chargor)**
- (2) Tusmore Collection Limited
(the Lender)**

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**STEPHENSON
HARWOOD**

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Security Agreement

Dated 13 December 2022

Between

- (1) **The British Honey Company Plc** incorporated under the laws of England and Wales with registered number 09300046 and whose registered office is at Sanderum House, Oakley Road, Chinnor, England, OX39 4TW (the "**Chargor**"); and
- (2) **Tusmore Collection Limited** incorporated under the laws of England and Wales with registered number 12667219 and whose registered office is at Estate Office Tusmore Park Estate, Tusmore Park, Bicester, United Kingdom, OX27 7SP (the "**Lender**").

This deed witnesses

1 Definitions and interpretation

1.1 Definitions

This Security Agreement is intended to be a deed between the parties to it and is referred to here as "**this Deed**". In this Deed, the following terms have the meanings set out in this Clause.

"**Account Bank**" means each account bank of a Bank Account;

"**Authorisation**" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration;

"**Bank Account**" means each bank account in the name of the Chargor;

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

"**Default**" means an Event of Default in the Facility Agreement or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Facility Agreement or any combination of them) be an Event of Default;

"**Default Rate**" has the same meaning given to in the Facility Agreement;

"**Delegate**" means any delegate, agent, attorney or co-trustee appointed by the Lender or Receiver;

"**Dividend**" means all dividends, interest and other distributions paid or payable or arising from time to time in respect of any Investment;

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

- (a) air (including, without limitation, air within natural or man-made structures, whether above or below ground);

- (b) water (including, without limitation, territorial, coastal and inland waters, water under or within land and water in drains and sewers); and
- (c) land (including, without limitation, land under water);

"**Environmental Claim**" means any claim, proceeding, formal notice or investigation by any person in respect of any Environmental Law;

"**Environmental Law**" means any applicable law or regulation which relates to:

- (a) the pollution or protection of the Environment;
- (b) the conditions of the workplace; or
- (c) the generation, handling, storage, use, release or spillage of any substance which alone or in combination with any other, is capable of causing harm to the Environment, including, without limitation, any waste;

"**Environmental Permits**" means any permit and other Authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of the business of the Chargor conducted on or from the properties owned or used by the Chargor;

"**Equipment**" means all fixed and moveable plant, machinery, tools, vehicles, computers, office and other equipment and the benefit of all related Authorisations, agreements and warranties;

"**Event of Default**" has the same meaning given to in the Facility Agreement;

"**Facility Agreement**" means the facility agreement dated on or around the date of this Deed between the Chargor as borrower, Union Distillers Ltd and the Lender;

"**Finance Documents**" has the same meaning given to in the Facility Agreement;

"**Financial Collateral**" shall have the same meaning as it has in the Regulations;

"**Insurances**" means each contract or policy of insurance to which the Chargor is a party or in which it has an interest;

"**Insurance Proceeds**" means all amounts payable from time to time to under each of the Insurances and all rights in connection with those amounts including any payment by way of refund;

"**Insured Risks**" means loss or damage by any of the following: aircraft and other aerial devices and articles dropped from them; apparatus or pipes, bursting or overflowing of water tanks; civil commotion; earthquake; explosion; fire; flood; impact; lightning; malicious damage; riot, storm and tempest; vehicular impact, subsidence; acts of terrorism; all other normally insurable risks of loss or damage, including any third party liability arising from such acts and insure such other risks as a prudent company in the same business as the Chargor would insure;

"**Intellectual Property Rights**" means:

- (a) any patents, petty patents, trademarks, service marks, trade names, designs, business names, domain names, moral rights, rights in designs, software rights, utility models, database rights, copyrights, rights in the nature of copyright, and all other forms of intellectual or industrial property and other intellectual property rights and interests;
- (b) any rights in or to inventions, formulae, confidential or secret processes and information, know-how and similar rights, topographical or similar rights, goodwill and any other rights and assets of a similar nature and other intellectual property rights and interests; and
- (c) any other right to use, or application to register or protect, any of the rights listed in paragraphs (a) or (b),

arising or subsisting in any jurisdiction and whether registered or not;

"Investments" means all or any shares, debentures, stocks, bonds and securities of any kind negotiable instruments, warrants, other investments of whatever nature, any other financial instruments as defined in the Regulations, all equivalent financial collateral as defined in the Regulations; and the assets listed in Schedule 2 (*Investments*);

"LPA" means the Law of Property Act 1925;

"Lease Document" means an Occupational Lease, and any agreement to grant an Occupational Lease, and any other document so designated by the Lender and the Chargor;

"Legal Mortgage" means a charge by way of legal mortgage in respect of any Real Property by the Chargor in favour of the Lender substantially in the form set out in Schedule 8 (*Form of Legal Mortgage*);

"Material Intellectual Property" means any Intellectual Property Rights listed in Schedule 9 (*Material Intellectual Property*);

"Obligor" has the meaning given to it in the Facility Agreement;

"Occupational Lease" means any lease, licence, other right of occupation, or right to receive rent to which any of the Chargor's Real Property may be subject, including any guarantee of a tenant's obligations under such arrangements at any time;

"Party" means a party to this Deed;

"Real Property" means:

- (a) all right, title and interest in all interests in all freehold, leasehold and commonhold property of the Chargor, from time to time situated in England and Wales;
- (b) all buildings or parts of buildings on or part of any property referred to in paragraph (a);

- (c) all fixtures, fittings and fixed plant and machinery, including trade fixtures and fittings, from time to time, situated on or forming part of any property referred to in paragraph (a);

"Receiver" means a receiver, manager or where permitted an administrative receiver appointed, whether alone or jointly and whether appointed under this Deed, under the LPA or any other applicable law;

"Regulations" means the Financial Collateral Arrangements (No 2) Regulations 2003 (S.I. 2003/3226) or equivalent legislation in any applicable jurisdiction bringing into effect Directive 2002/47/EC on financial collateral arrangements, as amended by the Financial Collateral Arrangements (No 2) Regulations 2003 (Amendment) Regulations 2009 (SI 2009/2462), and (ii) the Financial Markets and Insolvency (Settlement Finality and Financial Collateral Arrangements) (Amendment) Regulations 2010 (SI 2010/2993);

"Rental Income" means the aggregate gross amounts paid to, or receivable by, the Chargor, now or at any time after the date of this Deed, in connection with any Lease Document relating to each of the Chargor's Real Properties, or any similar arrangements, including but not limited to: rent, licence fees, apportionment of rent or licence fees, other sum for occupation or usage, sums under insurance for loss of rent or interest in rent, any collateral or guarantee in support of a tenant's payment or other obligations, other sums arising and due to the Chargor as landlord or lessor under the Lease Documents or amendment waiver surrender or replacement of any of them, including interest, costs and expenses, and any damages or compensation or settlement, and any other amounts payable by each tenant in respect of the relevant Real Property in terms of the Lease Document applicable to it;

"Secured Liabilities" means all liabilities, moneys and obligations, now or after the date of this Deed, due or incurred by each Obligor to the Lender under or in connection with the Finance Documents, whether present or future obligations, whether actual or contingent, whether owed jointly or severally or in any other capacity whatsoever, in any manner and currency whatsoever, whether as principal or surety, together with all interest (including default interest) accruing on such liabilities, moneys, obligations, costs, charges and expenses incurred by the Lender;

"Secured Property" means all of the Real Properties of the Chargor subject to (i) any Security created by or under this Deed, (ii) any supplemental Legal Mortgage dated on or after the date of this Deed, or (iii) any other Security;

"Security" means (i) a charge, including any fixed, floating, legal or equitable charge, (ii) a lien, (iii) a mortgage, including an assignment by way of security, (iv) a pledge, (v) any other security interest securing any obligation of any person, or (iv) any other agreement or arrangement having a similar effect;

"Security Assets" means all of the assets of whatever nature of the Chargor which are the subject of any Security created by or under this Deed or any supplemental Legal Mortgage or other Security in favour of the Lender;

"Security Period" means the period starting on the date of this Deed and ending on the date on which the Lender is satisfied that all of the Secured Liabilities are

irrevocably discharged in full and the Lender has no commitment or liability, whether present or future, actual or contingent, under any Finance Document;

"**Tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same); and

"**VAT**" means any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to here, or imposed elsewhere.

1.2 Construction

In this Deed, unless a contrary indication appears:

- 1.2.1 any references to clauses and schedules shall be construed as a reference to the clauses and schedules of this Deed;
- 1.2.2 section, clause and schedule headings are for ease of reference only;
- 1.2.3 any reference to or any provisions of, "**this Deed**" or any other agreement, deed or instrument is a reference to this Deed or any other agreement, deed or instrument or provision as amended, novated, supplemented, extended or restated;
- 1.2.4 words importing the singular are to include the plural and vice versa;
- 1.2.5 any reference to a "**person**" shall be construed to include reference to any company, consortium or partnership, corporation, firm, government, individual, joint venture, other entity, state or agency of a state or any association, trust or unincorporated body of persons (whether or not a separate legal entity);
- 1.2.6 any reference to the **Chargor**, the **Lender** or a **Receiver** or any other person includes any one or more of its assigns, transferees and successors in title (in the case of the Chargor, so far as any such is permitted);
- 1.2.7 the **Lender** or a **Receiver** (except for the references in Clause 17 (*Power of attorney*)), includes its duly appointed nominees, attorneys, correspondents, trustees, advisers, agents, delegates and sub-delegates;
- 1.2.8 any reference to a provision of law or regulation is a reference to that provision as amended, supplemented, re-enacted or replaced from time to time;
- 1.2.9 a "**regulation**" includes any instrument, official directive, order, other subordinate regulation request or guideline (whether or not having the force of law) regulation, or rule of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;

- 1.2.10 any reference to "**assets**" includes present and future properties, revenues and rights and benefits of every description;
- 1.2.11 any reference to "**disposal**" includes an assignment, declaration of trust, grant, lease, licence, sale, transfer, or other disposal, whether voluntary or involuntary, and "**dispose**" will be construed accordingly;
- 1.2.12 any reference to a time of day is a reference to London time;
- 1.2.13 any reference to "£", "GBP" and "sterling" denotes the lawful currency of the United Kingdom;
- 1.2.14 any reference to a Default or Event of Default which is "**continuing**", is a Default or Event of Default which has not been remedied or waived;
- 1.2.15 each mortgage, fixed charge and assignment contained in Clauses 4.1 (*Real Property*) to 4.12 (*Other contractual rights*) over each category of assets specified in those Clauses shall be read and construed separately of each other; and
- 1.2.16 where this Deed creates Security over any Security Asset which constitutes Financial Collateral, this Deed is intended to be a "**security financial collateral arrangement**" as defined in the Regulations.

