



Registration of a Charge

Company name: **THE TAUNTON CIDER COMPANY LIMITED**

Company number: **09543590**



X8565BPF

Received for Electronic Filing: **10/05/2019**

Details of Charge

Date of creation: **29/04/2019**

Charge code: **0954 3590 0005**

Persons entitled: **APPLEFIRST LIMITED**

Brief description: **PLEASE SEE CHARGE DOCUMENT FOR MORE DETAILS.**

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT 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: **JONATHAN HYDE**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 9543590

Charge code: 0954 3590 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 29th April 2019 and created by THE TAUNTON CIDER COMPANY LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 10th May 2019 .

Given at Companies House, Cardiff on 13th May 2019

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

DATED: 29/04, 2019

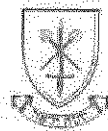
APPLEFIRST LTD (1)
(as the **Chargee**)

-and-

THE TAUNTON CIDER COMPANY LIMITED (2)
(as the **Chargor**)

SECURITY AGREEMENT
Incorporating:

fixed charge over the Stock
(as defined herein)



JIREHOUSE

7 JOHN STREET
LONDON WC1N 1ES
WWW.JIREHOUSE.CO.UK

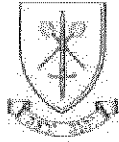
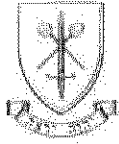


TABLE OF CONTENTS

BACKGROUND:	3
OPERATIVE TERMS:	3
1. Interpretation	3
2. Covenant to pay	8
3. Grant of security	9
4. Liability of the Borrower	10
5. Representations and warranties	10
6. General covenants	11
7. Environmental covenants	16
8. Equipment Covenants	16
9. Powers of the Lender	17
10. When security becomes enforceable	18
11. Enforcement of security	18
12. Receiver	21
13. Powers of Receiver	22
14. Delegation	24
15. Application of proceeds	25
16. Costs and indemnity	25
17. Further assurance	26
18. Power of attorney	27
19. Release	27
20. Assignment and transfer	27
21. Set-off	28
22. Amendments, waivers and consents	28
23. Severance	29
24. Counterparts	29
25. Third party rights	29
26. Further provisions	29
27. Notices	30
28. Governing law and Jurisdiction	31
EXECUTION PROVISIONS:	33



SECURITY AGREEMENT

DATED: 29/04, 2019

PARTIES:

- (1) **APPLEFIRST LTD**, a private company limited by shares incorporated in England under registration number 11537286, whose registered office address is at 7 John Street, London, WC1N 2ES (the **Chargee**).
- (2) **THE TAUNTON CIDER COMPANY LIMITED**, a private company limited by shares incorporated in England and Wales under registration number 09543590, whose registered office is at 7 John Street, London WC1N 2ES (the **Chargor**).

BACKGROUND:

The Chargor wishes to provide Security to the Chargee over the Stock as required by the Goods Agreement

OPERATIVE TERMS:

1. INTERPRETATION

- 1.1 In this agreement, in addition to the words and expressions defined in the Goods Agreement, the **Background** to this agreement and elsewhere in this agreement in bold lower case font, the following words and expressions shall have the respective meanings when used in this agreement:

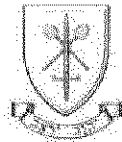
Additional Rate: means 5% per annum (net of withholding taxes, if any) calculated on a linear daily basis.

Administrator: an administrator appointed to manage the affairs, business and property of any of the Chargor pursuant to **clause 9.6**.

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

Cider: the Borrower's stock-in-trade, being fermenting cider (8% alcohol by volume), and the result or consequence of delivery of the Product to the Delivery Location by the Chargee.

Cider Draw Disposal: means any event whereby the Cider (in fermented, unbottled and/or bottled state) leaves the Customs Warehouse in circumstances requiring the payment of customs and excise duty under prevailing tax and fiscal laws and regulations in force at the date hereof (and as currently evidenced by completed and signed Form EX606 and filed by the 15th of the month with HMRC for the Cider leaving the Customs Warehouse in the previous month).



Cider Vats: Cider Vat means the various vats or tanks containing Cider situated at Orchard Park Farms, Hornblotton, Shepton Mallet, Somerset BA4 6SF and Cutliffe Farm, Sherford, Taunton, Somerset TA1 4RG being the Delivery Location.

Costs: those various costs referred to in **clause 17.1**.

Customs Warehouse: a customs warehouse duly authorised by HM Revenue and Customs under the customs warehouse regime as provided for under VAT Notice 232 (and any supplemental VAT notices thereunder).

Delegate: any person appointed by the Chargee or any Receiver pursuant to **clause 15** and any person appointed as attorney of the Chargee, Receiver or Delegate.

Default Rate: the Normal Rate plus the Additional Rate.

Designated Account: any account of the Borrower nominated by the Lender as a designated account for the purposes of this agreement.