1.3 Third party rights

- 1.3.1 The Lender, any Receiver or Delegate and their respective officers, employees and agents may enforce any term of this Deed which purports to confer a benefit on that person principally in relation to rights and indemnities in Clause 13 (*Protection of the Lender and Receivers*), but no other person who is not a party to this Deed has any right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed.
- 1.3.2 The Parties to this Deed and any Receiver or Delegate may rescind, vary, waive, release, assign, novate or otherwise dispose of all or any of their respective rights or obligations under this Deed without the consent of any person who is not a Party to this Deed.

1.4 Effect as a deed

This Deed shall take effect as a deed even if it is signed under hand on behalf of the Lender.

1.5 Law of Property (Miscellaneous Provisions) Act 1989

The terms of the Facility Agreement are incorporated in this Deed, to the extent required to ensure that any purported disposition of an interest in Real Property contained in this Deed is a valid disposition in accordance with section 2 of the Law of Property (Miscellaneous Provisions) Act 1989.

1.6 Conflict

Each Legal Mortgage is supplemental to this Deed, and to the extent the provisions of this Deed conflict with those of any Legal Mortgage, the provisions of that Legal Mortgage shall prevail.

2 Covenant to pay

2.1 The Chargor covenants with the Lender that it will on demand pay and discharge the Secured Liabilities when due in accordance with the terms of the Finance Documents.

2.2 The Chargor shall pay interest at the Default Rate on the sums payable under this Deed from the date on which the liability was incurred to the date of actual payment, both before and after judgment.

3 Nature of Security created

All of the Security created under this Deed:

3.1 is created as a continuing security to secure the payment and discharge of all of the Secured Liabilities;

3.2 is created over all present and future assets of the description in Clause 4 (*Creation of Security*) owned by the Chargor, except in the case of assets which are the subject of a legal mortgage under this Deed, and over any right or interest which the Chargor may otherwise have in such assets; and

3.3 is created with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

4 Creation of Security

4.1 Real Property

The Chargor:

4.1.1 charges to the Lender by way of first legal mortgage all Real Property including the Real Property listed in Schedule 1 (*Real Property charged by way of legal mortgage*);

4.1.2 charges to the Lender, the extent not subject to the charge by way of legal mortgage in Clause 4.1.1, by way of first fixed charge all of its Real Property which it has now or which it may subsequently acquire;

4.1.3 charges to the Lender by first fixed charge the Rental Income and any guarantee or indemnity of the Rental Income relating to any Lease Document, to the extent not otherwise assigned under Clauses 4.9.2 and 4.9.3; and

4.1.4 assigns to the Lender absolutely, not otherwise charged by way of legal mortgage under Clause 4.1.1, all of its rights and interests under or in respect of:

(a) all present and future rights in each agreement, licence, contract, easement, option, guarantee, Security, warranty, covenant for title

or other right or document relating to the use, disposal or acquisition of the property referred in this definition or other asset or right relating to all Real Property, including the Real Property listed in Schedule 1 (*Real Property charged by way of legal mortgage*);

- (b) all rights in relation to any Occupational Lease relating to the Real Property; and
- (c) any net proceeds of sale of any Real Property, interest or right relating to them.

4.2 Equipment

The Chargor charges to the Lender by way of first fixed charge all Equipment not otherwise charged by way of legal mortgage under Clause 4.1 (*Real Property*).

4.3 Investments

The Chargor charges to the Lender by way of first fixed charge:

- 4.3.1 all Investments owned by it from time to time including those held for it by any nominee;
- 4.3.2 all allotments, accretions, offers, options, rights, moneys, property, bonuses, benefits and advantages, whether by way of conversion, exchange, bonus, redemption, preference, option rights, substitution or otherwise which at any time accrue to or are offered or arising from any Investment;
- 4.3.3 all Dividends; and
- 4.3.4 any proceeds of sale of each Investment or any right relating to it.

4.4 Intellectual Property Rights

The Chargor charges to the Lender by way of first fixed charge:

- 4.4.1 all Intellectual Property Rights (excluding Material Intellectual Property);
- 4.4.2 all Material Intellectual Property;
- 4.4.3 any proceeds of sale or realisation of each Intellectual Property Right or Material Intellectual Property or any right relating to it;
- 4.4.4 any proceeds of any licence or right to use each Intellectual Property Right or Material Intellectual Property; and
- 4.4.5 all Security, guarantees, indemnities, options, agreements, rights, licences, warranties, agreement for use or other undertakings or covenants of title in respect of any Intellectual Property Right or Material Intellectual Property.

4.5 Goodwill

The Chargor charges to the Lender by way of first fixed charge its goodwill.

4.6 Uncalled capital

The Chargor charges to the Lender by way of first fixed charge its uncalled capital.

4.7 Authorisations

The Chargor charges to the Lender by way of first fixed charge the benefit of all Authorisations relating to any Security Asset.

4.8 Insurances

The Chargor assigns to the Lender absolutely all its rights and interests under the Insurances.

4.9 Other contractual rights

Each Chargor assigns to the Lender absolutely all its rights and interests under or in respect of:

- 4.9.1 each Lease Document;
- 4.9.2 all Rental Income;
- 4.9.3 any guarantee or indemnity of Rental Income contained in or relating to any Lease Document;
- 4.9.4 each appointment of a managing agent appointed by the Chargor in respect of any of its Real Property; and
- 4.9.5 any other agreement to which it is a party which is not otherwise effectively assigned or charged by way of fixed charge pursuant to this Clause 4.

4.10 Floating charge over other assets

- 4.10.1 The Chargor charges to the Lender by way of first floating charge all of its present and future business, undertaking, assets, rights and revenues which are not effectively charged by way of legal mortgage, charged by way of fixed charge or assigned under this Clause 4.
- 4.10.2 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to any floating charge created by this Deed to the extent that each floating charge shall be a 'qualifying floating charge' within the meaning of that paragraph.

4.11 Conditions to granting Security

- 4.11.1 Where granting any Security is prohibited over any asset of the Chargor until, a consent or waiver is obtained or a condition is satisfied, the Chargor shall hold such asset or any proceeds of such asset on trust for the Lender.
- 4.11.2 The Chargor shall use its best endeavours to obtain such consent or waiver or satisfy such condition within 10 Business Days of the date of this Deed or, if acquired after the date of this Deed, within 10 Business Days of the date of acquisition and shall in each case keep the Lender informed of the progress.
- 4.11.3 On the waiver or consent being obtained, or the condition being satisfied, the asset shall be charged by way of legal mortgage, charged by way of fixed

charge, assigned, or charged by floating charge under this Clause 4, in each case to the Lender and the trust referred to in Clause 4.11.1 shall terminate. Such asset shall be deemed a Security Asset.

5 Conversion of floating charge

5.1 Automatic conversion

The floating charge created by this Deed will convert automatically into a fixed charge over the Security Assets:

- 5.1.1 if the Lender receives notice of an intention to appoint an administrator to the Chargor;
- 5.1.2 if any steps are taken (including the presentation of a petition, the passing of a resolution or the making of an application) to appoint, or an appointment is made of, a liquidator, provisional liquidator, administrator or Receiver over all or any part of the Chargor's assets;
- 5.1.3 if the Chargor creates or attempts to create Security over all or any of the Security Assets;
- 5.1.4 on the crystallisation of any other floating charge over any of the Security Assets;
- 5.1.5 if any person seizes, attaches, charges, takes possession of or sells any Security Asset under any form of distress, sequestration, execution or other process, or attempts to do so; and
- 5.1.6 in any other circumstances prescribed by law.

5.2 Conversion on notice

The Lender may, by notice to the Chargor at any time during the Security Period, convert the floating charge created by this Deed into a fixed charge in respect of any Security Asset specified in that notice if an Event of Default is continuing, or if the Lender considers that Security Asset to be in danger of being seized, attached, charged, taken possession of or sold under any form of distress, sequestration, execution or other process or otherwise to be in jeopardy. This Clause shall not apply by reason only of a moratorium being obtained, or anything being done with a view to a moratorium being obtained, under section 1A of the Insolvency Act 1986.

6 Representations and warranties

The Chargor makes the representations and warranties set out in this Clause to the Lender on each day on which any amount is outstanding under the Facility Agreement.

6.1 Status

It is a public liability company, duly incorporated and validly existing under English law and it has the power to own and grant Security over the Security Assets, and to carry on its business as it is being conducted.

6.2 Binding obligations

Its obligations in this Deed are legal, valid, binding and enforceable.

6.3 Non-conflict with other obligations

Granting of the Security in and under this Deed, and execution of this Deed and any other document under or in connection with it, will not conflict with (a) any law or regulation applicable to it, (b) its constitutional documents, or (c) any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument.

6.4 Power and authority

6.4.1 It has the power to, and is authorised to, enter into, perform and deliver this Deed and the grant the Security under it.

6.4.2 Any limit on its powers will not be exceeded by granting of Security or giving of guarantees or indemnities under this Deed.

6.5 Authorisations

All Authorisations required or desirable for the Chargor to enter into this Deed and create and perfect the Security purported to be granted by the Chargor under it, and to make this Deed admissible in evidence have been obtained and are in full force and effect.

6.6 Deduction of Tax

It is not required to make any deduction or withholding on account of Tax from (i) any payment it may make under any Finance Document to the Lender, or (ii) any Rental Income payable to the Chargor.

6.7 No filing or stamp taxes

It is not necessary that this Deed be registered, filed, recorded, notarised or enrolled with any court or other authority or that any Tax or fees be paid on or in relation to this Deed, except registration of particulars of this Deed and any supplemental Legal Mortgage at the Companies Registration Office under the Companies Act 2006 and payment of associated fees; and registration of this Deed at the Land Registry or Land Charges Registry in England and Wales and payment of associated fees, which registrations, filings, Tax and fees will be made and paid promptly after the date of this Deed. It has made any disclosure required to be made by it to any relevant taxing authority in relation to stamp duty land tax.

6.8 VAT

It is not a member of a VAT group.

6.9 No default

No Default is continuing or is reasonably likely to result from entering into, this Deed and granting the Security under it.

6.10 Information

All information supplied by the Chargor or on its behalf to the Lender in connection with this Deed or any of the Real Property or any other Security Asset was true and accurate in all material respects and it is not aware of any material facts or circumstances that have not been disclosed and which might, if disclosed, adversely affect the decision of a person considering whether or not to provide finance to it.

6.11 Title to Property

6.11.1 The Chargor is the legal and beneficial owner of the Real Properties and has good and marketable title to each of the Real Properties, free from Security, restrictions and onerous covenants.

6.11.2 On and from the date of this Deed:

- (a) no breach of any law, regulation or covenant is outstanding which adversely affects or might reasonably be expected to adversely affect the value, saleability or use of any of the Chargor's Real Properties;
- (b) there is no covenant, agreement, stipulation, reservation, condition, interest, right, easement or other matter whatsoever adversely affecting the Chargor's Real Properties;
- (c) nothing has arisen or has been created or is outstanding which would be an overriding interest, or an unregistered interest which overrides first registration or a registered disposition, over any of the Chargor's Real Properties;
- (d) all facilities necessary for the enjoyment and use of the Chargor's Real Property are available to it (including those necessary for the carrying on of its business); but not on terms entitling any person to terminate or curtail the use of any of the Chargor's Real Properties, or which conflict with or restrict the use of any of the Chargor's Real Properties;
- (e) the Chargor has not received any notice of any adverse claim by any person in respect of the ownership any of the Chargor's Real Properties or any interest in it which might reasonably be expected to be determined in favour of that person, nor has any acknowledgment been given to any such person in respect of any of the Chargor's Real Properties; and
- (f) each of the Chargor's Real Properties is held by the Chargor free from any lease or licence other than such interests disclosed to the Lender by the Chargor in writing.

6.12 Ranking of Security

The Security created or purported to be created by or under this Deed constitutes a first priority security interest of the type described, over the Security Assets in Clause 4 (*Creation of Security*). The Security Assets are not subject to any prior or *pari passu* Security.

6.13 Ownership

The shares in the capital of the Chargor are fully paid and are not subject to any option to purchase or similar rights. The constitutional documents of the Chargor do not restrict or inhibit any transfer of its shares on creation or enforcement of the Security created by or under this Deed.

7 Undertakings relating to the Security Assets

The undertakings in this Clause remain in force from the date of this Deed until the expiry of the Security Period.

7.1 Disposals

The Chargor shall not enter into a single transaction or a series of transactions (whether related or not, and whether voluntary or involuntary), nor dispose of any Security Asset or part of any Security Asset, nor enter into an agreement to make any disposal, except as permitted under the terms of the Facility Agreement.

7.2 Negative pledge

The Chargor shall not create, purport to create or permit any Security over any Security Asset except as permitted under the terms of the Facility Agreement.

7.3 Preservation of Assets

The Chargor, subject to the terms of the Facility Agreement:

- 7.3.1 shall notify the Lender of any action commenced by a third party to seize, attach, charge, take possession of or sell any Security Asset which (to the best of its knowledge and belief) has been started or threatened and at its own cost, defend such proceedings;
- 7.3.2 shall preserve, maintain, exploit and renew as and when necessary all Intellectual Property Rights which form part of the Security Assets;
- 7.3.3 shall not enter into any onerous obligation or restriction affecting any Security Asset;
- 7.3.4 in relation to any Secured Property, shall not:
 - (a) exercise any of the powers conferred by sections 99 (*Lease of powers of mortgages and mortgage in possession*) and 100 (*Powers of mortgagor in possession to accept surrenders of leases*) of the LPA of leasing, letting, entering into agreements for leases or lettings or accepting or agreeing to accept surrenders of leases;
 - (b) agree any rent review except with the prior written consent of the Lender;
 - (c) make an application, consent to or acquiesce in the application by any third party, to the Land Registry to enter any matter on the register of title;

- 7.3.5 in relation to any uncalled capital of the Chargor, shall call it up or receive it in advance of calls unless the Lender otherwise directs, nor apply it, when paid, otherwise than in payment of the Secured Liabilities or as the Lender otherwise directs; and
- 7.3.6 shall take any Security in connection with its liability under this Deed from any guarantor of, or provider of Security for, any of the Secured Liabilities.

7.4 Notices of assignment and charge

The Chargor shall promptly after the execution of this Deed, serve the following notices substantially in the forms set out in the relevant Schedule referred to in this Clause, and deliver to the Lender a certified copy of each notice and shall use all reasonable endeavours to procure that the recipient of such notice acknowledges that notice in writing substantially in the form set out in the relevant Schedule referred to in this Clause:

- 7.4.1 in respect of Occupational Leases, the notice of assignment, set out in Part 1 of Schedule 4 (*Forms of letter to and from Occupational Tenants*) on each tenant of each Secured Property, and the acknowledgment set out in Part 2 of Schedule 4 (*Forms of letter to and from Occupational Tenants*);
- 7.4.2 in respect of each Bank Account, the notice to the Account Bank of the floating charge set out in Part 1 of Schedule 5 (*Notice and acknowledgement to Account Bank for Bank Account*) of and the acknowledgment set out in Part 2 of Schedule 5 (*Notice and acknowledgement to Account Bank for Bank Account*) as applicable;
- 7.4.3 in respect of Insurances, notice of the fixed charge to each insurer set out in Schedule 6 (*Forms of letter and acknowledgment for Insurances*) and the acknowledgments set out in Schedule 6 (*Forms of letter and acknowledgment for Insurances*); and
- 7.4.4 in respect of assigned contracts, the notice of assignment to the counterparties as out in Schedule 7 (*Forms of letter and acknowledgment for agreements being assigned agreements*) and the acknowledgment set out in Schedule 7 (*Forms of letter and acknowledgment for agreements being assigned agreements*).

7.5 Exercise of rights

Subject to the terms of the Facility Agreement, and to the terms of any notice or acknowledgment given or received under Clause 7.4 (*Notices of assignment and charge*), while no Event of Default is continuing, the Chargor may exercise its rights in respect of the agreements assigned pursuant to Clauses 4.8 (*Insurances*) and 4.9 (*Other contractual rights*) and deal with the relevant counterparties in respect of those agreements.

7.6 Intellectual Property

The Chargor irrevocably authorises the Lender to effect such registrations, renewals, payments and notifications at the expense of the Chargor as shall, in the reasonable opinion of the Lender, be necessary to register the Security created by this Deed over

any Material Intellectual Property or Intellectual Property Rights at any patent, trade mark or other intellectual property register or authority as may be available for the purpose.

8 Undertakings relating to Real Properties

8.1 Maintenance and repair

The Chargor shall keep all buildings, installations, structures, plant, machinery, fixtures and fittings or any other erections (whether fully built or in the course of construction) on its Real Properties in good and substantial repair and condition and, as appropriate, in good working order (fair wear and tear excepted in the case of plant and machinery) and fully protected from damage or alteration as a result of weather, malicious damage or any other cause and to replace any fixtures or fittings which have become worn out or otherwise unfit for use with new assets of a similar type.

8.2 Insurances

8.2.1 The Chargor must ensure that at all times from the date of this Deed, Insurances are maintained in full force and effect, which:

- (a) insure the Chargor in respect of its interests in each of its Real Properties and the plant and machinery on each of its Real Properties (including fixtures and improvements) for their full replacement value (being the total cost of entirely rebuilding, reinstating or replacing the relevant asset if it is completely destroyed, together with all related fees and demolition costs) together with VAT, architects', surveyors' and other professional fees and to:
 - (i) provide cover against the Insured Risks;
 - (ii) provide cover for site clearance, shoring or propping up, professional fees and VAT together with adequate allowance for inflation;
 - (iii) provide cover for loss of rent for a period of three years or for such longer period as required by the Lender and by the Lease Documents including provision for any increases in rent during the period of insurance; and
 - (iv) provide cover over stock in trade from time to time on any of the Chargor's Real Properties as the Lender may reasonably require;
- (b) include property owners' public liability third party liability and employer's liability insurance; and
- (c) in each case are in an amount, and in form, and with an insurance company or underwriters, acceptable at all times to the Lender.

8.2.2 The Chargor shall promptly notify the Lender in writing of the proposed terms of any renewal or replacement of any of the Insurances; any amendment, supplement, extension, termination, avoidance or cancellation of any of the

Insurances made or, to its knowledge, threatened or pending; any claim, and any actual or threatened refusal of any claim, under any of the Insurances; and any event or circumstance which has led or may lead to a breach by the Chargor of any term of this Clause 8.

- 8.2.3 The Chargor shall comply with the terms of the Insurances and shall not do or omit to do anything or permit anything to be done or omitted to be done which may make void or voidable any of the Insurances in whole or in part; and the Chargor shall comply with all reasonable risk improvement requirements of its insurers.
- 8.2.4 The Chargor shall pay each premium or other monies for the Insurances promptly and in any event prior to the commencement of the period of insurance for which that premium is payable and provide to the Lender all insurance and receipts for every such payment or monies paid under the Insurers whether or not effected by the Chargor, Lender or any third party. The Chargor shall do, and shall procure to be done, all other things necessary so as to keep each of the Insurances in force. The Lender may, at the expense of the Chargor effect any insurance and generally do such things and take such other action as the Lender may reasonably consider necessary or desirable to prevent or remedy any breach the Insurances as Clause 8.2 (*Insurances*).
- 8.2.5 The Chargor shall apply moneys received under any Insurances either in making good the loss or damage to the Real Property by replacing, restoring or reinstating that Real Property or those Real Properties (and any deficiency being made good by the Chargor) or towards discharge of the Secured Liabilities and such monies received by the Manager shall be held on trust for the Lender accordingly. The proceeds of any loss of rent insurance will be treated as Rental Income and applied in such manner as the Lender requires as if it were Rental Income received over the period of the loss of rent. Moneys received under liability policies held by the Chargor which are required by the Chargor to satisfy established liabilities of the Chargor to third parties must be used to satisfy these liabilities.