Environment: the natural and man-made environment including all or any of the following media, namely air, water and land (including air within buildings and other natural or man-made structures above or below the ground) and any living organisms (including man) or systems supported by those media.

Environmental Law: all applicable laws, statutes, regulations, secondary legislation, bye-laws, common law, directives, treaties and other measures, judgments and decisions of any court or tribunal, codes of practice and guidance notes in so far as they relate to or apply to the Environment.

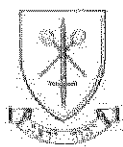
Event of Default: any of the following:

- (a) the Chargor fails to pay any of the Secured Liabilities when due, unless its failure to pay is caused solely by an administrative error or technical problem and payment is made within three (3) Business Days of its due date;
- (b) the Chargor fails (other than a failure to pay referred to in paragraph (a) of this definition) to comply with any provision of this deed or any document under which the Chargor owes obligations to the Chargee and (if the Chargee considers, acting reasonably, that the default is capable of remedy) such default is not remedied within fourteen (14) days of the earlier of the Chargee notifying the Chargor of the default and the remedy required and the Chargor becoming aware of the default;
- (c) any representation, warranty or statement made, repeated or deemed made by the Chargor to the Chargee is (or proves to have been) incomplete, untrue, incorrect or misleading when made, repeated or deemed made;
- (d) the Chargor suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a substantial part of its business;
- (e) any Invoices are not paid when due or within any originally applicable grace period;
- (f) any Invoice becomes due, or capable of being declared due and payable prior to its stated maturity by reason of an event of default (however described);



- (g) any commitment for an Invoice is cancelled or suspended by a creditor of the Chargor by reason of an event of default (however described);
- (h) any creditor of the Chargor becomes entitled to declare any Invoices due and payable prior to its stated maturity by reason of an event of default (however described);
- (i) the Chargor stops or suspends payment of any of its debts or is unable to, or admits its inability to, pay its debts as they fall due;
- (j) (the Chargor commences negotiations, or enters into any composition, compromise, assignment or arrangement, with one or more of its creditors with a view to rescheduling any of its Indebtedness (because of actual or anticipated financial difficulties);
- (k) a moratorium is declared in respect of any Indebtedness of the Chargor;
- (l) any action, proceedings, procedure or step is taken for the suspension of payments, a moratorium of any Indebtedness, winding up, dissolution, administration or reorganisation (using a voluntary arrangement, scheme of arrangement or otherwise) of the Chargor;
- (m) any action, proceedings, procedure or step is taken for a composition, compromise, assignment or arrangement with any creditor of the Chargor;
- (n) any action, proceedings, procedure or step is taken for the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Chargor or any of its assets;
- (o) the value of the Chargor's assets is less than its liabilities (taking into account contingent and prospective liabilities);
- (p) any event occurs in relation to the Chargor similar to those set out in paragraphs (i) to (o) (inclusive) under the laws of any applicable jurisdiction;
- (q) a distress, attachment, execution, expropriation, sequestration or other analogous legal process in any jurisdiction is levied, enforced or sued out on, or against, the Chargor's assets (or its equivalent in other currencies) and is not discharged or stayed within twenty-one (21) days;
- (r) any Security on or over the assets of the Chargor becomes enforceable;
- (s) any provision of this deed or any document under which the Chargor owes obligations to the Chargee is or becomes invalid, unlawful, unenforceable, terminated, disputed or ceases to be effective or to have full force and effect;
- (t) the Chargor repudiates or shows an intention to repudiate this deed or any document under which the Chargor owes obligations to the Chargee; or
- (u) any event occurs (or circumstances exist) which, in the reasonable opinion of the Chargee, has or is likely to materially and adversely affect the Chargor's ability to perform all or any of its obligations under, or otherwise comply with the terms of, this deed or any document under which the Chargor owes obligations to the Chargee.

Equipment: all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property for the time being owned or leased by the Chargor, including any part of it and all spare parts, replacements, modifications and additions, as shall be required for holding the Stock and subsequently its sale and delivery (whether in a fermented, unnbottled or bottled or keg state.



Normal Rate: means 8% per annum (net of withholding taxes, if any) calculated on a linear daily basis.

Goods Agreement: the Supply of Goods Agreement entered into between the Chargee and the Chargor on the date hereof.

Indebtedness: any obligation to pay or repay money, present or future, whether actual or contingent, sole or joint and any guarantee or indemnity of any of those obligations.

Invoices: any invoices payable by the Chargor to the Chargee under the Goods Agreement.

Insurance Policy: each contract and policy of insurance effected or maintained by the Chargor from time to time relating to the Stock.

Intellectual Property: the Chargor's present and future patents, inventions, registered designs, trademarks, domain names, applications for the registration of any of the foregoing and the right to apply therefor in any part of the world; design rights including community designs, database rights, topography rights, copyrights and rights in the nature of copyright; trade names, logos and get-up; know-how and trade secrets; software; and any similar or equivalent rights arising or subsisting anywhere in the world (whether registered or not).