8.3 Outgoings

The Chargor shall pay when due all rents, rent charges, rates, Taxes, charges, assessments, impositions and other outgoings whatsoever charged, assessed, levied or imposed on any of the Chargor's Real Property or upon the owner or occupier of such Real Property as payable in respect of such Real Property.

8.4 Covenants and stipulations

The Chargor shall perform, observe its obligations and exercise its rights and comply in all respects with any covenant, restriction, stipulation, provision, regulation, condition and agreement, obligation (restrictive or otherwise) at any time affecting any of its Real Properties or the use or enjoyment of any of them. The Chargor shall not amend, supplement, waive, surrender or release any such term at any time affecting any of its Real Properties. The Chargor shall register the Security created by this Deed and any supplemental Legal Mortgage at the Land Registry or the Land Charges Register for England and Wales as appropriate. The Chargor shall comply with all laws from time to time, and approvals, licences or consent relating to the Chargor's Real Properties and its use or enjoyment of them.

8.5 Investigation of title

The Chargor shall grant the Lender and its advisers on request ,all facilities within its power, to carry out investigations of title to any of its Real Properties and to make such enquiries in relation to any part of any of its Real Properties as a prudent mortgagee might carry out.

8.6 Alterations

Unless it has the prior written consent of the Lender, the Chargor shall not, demolish, pull down, remove or permit or to be demolished, pulled down or removed any building, installation or structure for the time being or any of the Chargor's Real Properties or parts of any of them or except where replacing or renewing the same any fixtures or erect or make or permit to be erected or made at any of the Chargor's Real Properties any building, installation, structure or material alteration or a change of use or otherwise commit any waste upon or destroy or injure in any manner or by any means reduce or permit to be reduced the value of such of any of the Chargor's Real Properties.

8.7 Development

The Chargor shall not make or allow to be made any application for planning permission in respect of any part of its Real Property. During the Security Period, where any part of the Chargor's Real Properties is intended to be developed or is being developed, the Chargor shall proceed diligently with such development in all respects to the satisfaction of the Lender and any competent authority in compliance with the planning permissions, byelaws and consents and shall submit all plans and specifications for the development to the Lender for approval. It shall not amend such plans and specifications without the Lender's approval not to be unreasonably withheld or delayed.

8.8 Planning

The Chargor shall comply in all respects with all planning laws, permissions, agreements and conditions to which any of its Real Properties may be subject. The Chargor shall pay to the Lender any compensation or other amounts it may receive in respect of any notice or order under any planning laws.

8.9 Right of entry and remedy

8.9.1 The Chargor shall permit the Lender, its agents, representatives, employees and contractors to enter any part of any of its Real Properties at all reasonable times after at least twenty-four hours' prior notice except in the case of emergency to view to the state of repair and condition of each Real Property, and shall permit the Lender to comply with or object to any notice served on the Chargor in respect of any of its Real Properties and take any action that the Lender thinks fit to prevent or remedy any breach of any such term or to comply with or object to any such notice.

8.9.2 The Chargor shall immediately on request by the Lender pay the Lender's or its agents' and contractors 'costs and expenses with VAT in addition incurred by taking any action under this Clause 8.

8.9.3 The Lender shall not be obliged to account as mortgagee in possession as a result of any action taken under this Clause 8.

8.10 Notices

Within 10 Business Days of the receipt, the Chargor shall deliver a copy to the Lender of any application, requirement, order, notice direction, designation, resolution or proposal served or given by any public, local, planning or any other authority or any landlord with respect to any of its Real Properties (or any part of them). The Chargor shall comply as soon as reasonably practicable with the terms specified in such document and in any event, the Chargor shall inform the Lender of the steps it or any other person has taken or it or any other person proposes to take to comply with the specified requirements shall comply immediately with the terms specified.

8.11 Leases

8.11.1 The Chargor shall promptly:

- (a) exercise its rights, comply with its obligations, perform and observe all covenants and conditions under each Lease Document;
- (b) use all reasonable endeavours to procure that each tenant performs all of its obligations under each Lease Document;
- (c) not amend, supplement, extend, waive, surrender or release any provision of any Lease Document not exercise any right to break, determine or extend any Lease Document, grant any licence or right to use or occupy any part of its Real Property nor enter into any Lease Document without the prior written consent of the Lender which consent shall not be unreasonably withheld or delayed;
- (d) not commence any forfeiture or irritancy proceedings in respect of any Lease Document;
- (e) not agree to any change of use or rent review under any Lease Document;
- (f) not consent to any sublease or assignment of any tenant's interest under any Lease Document;
- (g) not serve any notice on any former tenant under any Lease Document (or on any guarantor of that former tenant) which would entitle it to a new lease or tenancy.

8.11.2 The Chargor shall provide the Lender with each Lease Document and any amendment, supplement, extension or variation or waiver of any of them and all the rent review documentation in respect of each Lease Document immediately upon execution of such documentation.

8.12 Headleases

8.12.1 The Chargor shall exercise its rights, comply with its obligations, perform and observe all covenants and conditions under each headlease to which it is a party; use all reasonable endeavours to procure that each landlord performs

all of its obligations under such headlease; and if so required by the Lender, apply for relief against forfeiture of any headlease over any of the Chargor's Real Property to which it is a party.

- 8.12.2 The Chargor shall not amend, supplement, extend, waive, surrender or release any provision of any headlease to which it is a party, exercise any right to break, determine or extend any headlease; agree to any rent review in respect of any headlease; and shall not do or allow to be done any act as a result of which any headlease may become liable to forfeiture or otherwise be terminated.

8.13 Managing Agents

The Chargor may only appoint a managing agent or terminate the appointment of a managing agent to any of its Real Properties with the prior consent of the Lender and on terms acceptable to the Lender. The Chargor shall procure that a managing agent of any of its Real Property acknowledges to the Lender notice of the Security created by this Deed and pays all Rental Income received by it without any withholding, set-off or counterclaim.

8.14 Environmental matters

- 8.14.1 The Chargor shall during the Security Period, comply and procure that any third party complies with all Environmental Law in relation to each of its Real Properties and shall obtain, maintain and procure compliance with all Environmental Permits applicable to it or to any of its Real Properties. The Chargor shall monitor compliance with, and prevent liability arising under any Environmental Law applicable to it or any of its Real Properties.
- 8.14.2 The Chargor shall, immediately upon becoming aware, notify the Lender in writing of any Environmental Claim started or threatened against it or any of its Real Properties, any circumstances reasonably likely to result in an Environmental Claim or any suspension, revocation or notification of any Environmental Permit in each case relating to any of its Real Properties.
- 8.14.3 The Chargor shall indemnify the Lender, Receiver and any Delegate against any loss (including consequential loss) or liability, costs and expenses with VAT in addition, which
- (a) it incurs as a result of any actual or alleged breach of any Environmental Law by any person in respect of any of its Real Properties;
 - (b) would not have arisen if neither this Deed nor any other Finance Document had not been entered into;
 - (c) may arise from any person making an Environmental Claim against the Chargor, Lender, Receiver or any of the Chargor's Real Properties or any business operations or activities on any of them;
 - (d) may arise from any liability or potential liability or the Lender, any Receiver or Delegate to remedy, clean-up or make good any breach, contravention or violation of any Environmental law by the Chargor

or any harm actual as potential, to the environment caused directly or indirectly by any release, emission or discharge of any harmful or hazardous material from, in or to or on any of the Chargor's Real Properties; and

- (e) may arise where the Chargor is in breach of this Clause 8.14 (*Environmental matters*),

unless it is caused by the Lender's gross negligence or wilful misconduct.

9 Investments: Undertakings, Dividends and Voting rights etc

9.1.1 The Chargor shall:

- (a) promptly pay all calls, instalments and other payments which may be made or become due in respect of the Investment (or, in respect of any Investment of which the Lender is the legal owner, promptly pay to the Lender on demand such amounts as the Lender may require to make those payments, together with interest at the Default Rate from the date of payment by the Lender to the date of payment by the Chargor under this Clause, both before and after judgment);
- (b) not acquire any additional Investments after the date of this Deed unless they are fully paid; and
- (c) comply with any notice served on it, under the Companies Act 2006 or pursuant to its articles of association or any other constitutional document, in respect of or in connection with the Investments or any of them, and will promptly provide to the Lender a copy of that notice.

9.1.2 The Chargor shall promptly, on the request of the Lender:

- (a) provide to the Lender a copy of all other notices, reports, accounts and circulars in respect of or in connection with any of the Investments; and
- (b) transfer all or any of the Investments to the Lender.

9.1.3 The Chargor shall, if any Investments are in, or are converted into, uncertificated form, promptly notify the Lender, and act on any instructions given by the Lender, and give such directions as it may require to protect and preserve the Lender's Security in respect of those Investments; and transfer those Investments which are or become uncertificated to an escrow account, in respect of which it has named as escrow agent the Lender or its any nominee or agent, notified to the Chargor or any other person approved in writing by the Lender.

9.2 Before an Event of Default

Prior to the occurrence of an Event of Default that is continuing, the Chargor having granted a charge over Investments under this Deed, may:

- 9.2.1 receive and retain Dividends, and exercise all voting and other rights and powers attached to the Investments; or
- 9.2.2 in respect of any Investments of which the Lender is the legal owner, direct the Lender to pay over the Dividends to it, and exercise all such voting and other rights and powers,

but, in each case, only in a manner consistent with this Deed and not to prejudice the value of or the ability of the Lender to enforce the Security or other rights created under this Deed.

9.3 After an Event of Default

After the occurrence of an Event of Default that is continuing:

- 9.3.1 the Chargor shall promptly pay over to the Lender all Dividends which it may receive, and shall direct all Dividends to be paid to the Lender, or such other account as the Lender shall direct and apply such moneys according to Clause 10.4 (*Application of moneys*), and exercise all voting and other rights and powers attached to the Investments in any manner which the Lender may direct; or
- 9.3.2 in respect of Investments of which the Lender is the legal owner, the Lender may receive and retain all Dividends and apply them in any manner permitted by this Deed, and may exercise all such voting and other rights and powers in such manner as it determines.

10 Enforcement

10.1 When Security becomes enforceable

The Security created by this Deed shall become immediately enforceable (i) on the occurrence of an Event of Default that is continuing and (ii) if the Chargor so requests.

10.2 Powers on enforcement

At any time after the Security created by this Deed has become enforceable, the Lender may (without prejudice to any other of its rights and remedies and without notice to the Chargor) do all or any of the following:

- 10.2.1 exercise all the powers and rights conferred on mortgagees by the LPA, as varied and extended by this Deed, without the restrictions contained in sections 103 (*Regulation of exercise of power of sale*) or 109(1) (*Appointment, powers, remuneration and duties of receiver*) of the LPA;
- 10.2.2 exercise the power of leasing, letting, entering into agreements for leases or lettings or accepting or agreeing to accept surrenders of leases in relation to any Security Asset, without the restrictions imposed by sections 99 (*Leasing powers of mortgagor and mortgagee in possession*) and 100 (*Powers of mortgagor and mortgagee in possession to accept surrenders of leases*) of the LPA;
- 10.2.3 to the extent that any Security Asset constitutes Financial Collateral, appropriate it and transfer the title to it to the Lender where not already

transferred, subject to paragraphs (1) and (2) of Regulation 18 (*Duty to value collateral and account for any difference in value on appropriation*) of the Regulations;

- 10.2.4 value any Security Asset which constitutes Financial Collateral, at the time of appropriation as referred to in the Regulations, as the market price of the relevant Security Asset, as determined by the Lender by reference to such method or source, (including an independent valuation), as the Lender may determine, and which shall constitute a 'commercially reasonable manner' for the purposes of the Regulations;
- 10.2.5 subject to Clause 11.1 (*Method of appointment and removal*), appoint one or more persons to be a Receiver or Receivers of all or any of the Security Assets; and
- 10.2.6 appoint an administrator to the Chargor.

10.3 Disposal of the Security Assets

In exercising the powers referred to in Clause 10.2 (*Powers on enforcement*), the Lender or any Receiver may sell or dispose of all or any of the Security Assets at the times, in the manner and order, on the terms and conditions and for the consideration determined by it.

10.4 Application of moneys

- 10.4.1 The Lender or any Receiver shall apply moneys received by each of them under this Deed after the Security created under this Deed has become enforceable in the following order:
 - (a) **first**, in or towards the payment pro rata of, or the provision pro rata for, any unpaid costs and expenses of the Lender and any Receiver under this Deed or which are incidental to any Receiver's appointment, together with interest at the Default Rate (both before and after judgment) from the date those amounts became due until the date they are irrevocably paid in full;
 - (b) **secondly**, in or towards the payment pro rata of, or the provision pro rata for, any unpaid fees, commission or remuneration of the Lender and any Receiver;
 - (c) **thirdly**, in or towards the discharge of all liabilities having priority to the Secured Liabilities;
 - (d) **fourthly**, in or towards the discharge of the Secured Liabilities in accordance with the Facility Agreement; and
 - (e) **fifthly**, in the payment of any surplus to the Chargor or other person entitled to it,

and section 109(8) (*Appointment, powers, remuneration and duties of receiver*) of the LPA shall not apply.

- 10.4.2 Clause 10.4.1 will override any appropriation made by the Chargor.

11 Appointment and powers of Receivers

11.1 Method of appointment and removal

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

11.1.2 Every appointment or removal of a Receiver, of any Delegate or of any other person by the Lender pursuant to this Deed may be made in writing under the hand of any officer of the Lender (other than the requirement for a court order in the removal of an administrative receiver).

11.2 Powers of Receiver

Every Receiver shall have all the powers:

11.2.1 of the Lender under this Deed;

11.2.2 conferred by the LPA on mortgagees in possession and on receivers appointed under the LPA;

11.2.3 which are specified in Schedule 1 (*Powers of Administrator or Administrative Receiver*) of the Insolvency Act 1986 in relation to, and to the extent applicable to, the Security Assets or any of them (whether or not the Receiver is an administrative receiver within the meaning of the Insolvency Act 1986) together with the additional powers set out in Schedule 3 (*Additional powers of Receiver*);

11.2.4 in relation to any Security Asset, which a Receiver would have if the Receiver were its only absolute beneficial owner; and

11.2.5 to use the name of the Chargor in relation to any of its powers or actions under this Deed.

11.3 Joint or several

If two or more persons are appointed as Receivers of the same assets, they may act jointly and/or severally so that (unless any instrument appointing them specifies to the contrary) each of them may exercise individually all the powers and discretions conferred on a Receiver by this Deed.

11.4 Receiver as agent

Every Receiver shall be the agent of the Chargor which shall be solely responsible for the Receiver's acts and defaults and for the payment of remuneration to the Receiver.

11.5 Receiver's remuneration

Every Receiver shall be entitled to remuneration for services at a rate to be fixed by agreement between the Receiver and the Lender and the maximum rate specified in

section 109(6) (*Appointment, powers, remuneration and duties of receiver*) of the LPA shall not apply.

12 Protection of purchasers

No purchaser or other person dealing with the Lender or any Receiver shall be bound or concerned:

- 12.1.1 to see or enquire whether the right of the Lender or any Receiver to exercise any of the powers conferred by this Deed has arisen or not;
- 12.1.2 with the propriety of the exercise or purported exercise of those powers; or
- 12.1.3 with the application of any moneys paid to the Lender, to any Receiver or to any other person.

13 Protection of the Lender and Receivers

13.1 Exclusion of liability

Neither the Lender, any Receiver or Delegate, nor any of their respective officers or employees shall have any responsibility or liability:

- 13.1.1 for any action taken, or any failure to take any action, in relation to all or any of the Security Assets;
- 13.1.2 to account as mortgagee in possession or for any loss upon realisation of any Security Asset;
- 13.1.3 for any loss resulting from any fluctuation in exchange rates in connection with any purchase of currencies as referred to in the Facility Agreement;
- 13.1.4 for the loss or destruction of, or damage to, any of the Security Assets, or to any documents of or evidencing title to them, which are in the possession or held to the order of any such person (and which will be held by such persons at the expense and risk of the Chargor); or
- 13.1.5 for any other default or omission in relation to all or any of the Security Assets for which a mortgagee in possession might be liable,

except in the case of gross negligence or wilful misconduct on the part of that person.

13.2 General indemnity

- 13.2.1 The Chargor shall indemnify the Lender, any Receiver and any Delegate and their respective officers and employees against all actions, proceedings, demands, claims, costs, expenses, loss and other liabilities together with VAT in addition incurred by them in respect of all or any of the following:
 - (a) any act or omission by any of them in relation to all or any of the Security Assets, including, but not limited to, any act or omission by any of them on the directions of the Chargor in relation to any Investment which is a Security Asset;

- (b) any payment relating to or in respect of all or any of the Security Assets which becomes payable at any time by any of them;
- (c) any stamp, registration or similar Tax or duty which becomes payable in connection with the entry into, or the performance or enforcement of, this Deed or any Security created under it;
- (d) carrying out or purporting to carry out any of the rights, powers, authority and discretions conferred on them by, or permitted under, this Deed; and
- (e) any breach by the Chargor of any of its undertakings or other obligations to the Lender, any Receiver or Delegate,

except in the case of gross negligence or wilful misconduct on the part of that person.

The Chargor shall pay interest at the Default Rate on the sums payable under this Clause from the date on which the liability was incurred to the date of actual payment, both before and after judgment.

13.3 Indemnity out of the Security Assets

The Lender, any Receiver or Delegate, and their respective officers and employees shall be entitled to be indemnified out of the Security Assets or any part of them in respect of the indemnities referred to in Clause 13.2 (*General indemnity*) and may retain and use monies received by it under this Deed towards payment of any sums under those indemnities.

14 Preservation of Security

14.1 Reinstatement

If any payment by the Chargor or discharge given by the Lender (whether in respect of the obligations of the Chargor or any Security for those obligations or otherwise) is avoided or reduced as a result of insolvency, liquidation, administration or any similar event:

14.1.1 the liabilities of the Chargor and the Security created by this Deed shall continue as if the payment, discharge, avoidance or reduction had not occurred; and

14.1.2 the Lender shall be entitled to recover the value or amount of that Security or payment from the Chargor, as if the payment, discharge, avoidance or reduction had not occurred.

14.2 Waiver of defences

Neither the Security created by this Deed, nor the obligations of the Chargor under this Deed will be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice that Security or any of those obligations (whether or not known to it, the Lender) including:

- 14.2.1 any time, waiver or consent granted to, or composition with, the Chargor or other person;
- 14.2.2 the release of the Chargor or any other person under the terms of any composition or arrangement with any person;
- 14.2.3 the taking, variation, compromise, exchange, renewal, enforcement or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over, assets of the Chargor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
- 14.2.4 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Chargor or any other person;
- 14.2.5 any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any document or Security, including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under the Facility Agreement, any Finance Document, any other document or Security;
- 14.2.6 any unenforceability, illegality or invalidity of any obligation of, or any Security created by, any person under any Finance Document or any other document; or
- 14.2.7 any insolvency, liquidation, administration or similar proceedings.

14.3 Immediate recourse

The Chargor waives any right it may have of first requiring any the Lender, any Receiver or Delegate (or any trustee or agent on its behalf) to proceed against or enforce any other rights or Security or claim payment from any person before claiming from the Chargor under this Deed. This waiver applies irrespective of any law or any provision of any Finance Document to the contrary.

14.4 Appropriations

During the Security Period, the Lender, Receiver or Delegate may refrain from applying or enforcing any moneys, Security or rights held or received by it (or any trustee or agent on its behalf) in respect of the Secured Liabilities, and shall hold in an interest-bearing suspense account any moneys received from the Chargor or on account of the Secured Liabilities. The Lender may apply and enforce such moneys Security or rights as it thinks fit, subject to Clause 10.4 (*Application of moneys*). The Chargor shall not be entitled to such moneys, Security or rights.

14.5 Deferral of rights

During the Security Period the Chargor shall not exercise any right of set-off, nor take the benefit of any rights of the Lender under any Finance Document, guarantee or other Security in its favour whether by subrogation or any other manner. If the Chargor receives any benefit or sum in relation to such rights it shall hold that benefit

or sum on trust for the Lender. It shall promptly pay or transfer such benefit or sum to the Lender as it may direct for application in accordance with this Deed and the Facility Agreement.

14.6 Additional Security

This Deed is in addition to, is not in any way prejudiced by and shall not merge with any contractual right or remedy or other Security now or in the future held by or available to the Lender, Receiver or Delegate.