Investments: all present and future certificated stocks, shares, loan capital, securities, bonds and investments (whether or not marketable) for the time being owned (at law or in equity) by the Chargor, including any:

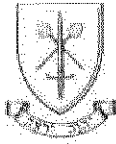
- (v) dividend, interest or other distribution paid or payable in relation to any of the Investments; and
- (w) right, money, shares or property accruing, offered or issued at any time in relation to any of the Investments by way of redemption, substitution, exchange, conversion, bonus, preference or otherwise, under option rights or otherwise.

LPA 1925: Law of Property Act 1925.

OPF Approved Warehouse: a warehouse at Orchard Park Farms, Hornblotton, Shepton Mallet, Somerset BA4 6SF and operated by OPFP, and which is a Customs Warehouse (tax warehouse reference number: GB00020002616).

OPFP: means Orchard Park Farms Partnership (trading as Orchard Park Farms), whose principal place of business is at Orchard Park Farms, Hornblotton, Shepton Mallet, BA46SF (excise registration number GBWK138788800).

Receiver: a receiver, receiver and manager or administrative receiver of any or all of the Secured Assets appointed by the Chargor under **clause 13**.



Secured Assets: all the assets, property and undertaking for the time being subject to the Security created by, or pursuant to, this agreement.

Secured Liabilities: all present and future monies, obligations and liabilities of the Chargor to the Chargee under the Goods Agreement, whether actual or contingent and whether owed jointly or severally, as principal or surety in whatever name or style, together with all Interest (including, without limitation, Default Interest) accruing in respect of those monies, obligations or liabilities.

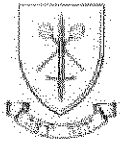
Security: any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect.

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

Stock: all (1) the Cider in the Cider Vats and (2) as may otherwise exist in a fermented, unbottled and/or bottled state, including any bottle, keg or other storage container or unit prior to a Cider Draw Disposal.

VAT: Value Added Tax.

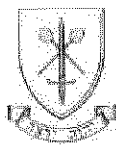
- 1.2 The headings of any clause shall not affect the interpretation of this agreement.
- 1.3 a reference to a **person** shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality) and that person's personal representatives, successors, permitted assigns and permitted transferees.
- 1.4 unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.
- 1.5 unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.6 a reference to a party shall include that party's successors, permitted assigns and permitted transferees.
- 1.7 a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.8 a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.9 a reference to **writing** or **written** includes fax but not e-mail.



- 1.10 an obligation on a party not to do something includes an obligation not to allow that thing to be done.
- 1.11 unless the context otherwise requires, a reference to a **clause** is to a clause of this Agreement.
- 1.12 any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.13 a reference to an **amendment** includes a novation, re-enactment, supplement or variation (and amended shall be construed accordingly).
- 1.14 a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description.
- 1.15 a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution.
- 1.16 a reference to **continuing** in relation to an Event of Default means an Event of Default that has not been remedied or waived.
- 1.17 a reference to **determines** or **determined** means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it.
- 1.18 a reference to a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation.
- 1.19 **Clawback**
- If the Chargee considers that an amount paid by the Chargor in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of the Chargor or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this agreement.
- 1.20 **Perpetuity period**
- If the rule against perpetuities applies to any trust created by this agreement, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).

2. COVENANT TO PAY

2.1 Covenant to Pay



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

2.2 Interest

The Borrower covenants with the Lender to pay Interest on any amounts due under **clause 2.1** from day to day until full discharge (whether before or after judgment, liquidation, winding-up or administration of the Borrower) at the Normal Rate and, as case may be, the Additional Rate, provided that, in the case of any Costs such Interest shall accrue at the Default Rate and be payable as from the date on which the relevant Costs arose without the necessity for any demand being made for payment.

3. GRANT OF SECURITY

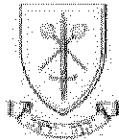
3.1 Fixed Charge

As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee charges to the Chargee by way of first fixed charge:

- (a) all the Stock;
- (b) all present and future interests of the Borrower not effectively mortgaged or charged under the preceding provisions of this **clause 3** in, or over, the Stock;
- (c) all present and future rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to the Stock (if any), all licences, consents and authorisations (statutory or otherwise) held or required in connection with the Borrower's business or the use of the Stock, and all rights in connection with them;
- (d) all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person in relation to the Stock (including each Designated Account); and
- (e) all its rights in each Insurance Policy in relation to the Stock, including all claims, the proceeds of all claims and all returns of premium in connection with each Insurance Policy.

3.2 Assignment

As a continuing security for the payment and discharge of the Secured Liabilities, the Chargor with full title guarantee assigns to the Chargee absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities, all rights to each Insurance Policy, including all claims, the proceeds of all claims and all returns of premium in connection with each Insurance Policy.



4. LIABILITY OF THE BORROWER

4.1 Liability Not Discharged

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

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

4.2 Immediate recourse

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

5. REPRESENTATIONS AND WARRANTIES

5.1 Representations and warranties

The Chargor make the representations and warranties set out in this **clause 5** to the Chargee.

5.2 Ownership of Secured Assets

The Chargor is the legal and beneficial owner of the Secured Assets.

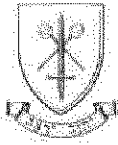
5.3 No Security

The Secured Assets are free from any Security other than the Security created by this agreement.

5.4 No adverse claims

The Chargor has not received, or acknowledged notice of, any adverse claim by any person in respect of the Secured Assets or any interest in them.

5.5 No adverse covenants



There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatsoever that materially and adversely affect the Secured Assets.

5.6 No breach of laws

There is no breach of any law or regulation that materially and adversely affects the Secured Assets.

5.7 No interference in enjoyment

No facility necessary for the enjoyment and use of the Secured Assets is subject to terms entitling any person to terminate or curtail its use.

5.8 Avoidance of security

No Security expressed to be created under this agreement is liable to be avoided, or otherwise set aside, on the liquidation or administration of the Chargor or otherwise.

5.9 No Prohibition or Breaches

There is no prohibition on assignment in any Insurance Policy and the entry into this Agreement by the Chargor does not, and will not, constitute a breach of any Insurance Policy or any other agreement or instrument binding on the Chargor or its assets.

5.10 Environmental compliance

The Chargor has, at all times, complied in all material respects with all applicable Environmental Law.

5.11 Enforceable security

This agreement constitutes and will constitute the legal, valid, binding and enforceable obligations of the Chargor, and is and will continue to be effective security over all and every part of the Secured Assets in accordance with its terms.

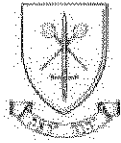
5.12 Times for making representations and warranties

The representations and warranties set out in **clause 5.2** to **clause 5.11** (inclusive) are made by the Chargor on the date of this Agreement and the representations and warranties contained in **clause 5.2** to **clause 5.11** (inclusive) are deemed to be repeated on each day of the Security Period with reference to the facts and circumstances existing at the time of repetition.

6. GENERAL COVENANTS

6.1 Negative pledge and disposal restrictions

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



- (a) create, purport to create or permit to subsist any Security on, or in relation to, any Secured Asset other than any Security created by this Agreement;
- (b) sell, assign, transfer, part with possession of, or otherwise dispose of in any manner (or purport to do so), all or any part of, or any interest in, the Secured Assets (except, in the ordinary course of business, Secured Assets that are only subject to an uncrystallised floating charge); or
- (c) create or grant (or purport to create or grant) any interest in the Secured Assets in favour of a third party.

6.2 Preservation of Secured Assets

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

6.3 Borrower's waiver of set-off

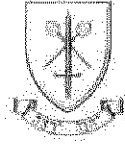
The Chargor waives any present or future right of set-off it may have in respect of the Secured Liabilities (including sums payable by the Chargor under this agreement).

6.4 Compliance with laws and regulations

- (a) The Chargor shall not, without the Chargee's prior written consent, use or permit the Secured Assets to be used in any way contrary to law.
- (b) The Chargor shall:
 - (i) comply with the requirements of any law and regulation relating to or affecting the Secured Assets or the use of it or any part of them;
 - (ii) obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Secured Assets or its use or that are necessary to preserve, maintain or renew any Secured Asset; and
 - (iii) promptly effect any maintenance, modifications, alterations or repairs that are required by any law or regulation to be effected on or in connection with the Secured Assets.

6.5 Enforcement of rights

The Chargor shall use its best endeavours to:



- (a) procure the prompt observance and performance of the covenants and other obligations imposed on the Chargor's counterparties (including each insurer in respect of an Insurance Policy); and
- (b) enforce any rights and institute, continue or defend any proceedings relating to any of the Secured Assets which the Chargee may require from time to time.

6.6 Notice of misrepresentation and breaches

The Chargor shall, promptly on becoming aware of any of the same, give the Chargee notice in writing of:

- (a) any representation or warranty set out in this agreement that is incorrect or misleading in any material respect when made or deemed to be repeated; and
- (b) any breach of any covenant set out in this agreement.

6.7 Title Documents

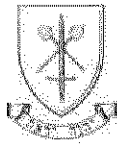
The Chargor shall, as so required by the Chargee, deposit with the Chargee and the Chargee shall, for the duration of this agreement be entitled to retain copies of:

- (a) all deeds and documents of title relating to the Secured Assets that are in the possession or control of the Chargor (and if these are not within the possession or control of the Chargor, the Chargor undertakes to obtain possession of all these deeds and documents of title);
- (b) all Insurance Policies and any other insurance policies relating to any of the Secured Assets that the Chargor is entitled to possess; and

6.8 Insurance

- (a) The Chargor shall insure and keep insured the Secured Assets against:
 - (i) loss or damage by fire or terrorist acts;
 - (ii) other risks, perils and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business as the Chargor; and
 - (iii) any other risk, perils and contingencies as the Chargee may reasonably require.