14.7 New accounts

On receiving any notice or other information that the Chargor or any other party has granted Security or otherwise disposed of the Security Assets or any of them or part of, or interest in any of them, or on the date it is deemed to receive such notice or information, the Lender may open a new account or accounts in the name of the Chargor, without adversely affecting any right of the Lender to combine accounts. If the Lender does not open any new account immediately on receipt of such notice or information, it shall nevertheless be treated as if it had done so at the time when it received or was deemed to receive such notice or information. No monies paid into or credited to any such new account shall be appropriated to or discharge any sums due to the Lender or any other account. From that time, all payments made by the Chargor to the Lender shall be credited to such new account and shall not operate to reduce or discharge the Secured Liabilities.

15 Tacking for further advances

For the purposes of section 94(1) (*Tacking and further advances*) of the LPA and section 49(3) (*Tacking and further advances*) of the Land Registration Act 2002, the Lender confirms that it shall perform its obligations under the Finance Documents, including any obligation to make any further advances to the Chargor.

16 Further assurance

16.1 Application to Land Registrar

The Chargor shall apply to the Land Registry in Form RX1 and consent to the registration against the registered titles specified in Schedule 1 (*Real Property charged by way of legal mortgage*) of:

16.1.1 a restriction in the following terms:

"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 [*date of this Deed*] in favour of Tusmore Collection Limited referred to in the charges register or their conveyancer. (Form P)"; and

16.1.2 a notice that the Lender is under an obligation to make further advances on the terms and subject to the conditions of the Facility Agreement

16.2 Further action

Each Chargor shall, at its own expense, promptly take whatever action and sign or execute any further documents which the Lender may require to:

- 16.2.1 give effect to the requirements of this Deed;
- 16.2.2 create, protect, preserve and perfect the Security intended to be created by or under this Deed;
- 16.2.3 protect and preserve the ranking of the Security intended to be created by or under this Deed;
- 16.2.4 facilitate the realisation of all or any of the Security Assets, or the exercise of any rights, powers and discretions by the Lender, any Receiver, any Delegate, any administrator or any, agent or employee in connection with all or any of the Security Assets, including but not limited to executing and delivering all documentation necessary to transfer legal title to any Security Asset to the Lender, its nominee or any third party; and
- 16.2.5 while any Event of Default is continuing, assign any Collateral Warranty capable of assignment to any person nominated by the Lender or any Receiver,

and any such document may disapply section 93 (*Restriction on consolidation of mortgages*) of the LPA.

16.3 Future Property

If a Chargor acquires any Real Property after the date of this Deed, it must:

- 16.3.1 notify the Lender immediately in writing;
- 16.3.2 immediately on request by the Lender and at its own expense, execute and deliver to the Lender a legal mortgage substantially in the form set out in Schedule 8 (*Form of Legal Mortgage*);
- 16.3.3 if the title to that Real Property is registered at the Land Registry, or required to be so registered, make an application to the Land Registry for a restriction against the registered titles in the terms set out in Clause 16.1 (*Application to Land Registrar*); and
- 16.3.4 if applicable, ensure that this Deed is correctly noted in the Register of Title against that title at the Land Registry.

If the consent of the landlord in whom the reversion of a lease is vested is required for the Chargor to execute a legal mortgage over it, the Chargor will not be required to perform that obligation until it has obtained the landlord's consent. The Chargor shall use all its reasonable endeavours to obtain the landlord's consent. Clause 4.1.4 shall apply to such Real Property as if set out here in full.

16.4 Deposit of documents

The Chargor shall promptly, on the date of this Deed and during the Security Period, and if the Lender so requests, deposit with the Lender:

16.4.1 all deeds, certificates and other documents of or evidencing title for the Security Assets;

16.4.2 signed undated transfers of the Investments charged under Clause 4.3 (Investments), completed in blank pre-stamped; and

16.4.3 any other documents which the Lender may from time to time require for perfecting its title, or the title of any purchaser,

or pending registration at the applicable Land Registry shall be held to the order of the Lender either at the applicable Land Registry or by a firm of solicitors acceptable to the Lender.

16.5 Law of Property (Miscellaneous Provisions) Act 1994

The covenant set out in section 2(1) (b) (*Right to dispose and further assurance*) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to the provisions set out in this Clause.

17 Power of attorney

17.1 The Chargor by way of security, irrevocably and severally, appoints each of the Lender, any Receiver, and any of its Delegates or sub-delegates, or other person nominated in writing by, an officer of the Lender or Receiver jointly and severally as its attorney, in the name of the Chargor, on its behalf and in such manner as the attorney may in its or his absolute discretion think fit to take any action, sign or execute any documents which the Chargor is obliged to take, sign or execute under with this Deed.

17.2 The Chargor ratifies and confirms, and agrees to ratify and confirm, all such actions taken and documents signed or executed or purported to be done by any attorney under its appointment under this Deed.

18 Currency

Sterling is the currency of account and payment for any sum due from the Chargor under any Finance Document. For the purpose of, or pending the discharge of, any of the Secured Liabilities the Lender may convert any moneys received or recovered by it from one currency to another, at a market rate of exchange. The obligations of the Chargor to pay in the due currency shall only be satisfied to the extent of the amount of the due currency purchased after deducting the costs of conversion.

19 Set-off

19.1 The Lender may, without prior notice to the Chargor, apply any credit balance, whether or not then due and in whatever currency, held at any time at any branch of the Lender for the account of the Chargor towards satisfaction of the Secured Liabilities or any part of them.

19.2 The Lender may convert or translate all or any part of such credit balance to another currency applying a market rate of exchange in its usual course of business for the purpose of the set-off, when exercising rights under this Clause or under general law.

19.3 The Lender is not obliged to exercise any of its rights under this Clause, which shall be without prejudice and in addition to any rights under general law. *Rights under general law* means any right of set-off, combination or consolidation of accounts, lien, similar right which the Lender may have under any applicable law.

20 Calculations and certificates

20.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with this Deed, the entries made in the accounts maintained by the Lender are *prima facie* evidence of the matters to which they relate.

20.2 Certificates and Determinations

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

20.3 Day count convention

Any interest, commission or fee accruing under this Deed will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 365 days.

21 Partial invalidity

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

22 Remedies and waivers

No failure to exercise, nor any delay in exercising, on the part of the Lender, any right or remedy under this Deed shall operate as a waiver of any such right or remedy or constitute an election to affirm any provision of this Deed. No election to affirm this Deed by the Lender shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by law.

23 Discharge of Security

At the end of the Security Period, unless any third party has any rights of subrogation or other rights in respect of the Security created by this Deed at that time, the Lender shall, or shall procure that its appointees will, at the request and cost of the Chargor:

23.1 release the Security Assets or any part of them from the Security created by or under this Deed; and

- 23.2 re-assign to the Chargor those Security Assets that have been assigned to the Lender by or under this Deed.

Section 93 (*Restriction on consolidation of mortgages*) of the LPA shall not apply to this Deed.

24 Counterparts

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

25 Governing law and jurisdiction

- 25.1 This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.
- 25.1 The courts of England have exclusive jurisdiction to decide any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or the consequences of its nullity or any non-contractual obligations arising out of or in connection with this Deed) (a "**Dispute**").
- 25.2 The Parties agree that the courts of England are the most appropriate and convenient courts to decide Disputes and accordingly no Party will argue to the contrary.

Executed as a deed and delivered on the date appearing at the beginning of this Deed.

Schedule 1

Real Property charged by way of legal mortgage

Part 1

Registered Land

Intentionally left blank

Part 2

Unregistered Land

Intentionally left blank

Schedule 2
Investments

Company	Number of shares	Type of shares	Value of shares
Union Distillers Ltd	20	Ordinary	£1.00 each

Schedule 3

Additional powers of Receiver

Any Receiver appointed to the Chargor or in relation to all or any of the Security Assets of the Chargor, shall have, (i) the powers conferred by the LPA on receivers and mortgagees in possession, (ii) the powers conferred by Clause 11.2 (*Powers of Receiver*), and (iii) the powers set out in this Schedule.

1 Collect Security Assets and moneys

To enter into, take immediate possession of, collect and get in the Security Assets. To take all such action and execute all such documentation as the Receiver may consider necessary or desirable for the management, operation or realisation of all or any part of the Security Assets. To collect and get in all moneys or proceeds in any way arising from the Security Assets or any document or right affecting the Security Assets whether directly or indirectly.

2 Sale and disposal of Security Assets

To sell, exchange, surrender, renounce, deal with, convert into money, dispose of and realise the Security Assets or any of them or part of the Security Assets, in any manner and subject to any exceptions, reservations, covenants and obligations; and with or without consideration, such consideration taking the form of cash, debentures, shares, securities, other assets or obligations or other valuable consideration, payable in a lump sum or instalments over a period of time, in each case as the Receiver may consider necessary or desirable.

3 Manage the business

To continue, commence, manage, develop, amalgamate, diversify or undertake any business of the Chargor.

4 Apportion payments

To apportion any Rental Income and any financial liabilities.

5 Real Property rights

5.1 To acquire, renew, extend, grant, vary or otherwise deal with such easements, servitudes, rights, privileges and/or licences as the Receiver considers necessary or desirable.

5.2 To construct or complete any building, development and repair to the Secured Property whether or not it is in accordance with the development planned or being carried on at any Secured Property, and any roads, access ways and services.

5.3 To carry out any work involving furnishing or fitting out or the installation or provision of any Equipment on any part of any of the Secured Property.

5.4 To dedicate any part or parts of the Secured Property as a highway where to do so is desirable in order that any Secured Property may more conveniently be developed.

- 5.5 To make any change or arrangement as to boundaries of any Secured Property with adjoining owners and neighbours so as to resolve any dispute or to facilitate development.
- 5.6 To make any application for, and maintain any planning consent, building regulations approval or similar consent or licence relating to any of the Secured Property.
- 5.7 To effect and maintain Insurances, against the Insured Risks including but not limited to: fire and other physical risks; loss of rent; third party or public liability; structural or latent defect; indemnities of any kind; or other matters as the Receiver considers necessary or desirable, and to make, prove, negotiate, adjust or enforce any claim on any Insurances whether effected by the Chargor, Lender or the Receiver.

6 Leases

- 6.1 To grant any lease or tenancy for any term, at any or no rent, with or without any premium on such terms as the Receiver considers necessary or desirable.
- 6.2 To accept the surrender or renunciation of any lease or tenancy, whether or not for the purpose of enabling a new lease to be granted on such terms as the Receiver considers necessary or desirable, including any payment to the tenant on such surrender or renunciation.
- 6.3 To give an effectual receipt for any premium payable on any grant, surrender or renunciation of any lease or tenancy.
- 6.4 To exercise, observe and perform any or all of the powers, obligations or duties conferred or imposed on any owner or occupier of any Secured Property, whether as landlord and/or tenant, at common law or by statute.
- 6.5 To initiate, oppose, negotiate, participate in, compromise or conclude any review or revision of any rent payable in respect of any lease or tenancy.

7 Equipment

To sever and sell or dispose of separately from any Secured Property containing it, any Equipment [other than landlord's fixtures] without the consent of the Chargor. To substitute, repair or improve the Equipment or any part of it.

8 VAT

To exercise any option or right of election available in law to the Chargor or the Receiver to waive exemption so that the supplies shall be supplies chargeable or taxable for VAT purposes at the standard or other applicable rate of tax.

9 Enter into, vary and execute documents

- 9.1 To sign, seal using the company seal of the Chargor, execute, deliver, complete and perfect all notices and documents, whether agreements or deeds for exercising, observing and performing any of the powers, obligations or duties conferred or imposed on the relevant Chargor by this Deed or by

any law in respect of the Security Assets, all as the Receiver considers necessary or desirable.

9.2 To agree any variation, modification or determination of any existing deeds or agreements and enter into, make or obtain any new agreement or deeds as the Receiver considers may be necessary or desirable.

10 **Receipts**

To give valid receipts for all moneys or realisation proceeds in respect of any Security Asset.

11 **Book debts**

To sell or assign or otherwise dispose of book debts in any manner and on the terms the Receiver considers necessary or desirable.

12 **Dealings with a company**

12.1 To promote, incorporate, manage or wind up, either alone or with others, any company, which may or may not be a subsidiary of the Chargor, either for the purposes of:

12.1.1 disposing of any Security Asset to that company;

12.1.2 undertaking works on or providing services to the occupiers of any Security Asset; and/or

12.1.3 realising any Security Asset,

as the Receiver considers necessary or desirable.

13 **Use of moneys**

To utilise any moneys received to finance any expenditure from time to time incurred in connection with, the powers set out in this Schedule in advance of any other payments.

14 **Borrow**

To borrow, raise or secure the payment of money which may be required for the exercise of any of the powers conferred by this Deed, to create Security over any of the Security Assets in whatever form, or provide collateral, which may be granted in priority to the Security created by this Deed, as the Receiver considers necessary or desirable.

15 **Lend**

To lend money and make available any facility to the Chargor, or to such other person as the Receiver considers necessary or desirable.

16 **Uncalled capital**

To make calls of whatever nature on the members of the Chargor for uncalled capital and to request payment of such uncalled capital and enforce such payment in accordance with the constitutional documents of the Chargor.

17 **Voting rights**

To exercise all voting rights which the Chargor may exercise as a member of a company, other corporate or legal entity.

18 **Authorisations**

To obtain, renew, extend, amend or otherwise deal with Authorisations relating to the Chargor's (i) Security Assets, (ii) business, (iii) trade and (iv) ordinary activities, as the Receiver considers necessary or desirable.

19 **Employees and contractors**

19.1 To employ or appoint staff, solicitors, accountants, architects, surveyors, quantity surveyors, estate agents, insurance brokers, contractors, builders, workmen, security staff, watchmen, building managers, managers, officers, agents and other personnel or professional advisers on the terms and at such remuneration as the Receiver considers necessary or desirable.

19.2 To discharge any such person or persons referred to in paragraph 20.1 appointed by the Chargor, officer or delegate of the Chargor.

20 **Proceedings**

To take, defend, appeal, enforce, abandon or otherwise join in any proceedings (including any arbitration or determination of any issue or dispute by an independent expert) concerning or incidental to the Security Assets, any claims in relation to the Chargor, or any of the powers set out in this Schedule.

21 **Compromise**

To make any arrangement, settlement, compromise, or enter into any contract, or refer to arbitration any claim or dispute by any person who is a creditor or the Chargor or in relation to any of the Security Assets which the Receiver considers necessary or desirable.

22 **Redeem prior Security**

To redeem any prior Security and settle any liabilities outstanding for which that Security had been granted.

23 **Delegation**

To delegate all or any power or action of a Receiver under this Deed.

24 **Incidental powers**

To take any other actions which the Receiver:

24.1 considers necessary or desirable to realise, protect, exploit, maintain or increase the value of the Security Assets or any of them;

- 24.2 considers incidental or conducive to any right, power, function, discretion or authority of the Receiver under this Deed or by law; and
- 24.3 may undertake as agent of the Chargor.

Schedule 4
Forms of letter to and from Occupational Tenants

Part 1
Notice to Occupational Tenant

To: [Occupational tenant]

[Date]

Dear Sirs

re: [Insert a description of the Real Property]

Security Agreement dated [] between [insert name of the Chargor] and [insert name of the Lender] (the "Security Agreement")

We refer to the lease dated [] and made between [] and [] (the "**Lease**") in respect of the real property known as [], title number [] and located at [*insert the address*]. Terms defined in the Security Agreement have the same meaning in this Notice.

This letter constitutes notice to you that under the Security Agreement we have assigned absolutely by way of security to [*insert name of the Lender*] all our rights under the Lease.

The instructions in this letter apply until you receive notice from the Lender to the contrary and notwithstanding any previous instructions given by us.

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

This letter is governed by English law.

Please confirm your agreement to the above by signing the attached acknowledgment and returning it to the Lender at [*insert Lender's address*] with a copy to us.

Yours faithfully,

.....
For
[Insert name of Chargor]

Part 2
Acknowledgment from Occupational Tenant

To: [Insert name and address of the Lender]
Attention: []

[Date]

Dear Sirs

re: [Insert a description of the Real Property]

Security Agreement dated [] between [insert name of the Chargor] and [insert name of the Lender] (the "Security Agreement")

We confirm receipt from [insert name of the Chargor] (the "**Chargor**") of a notice dated [] (the "**Notice**") in relation to the Lease (as defined in the Notice) in respect of the real property known as [], title number [] and located at [insert the address]. Terms defined in the Notice have the same meaning in this letter.

We accept the instructions contained in the Notice.

We confirm that we:

- (a) have not received any notice that any third party has or will have any right or interest in, or has made or will be making any claim or demand or taking any action in respect of, the rights of the Chargor under or in respect of the Lease; and
- (b) will pay all rent and all other monies payable by us under the Lease into the Account as defined in the Notice until we receive your written instructions to the contrary.

This letter is governed by English law.

Yours faithfully,

For

Schedule 5

Notice and acknowledgement to Account Bank for Bank Account

Part 1

Notice to Account Bank regarding Bank Account

[]

To: [insert name and address of Account Bank]

[Date]

Dear Sirs

Security Agreement dated [] between [insert name of Chargor] and [insert name of Lender] (the "Security Agreement")

We are writing to give you notice of certain rights in respect of the [insert Account Number/Sort Code for the Bank Account] (the "**Bank Account**") that we have granted to [Lender] (the "**Lender**"). Terms defined in the Security Agreement have the same meanings in this Notice. Under the Security Agreement we have charged in favour of the Lender by way of first floating charge, all our rights in respect of any moneys standing to the credit of the Bank Account. We notify you that:

- (i) after you have received notice from the Lender that its permission is withdrawn, we may not withdraw any moneys from the Bank Account without first obtaining the prior written consent of the Lender;
- (i) there is a prohibition in the Security Agreement on the creation of any further Security over the Bank Account; and
- (ii) you are authorised to disclose information relating to the Bank Account to the Lender on the request of the Lender.
- (iii) After you have received notice from the Lender that its permission is withdrawn, we irrevocably authorise and instruct you to hold all moneys from time to time standing to the credit of the Bank Account to the order of the Lender; and pay all or any part of those moneys to the Lender (or as it may direct) promptly following receipt of written instructions from the Lender to that effect.

By counter-signing this notice the Lender confirms that we may make withdrawals from the Bank Account until such time as the Lender shall notify you (with a copy to us) in writing that its permission is withdrawn.

We acknowledge that you may comply with the instructions in this letter without any further permission from us. The instructions in this letter may not be revoked or amended without the prior written consent of the Lender. Please confirm your agreement to the above by sending the attached acknowledgment to the Lender at [insert Lender's address] with a copy to us.

This letter is governed by English law.

Yours faithfully

[insert name of Chargor]

[Lender]

Part 2

Acknowledgment from Account Bank regarding Bank Account

To: [insert name and address of Lender], the "Lender")

Attention: []

[Date]

Dear Sirs

Security Agreement dated [] between [insert name of Chargor] and [insert name of Lender] (the "Security Agreement")

We acknowledge receipt of a notice (the "Notice") from [] (the "Chargor") dated [] that under the Security Agreement it has charged by way of floating charge in favour of the Lender all of the Chargor's right, title and interest in, and relating to the Bank Account (the "Security"). Terms defined in the Notice have the same meaning in this letter. We confirm that:

- 1 we acknowledge receipt of the Notice and accept the authorisations and instructions contained in the Notice and we undertake to comply with its terms;
- 2 we have not received notice of:
 - 2.1 any other assignment of or grant or creation of Security over the Bank Account; or
 - 2.2 any interest, claim or right in or to it by any third party,and we shall promptly give you notice of any such actual, potential or asserted assignment, Security, interest, claim or right of which we become aware;
- 3 we do not, and will not, hold or otherwise have the benefit of any Security or other interest over the Bank Account; and
- 4 we will not exercise any right of combination, consolidation, merger or set-off which we may have in respect of the Bank Account.

We are aware that you are relying on this letter in connection with your rights under the Security.

This letter is governed by English law.

Yours faithfully,

(Authorised signatory)
[Account Bank]

Schedule 6

Forms of letter and acknowledgment for Insurances

To: **[insert name and address of insurance company]**

Attention: []

[Date]

Dear Sirs

Notice of assignment

Security Agreement dated [] between [insert name of the Chargor](the "Chargor") and [insert name of the Lender](the "Lender") (the "Security Agreement")

We refer to the [*specify the relevant insurance policy*] dated [] between us and you (the "**Policy**"). Terms defined in the Security Agreement have the same meaning in this Notice.