Any such insurance must be with an insurance company or underwriters, and on such terms, as are reasonably acceptable to the Chargee, and must be for not less than the replacement value of the Secured Assets.



- (b) The Chargor shall, if requested by the Chargee, produce to the Chargee the policy, certificate or cover note relating to the insurance required by **clause 6.8(a)** (or where, in the case of any leasehold property, that insurance is effected by the landlord, such evidence of insurance as the Chargor is entitled to obtain from the landlord under the terms of the relevant lease).
- (c) The Chargor shall, if requested by the Chargee, procure that a note of the Chargee's interest is endorsed upon each insurance policy maintained by it or any person on its behalf in accordance with **clause 6.8(a)** and that the terms of each insurance policy require the insurer not to invalidate the policy as against the Chargee by reason of the act or default of any other joint or named insured and not to cancel it without giving at least thirty (30) days' prior written notice to the Chargee.

6.9 Insurance premiums

The Chargor shall:

- (a) promptly pay all premiums in respect of each insurance policy maintained by it in accordance with **clause 6.8(a)** and do all other things necessary to keep that policy in full force and effect; and
- (b) (if the Chargee so requires) produce to, or deposit with, the Chargee the receipts for all premiums and other payments necessary for effecting and keeping up each insurance policy maintained by it in accordance with **clause 6.8(a)**.

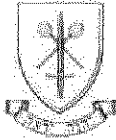
6.10 No invalidation of insurance

The Chargor shall not do or omit to do, or permit to be done or omitted, any act or thing that may invalidate or otherwise prejudice any insurance policy maintained by it in accordance with **clause 6.8(a)**.

6.11 Proceeds of insurance policies

All monies received or receivable by the Chargor under any insurance policy maintained by it in accordance with **clause 6.8(a)** (including all monies received or receivable by it under any Insurance Policy) at any time (whether or not the security constituted by this agreement has become enforceable) shall:

- (a) immediately be paid to the Chargee;
- (b) if they are not paid directly to the Chargee by the insurers, be held by the Chargor as trustee of the same for the benefit of the Chargee (and the Chargor shall account for it to the Chargee); and



- (c) at the option of the Chargee, be applied in making good or recouping expenditure in respect of the loss or damage for which those monies are received or in, or towards, discharge or reduction of the Secured Liabilities.

6.12 Notices to be given by the Borrower

The Chargor shall immediately on the execution of this agreement (or, if later, the date of acquisition of the relevant Secured Asset) give notice to each insurer, in the agreed form, that it has charged or assigned its rights and interest in and under each Insurance Policy under **clause 3**.

6.13 Information

The Chargor shall:

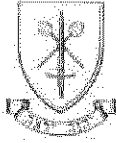
- (a) give the Chargee such information concerning the location, condition, use and state of the Secured Assets as the Chargee may reasonably require, including any movements of Stock from the OPF Approved Warehouse or any other Customs Warehouse, any Cider Draw Disposal, the information required under paragraph 3.4 of the Facility Agreement relating to Cider Draws and any amount of Cider then subsequently bottled or filled into kegs for ultimate sale;
- (b) permit any persons designated by the Chargee and any Receiver to enter on its premises and inspect and examine any Secured Asset, and the records relating to that Secured Asset, at all reasonable times and on reasonable prior notice; and
- (c) promptly notify the Chargee in writing of any action, claim or demand made by or against it in connection with any Secured Asset or of any fact, matter or circumstance which may, with the passage of time, give rise to such an action, claim or demand, together with, in each case, the Chargor's proposals for settling, liquidating, compounding or contesting any such action, claim or demand and shall, subject to the Chargee's prior approval, implement those proposals at its own expense.

6.14 Payment of outgoings

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

6.15 Notification of Delay

The Chargor shall notify the Chargee of any Event of Default or event or circumstance which would, on the expiry of any grace period, the giving of notice, the making of any determination, satisfaction of any other condition or any combination thereof, constitute an Event of Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.



6.16 Change of Business

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

7. ENVIRONMENTAL COVENANTS

The Chargor shall:

- (a) comply with all the requirements of Environmental Law both in the conduct of its general business and in the management, possession and use of the Stock, whether or not stated or held in the Customs Warehouse; and
- (b) obtain and comply with all authorisations, permits and other types of licences.