1 We notify you that:

- 1.1 under a Security Agreement , we have [assigned to the Lender all our right, title and interest in and to, and all benefits accruing under, the Policy][OR] [charged by way of fixed charge to the Lender all our right to receive all amounts payable to it under the Policy and all our rights in connection with those amounts] as Security for certain obligations owed to the Lender;
- 1.2 we may not agree to amend or terminate the Policy without the prior written consent of the Lender;
- 1.3 until you receive written notice to the contrary from the Lender that [an Event of Default has occurred], you may continue to deal with us in relation to the Policy and credit all moneys to which we are entitled under the Policy to the following account in our name: [*insert details of relevant Controlled Account*];
- 1.4 after receipt of written notice in accordance with paragraph 1.3 we will cease to have any right to deal with you in relation to the Policy and from that time you should deal only with the Lender; and
- 1.5 you are authorised to disclose information relating to the Policy to the Lender on its request.

2 We request that you:

- 2.1 after receipt of written notice in accordance with paragraph 1.3, ensure that all moneys to which we are entitled under the Policy are credited to any account of the Lender specified by the Lender(and are not paid to us);
- 2.2 immediately note on the Policy the Lender's Security under the Security Agreement; and

- 2.3 give the Lender not less than 30 days' written notice of you terminating the Policy or allowing the Policy to lapse.
- 3 Please sign and return the enclosed copy of this notice to the Lender at [*insert Lender's address*] (with a copy to us) to confirm that you:
- 3.1 agree to the terms of this notice and to act in accordance with its provisions;
- 3.2 have not received notice that we have [assigned our rights under the Policy] OR [charged by way of fixed charge our rights to receive all amounts payable to it under the Policy and all our rights in connection with those amounts] to a third party or created any other interest (whether by way of Security or otherwise) in the Policy in favour of a third party; and
- 3.3 have not claimed or exercised, nor do you have any outstanding right to claim or exercise against us, any right of set-off, counter-claim or other right relating to the Policy.

The provisions of this notice are governed by English law.

Yours faithfully

.....
for and on behalf of
[*insert name of Chargor*]

Copy to: Lender

[*On acknowledgment copy*]

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

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

We acknowledge receipt of the above notice and confirm the matters set out in paragraph 3.

.....
for and on behalf of
[*insert name of insurance company*]

Date:

Schedule 7

Forms of letter and acknowledgment for agreements being assigned agreements

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

Attention: []

[Date]

Dear Sirs

Notice of assignment

Security Agreement dated [] between [insert name of the Chargor] and [insert name of the Lender] (the "Lender") (the "Security Agreement")

- 1 We refer to the [*specify the agreement being assigned*] dated [] between us and you (the "**Agreement**"). Terms defined in the Security Agreement have the same meaning in this Notice. We notify you that:
 - 1.1 under a Security Agreement we have assigned to the Lender all our right, title and interest in and to, and all benefits accruing under, the Agreement as Security for certain obligations owed to the Lender;
 - 1.2 we may not agree to amend or terminate the Agreement without the prior written consent of the Lender;
 - 1.3 until you receive written notice to the contrary from the Lender that an Event of Default has occurred, you may continue to deal with us in relation to the Agreement and credit all moneys to which we are entitled under the Agreement to the following account in our name: [*insert details of relevant Controlled Account*];
 - 1.4 after receipt of written notice in accordance with paragraph 2.3 we will cease to have any right to deal with you in relation to the Agreement and from that time you should deal only with the Lender; and
 - 1.5 you are authorised to disclose information relating to the Agreement to the Lender on its request.
- 2 We request that you:
 - 2.1 after receipt of written notice in accordance with paragraph 1.3, ensure that all moneys to which we are entitled under the Agreement are credited to the account of the Lender specified in that notice (and are not paid to us);
 - 2.2 give the Lender written notice of any breach of the Agreement as soon as you become aware of it; and
 - 2.3 give the Lender not less than 30 days' written notice of you terminating the Agreement.
- 3 Please sign and return the enclosed copy of this notice to the Lender at [*insert Lender's address*] (with a copy to us) to confirm that you:

- 3.1 agree to the terms of this notice and to act in accordance with its provisions;
- 3.2 have not received notice that we have assigned our rights under the Agreement to a third party or created any other interest (whether by way of Security or otherwise) in the Agreement in favour of a third party; and
- 3.3 have not claimed or exercised, nor do you have any outstanding right to claim or exercise against us, any right of set-off, counter-claim or other right relating to the Agreement.

4 The provisions of this notice are governed by English law.

Yours faithfully

.....
for and on behalf of
[insert name of Chargor]

Copy to: Lender

[On acknowledgment copy]

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

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

We acknowledge receipt of the above notice and confirm the matters set out in paragraph 3.

.....
for and on behalf of
[insert name of counterparty]

Date:

Schedule 8

Form of Legal Mortgage

This deed is dated [] between:

- (1) [**Insert name of Chargor**], a company incorporated under the laws of [England and Wales] with registered number [] and whose registered office is at [] (the "**Chargor**"); and
- (2) [**insert name of Lender**] a company incorporated under the laws of [England and Wales] with registered number [] and whose registered office is at [] (the "**Lender**").

This deed witnesses as follows:

1 Definitions and interpretation

This legal mortgage is intended to be a deed between the parties to it and is referred to here as "**this Mortgage**". Words and expressions defined in the security agreement dated [] [on or about the date of this Mortgage] between the Chargor and the Lender (the "**Security Agreement**") have the same meanings in this Mortgage unless they are expressly defined in it.

This Mortgage takes effect as a deed even if it is signed under hand on behalf of the Lender.

2 Incorporation of provisions into each Mortgage

Clauses 1.2 (*Construction*), 1.3 (*Third party rights*), 1.5 (*Law of Property (Miscellaneous Provisions) Act 1989*), 6 (*Representations and warranties*), 7 (*Undertakings relating to the Security Assets*), 8 (*Undertakings relating to Real Properties*), 10 (*Enforcement*), 11 (*Appointment and powers of Receivers*), 12 (*Protection of purchasers*), 13 (*Protection of the Lender and Receivers*), 14 (*Preservation of Security*), 15 (*Tacking for further advances*), 16 (*Further assurance*), 17 (*Power of attorney*), 18 (*Currency*), 19 (*Set-off*), 20 (*Calculations and certificates*), 21 (*Partial invalidity*), 22 (*Remedies and waivers*), 23 (*Discharge of Security*), 24 (*Counterparts*), 25 (*Governing law and jurisdiction*) of the Security Agreement are deemed to form part of this Mortgage as if expressly incorporated into this Mortgage and as if references in those Clauses to (a) the "Security Agreement" or "this Deed" were references to this Mortgage, and (b) the Security Assets were references to the assets of the Chargor from time to time charged, or assigned (whether at law, or in equity) in favour of the Lender by or pursuant to this Mortgage.

3 Nature of security created

All of the Security created under this Mortgage is created:

- 3.1 as a continuing security to secure the payment and discharge of all of the Secured Liabilities;
- 3.2 over all present and future assets of the description in this Mortgage in Clause 4 owned by the Chargor, except in the case of assets which are the subject

of a legal mortgage under this Deed, and over any right or interest which the Chargor may otherwise have in such assets; and

- 3.3 with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

4 Fixed security

The Chargor:

- 4.1 charges to the Lender by way of first legal mortgage its Real Properties including those listed in the Schedule, (*Real Properties charged by way of legal mortgage*); and
- 4.2 charges, to the Lender to the extent not subject to the charge by way of legal mortgage in Clause 4.1, by way of first fixed charge its Real Property which it has now or which it owns and which it may subsequently acquire.

5 Application to Land Registrar

The Chargor shall apply to the Land Registry in Form RX1 and consents to the registration against the registered titles specified in the Schedule (*Real Property charged by way of legal mortgage*) of:

- 5.1 a restriction in the following terms:

"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 [*the date of this Mortgage*] in favour of [*insert name of Lender*] referred to in the charges register or their conveyancer. (Form P)"; and

- 5.2 a notice that the Lender is under an obligation to make further advances on the terms and subject to the conditions of the [Facility Agreement] [Finance Documents].

6 Negative pledge

The Chargor shall not create or permit to subsist any Security over any Security Asset.

7 Governing law

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

Executed as a deed and delivered on the date appearing at the beginning of this Mortgage.

Schedule
Real Property charged by way of legal mortgage

Description address	Title Number

Schedule 9

Material Intellectual Property

Trademark	Number	TIP NUMBER
1606 (WIPO)	UK00003208318	TIP1168
DODD'S	UK00911631223	TIP1521
DODD'S (EU)	11631223	TIP1830
DODD'S (f i g)	UK00911631256	TIP1829
DODD'S (f i g) (EU)	11631256	TIP1831
DRIP & DROP	UK00003475078	TIP1176
eDistillery	UK00003475078	TIP1450
eDistill	UK00003622108	TIP1449
Gin Worksc	UK00003622105	TIP1163
Ideam	UK00003237185	TIP1517
KEEPRS (WIPO)	1430235	TIP0951
KEEPRS (China)	1430235	TIP0951CN
KEEPRS (f i g) classes 32,33	UK00003238876	TIP0821
KEEPRS (f i g) classes 29,30	UK00003332211	TIP0950
Terminator	UK00003478487	TIP1179
THE LONDON DISTILLERY COMPANY (f i g)	UK00911203791	TIP1754
THE LONDON DISTILLERY COMPANY (f i g) (EU)	11203791	TIP1819
Tusmore	UK00917964815	TIP0987/UK
Tusmore (EU)	17964815	TIP0987
Tusmore (WIPO)	1542858	TIP1218
Tusmore (US)	1542858	TIP1218/US
Tusmore (China)	1542858	TIP1218/CH
THE LONDON DISTILLERY COMPANY (f i g) (EU)	11203791	TIP1819

EXECUTION PAGE TO SECURITY AGREEMENT

The Chargor

Executed as a deed by The British Honey Company Plc acting by a director in the presence of:



Director

signature of witness



print name

MARK JONES

name

DONALD BAKER

print name of witness

address



The Lender

Signed for and on behalf of
Tusmore Collection Limited

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