8. EQUIPMENT COVENANTS

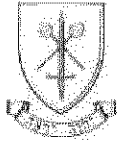
8.1 Maintenance of Equipment

The Chargor shall:

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

8.2 Payment of Equipment taxes

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



9. POWERS OF THE CHARGE

9.1 Power to remedy

- (a) The Chargee shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Chargor of any of its obligations contained in this agreement.
- (b) The Chargor irrevocably authorises the Chargee and its agents to do all things that are necessary or desirable for that purpose.
- (c) Any monies expended by the Chargee in remedying a breach by the Chargor of its obligations contained in this agreement shall be reimbursed by the Chargor to the Chargee on a full indemnity basis and shall carry interest in accordance with **clause 17.1**.

9.2 Exercise of rights

The rights of the Chargee under **clause 10.1** are without prejudice to any other rights of the Chargee under this agreement. The exercise of any rights of the Chargee under this agreement shall not make the Chargee liable to account as a mortgagee in possession.

9.3 Power to dispose of chattels

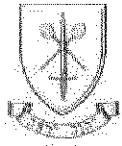
- (a) At any time after the security constituted by this agreement has become enforceable, the Chargee or any Receiver may, as agent for the Chargor, dispose of any chattels or produce found on any property of the Chargor.
- (b) Without prejudice to any obligation to account for the proceeds of any disposal made under **clause 9.3(a)**, the Chargor shall indemnify the Chargee and any Receiver against any liability arising from any disposal made under **clause 9.3(a)**.

9.4 Lender has Receiver's powers

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

9.5 Indulgence

The Chargee may, at its discretion, grant time or other indulgence, or make any other arrangement, variation or release with any person not being a party to this agreement (whether or not any such person is jointly liable with the Chargor) in respect of any of



the Secured Liabilities, or of any other security for them without prejudice either to this agreement or to the liability of the Chargor for the Secured Liabilities.

9.6 Appointment of an Administrator

- (a) The Chargee may, if there has been an Event of Default which, if curable or remediable, has not been cured or remedied to the satisfaction of the Chargee, appoint any one or more persons to be an Administrator of the Chargor pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986 if the security constituted by this agreement becomes enforceable.
- (b) Any appointment under this **clause 10.6** shall:
 - (i) be in writing signed by a duly authorised signatory of the Chargee; and
 - (ii) take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986.
- (c) The Chargee may apply to the court for an order removing an Administrator from office and may by notice in writing in accordance with this **clause 10.6** appoint a replacement for any Administrator who has died, resigned, been removed or who has vacated office upon ceasing to be qualified.

10. WHEN SECURITY BECOMES ENFORCEABLE

10.1 Security becomes enforceable on Event of Default

The security constituted by this agreement shall be immediately enforceable if an Event of Default occurs (and, if capable of remedy to the sole satisfaction of the Chargee, has not been remedied within ten (10) Business Days of the Chargee giving notice in writing to the Chargor to remedy the same).

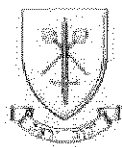
10.2 Discretion

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

11. ENFORCEMENT OF SECURITY

11.1 Enforcement powers

- (a) The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this agreement) shall, as between the Lender and a purchaser from the Chargee, arise on and be exercisable at any time after the



execution of this agreement, but the Chargee shall not exercise such power of sale or other powers until the security constituted by this agreement has become enforceable under **clause 11.1**.

- (b) Section 103 of the LPA 1925 does not apply to the security constituted by this agreement.

11.2 Extension of statutory powers of leasing

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

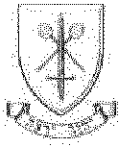
- (a) grant a lease or agreement to lease;
- (b) accept surrenders of leases; or
- (c) grant any option of the whole or any part of the Secured Assets with whatever rights relating to other parts of it,

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

11.3 Access on enforcement

- (a) At any time after the Chargee has demanded payment of the Secured Liabilities or if any of the Chargor defaults in the performance of its obligations under this agreement or an Event of Default occurs (and, if capable of remedy to the sole satisfaction of the Chargee, has not been remedied within ten (10) Business Days of the Chargee giving notice in writing to the Chargor to remedy the same), the Chargor will allow the Chargee or its Receiver, without further notice or demand, immediately to exercise all its rights, powers and remedies in particular (and without limitation) to take possession of any Secured Asset and for that purpose to enter on any premises where a Secured Asset is situated (or where the Lender or a Receiver reasonably believes a Secured Asset to be situated) without incurring any liability to the Chargor for, or by any reason of, that entry.
- (b) At all times, the Chargor must use its best endeavours to allow the Chargee or its Receiver access to any premises for the purpose of **clause 11.3(a)** (including obtaining any necessary consents or permits of other persons, including OPFP or any other Customs Warehouse operator) and ensure that its employees and officers do the same.

11.4 Prior Security



At any time after the security constituted by this agreement has become enforceable, or after any powers conferred by any Security having priority to this agreement shall have become exercisable, the Chargee may:

- (a) redeem that or any other prior Security;
- (b) procure the transfer of that Security to it; and
- (c) settle and pass any account of the holder of any prior Security.

Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Chargor. All monies paid by the Chargee to an encumbrancer in settlement of any of those accounts shall, as from its payment by the Chargee, be due from the Chargor to the Chargee on current account and shall bear interest at the Default Rate and be secured as part of the Secured Liabilities.

11.5 Protection of third parties

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

- (a) whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;
- (b) whether any power the Chargee, a Receiver or Delegate is purporting to exercise has become exercisable or is properly exercisable; or
- (c) how any money paid to the Chargee, any Receiver or any Delegate is to be applied.

11.6 Privileges

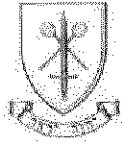
Each Receiver and the Chargee is entitled to all the rights, powers, privileges and immunities conferred by the LPA 1925 on mortgagees and receivers.

11.7 No liability as mortgagee in possession

Neither the Chargee, any Receiver, any Delegate nor any Administrator shall be liable to account as mortgagee in possession in respect of all or any of the Secured Assets, nor shall any of them be liable for any loss on realisation of, or for any neglect or default of any nature in connection with, all or any of the Secured Assets for which a mortgagee in possession might be liable as such.

11.8 Conclusive discharge to purchasers

The receipt of the Chargee or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Secured Assets or in making any acquisition in the exercise of their respective powers, the Chargee, every



Receiver and Delegate may do so for any consideration, in any manner and on any terms that they, it or he thinks fit.

12. RECEIVER

12.1 Appointment

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

12.2 Removal

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

12.3 Remuneration

The Chargee may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA 1925, and the remuneration of the Receiver shall be a debt secured by this agreement, which shall be due and payable immediately on its being paid by the Chargee.

12.4 Power of appointment additional to statutory powers

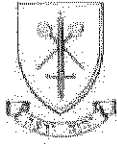
The power to appoint a Receiver conferred by this agreement shall be in addition to all statutory and other powers of the Lender under the Insolvency Act 1986, the LPA 1925 or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925 or otherwise.

12.5 Power of appointment exercisable despite prior appointments

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

12.6 Agent of the Borrower

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



13. POWERS OF RECEIVER

13.1 General

- (a) Any Receiver appointed by the Chargee under this agreement shall, in addition to the powers conferred on him by statute, have the powers set out in **clause 14.2 to clause 14.19** (inclusive).
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this agreement individually and to the exclusion of any other Receiver.
- (c) Any exercise by a Receiver of any of the powers given by **clause 14** may be on behalf of the Chargor or himself.

13.2 Employ personnel and advisors

A Receiver may provide services and employ, or engage any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms, and subject to any conditions, that he thinks fit. A Receiver may discharge any such person or any such person appointed by the Chargor.

13.3 Make VAT elections

A Receiver may make, exercise or revoke any value added tax option to tax as he thinks fit.

13.4 Remuneration

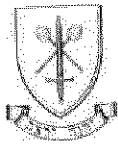
A Receiver may charge and receive any sum by way of remuneration (in addition to all costs, charges and expenses incurred by him) that the Chargee may prescribe or agree with him.

13.5 Realise Secured Assets

A Receiver may collect and get in the Secured Assets or any part of them in respect of which he is appointed, and make any demands and take any proceedings as may seem expedient for that purpose, and take possession of the Secured Assets with like rights.

13.6 Manage or reconstruct the Borrower's business

A Receiver may carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Chargor to the extent the same shall relate to the Secured Assets.



13.7 Dispose of Secured Assets

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

13.8 Valid receipts

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

13.9 Make settlements

A Receiver may make any arrangement, settlement or compromise between the Chargor and any other person that he may think expedient.

13.10 Bring proceedings

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

13.11 Make calls on the members of the Borrower

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

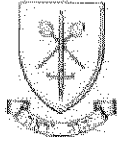
13.12 Insure

A Receiver may, if he thinks fit, but without prejudice to the indemnity in clause 17.2, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by the Borrower under this agreement.

13.13 Powers under the LPA 1925

A Receiver may exercise all powers provided for in the LPA 1925 in the same way as if he had been duly appointed under the LPA 1925, and exercise all powers provided for an administrative receiver in Schedule 1 to the Insolvency Act 1986.

13.14 Borrow



A Receiver may, for any of the purposes authorised by this **clause 14**, raise money by borrowing from the Chargee (or from any other person) either unsecured or on the security of all or any of the Secured Assets in respect of which he is appointed on any terms that he thinks fit (including, if the Chargee consents, terms under which that security ranks in priority to this agreement).

13.15 Redeem prior Security

A Receiver may redeem any prior Security and settle and pass the accounts to which the Security relates. Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Chargor, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver.

13.16 Delegation

A Receiver may delegate his powers in accordance with this agreement.

13.17 Absolute beneficial owner

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

13.18 Incidental powers

A Receiver may do any other acts and things:

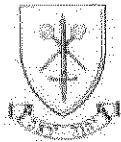
- (a) that he may consider desirable or necessary for realising any of the Secured Assets;
- (b) that he may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this agreement or law with respect to realising any of the Secured Assets; or
- (c) that he lawfully may or can do as agent for the Chargor.

14. DELEGATION

14.1 Delegation

The Chargee or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this agreement (including the power of attorney granted under **clause 19.1**).

14.2 Terms



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

14.3 Liability

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

15. APPLICATION OF PROCEEDS

Order of application of proceeds

All monies received by the Chargee, a Receiver or a Delegate pursuant to this agreement, after the security constituted by this agreement has become enforceable, shall (subject to the claims of any person having prior rights and by way of variation of the LPA 1925) be applied in the following order of priority:

- (a) in or towards payment of or provision for all costs, charges and expenses incurred by or on behalf of the Chargee (and any Receiver, Delegate, attorney or agent appointed by it) under or in connection with this agreement, and of all remuneration due to any Receiver under or in connection with this agreement;
- (b) in or towards payment of or provision for the Secured Liabilities in any order and manner that the Chargee determines; and
- (c) in payment of the surplus (if any) to the Chargor or other person entitled to it.

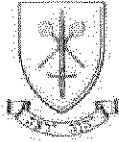
16. COSTS AND INDEMNITY

16.1 Costs

The Chargor shall, within five (5) Business Days of demand, pay to, or reimburse, the Chargee and any Receiver, on a full indemnity basis, all costs, charges, expenses, taxes and liabilities of any kind (including, without limitation, legal, printing and out-of-pocket expenses) incurred by the Chargee, any Receiver or any Delegate in connection with:

- (a) this agreement or the Secured Assets;
- (b) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Chargee's, a Receiver's or a Delegate's rights under this agreement; or
- (c) taking proceedings for, or recovering, any of the Secured Liabilities,

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



arose until full discharge of that cost or expense (whether before or after judgment, liquidation, winding up or administration of the Borrower) at the Default Rate.

16.2 Indemnity

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

- (a) the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this agreement or by law in respect of the Secured Assets;
- (b) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this agreement; or
- (c) any default or delay by the Chargor in performing any of its obligations under this agreement.

Any past or present employee or agent of the Receiver or each Delegate may enforce the terms of this **clause 17.2** subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

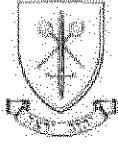
17. FURTHER ASSURANCE

17.1 Further assurance

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

- (a) creating, perfecting or protecting the security intended to be created by this agreement;
- (b) facilitating the realisation of any Secured Asset; or
- (c) facilitating the exercise of any right, power, authority or discretion exercisable by the Chargee or any Receiver in respect of any Secured Asset,

including, without limitation (if the Chargee or Receiver thinks it expedient) the execution of any transfer, conveyance, assignment or assurance of all or any of the assets forming part of (or intended to form part of) the Secured Assets (whether to the Chargee or to its nominee) and the giving of any notice, order or direction and the making of any registration.



18. POWER OF ATTORNEY

18.1 Appointment of attorneys

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

- (a) the Chargor is required to execute and do under this agreement; or
- (b) any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this agreement or by law on the Chargee, any Receiver or any Delegate.

18.2 Ratification of acts of attorneys

The Chargor ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities and discretions referred to in **clause 19.1**.

19. RELEASE

Subject to **clause 27.3**, on the expiry of the Security Period (but not otherwise), the Chargee shall, at the request and cost of the Chargor, take whatever action is necessary to:

- (a) release the Secured Assets from the security constituted by this agreement; and
- (b) reassign the Secured Assets to the Chargor.

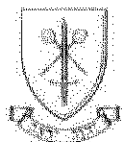
20. ASSIGNMENT AND TRANSFER

20.1 Assignment by Chargee

- (a) At any time, without the consent of the Chargor, the Chargee may assign or transfer any or all of its rights and obligations under this agreement.
- (b) The Chargee may disclose to any actual or proposed assignee or transferee any information in its possession that relates to the Chargor, the Secured Assets and this agreement that the Chargee considers appropriate.

20.2 Assignment by Chargor

The Chargor may not assign any of its rights, or transfer any of its rights or obligations, under this agreement.



21. SET-OFF

21.1 Chargee's right of set-off

The Chargee may at any time set off any liability of the Chargor to the Chargee against any liability of the Chargee to the Chargor, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this agreement. If the liabilities to be set off are expressed in different currencies, the Chargee may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Chargee of its rights under this **clause 22** shall not limit or affect any other rights or remedies available to it under this agreement or otherwise.

21.2 No obligation to set off

The Chargee is not obliged to exercise its rights under **clause 22.1**. If, however, it does exercise those rights it must promptly notify the Chargor of the set-off that has been made.

22. AMENDMENTS, WAIVERS AND CONSENTS

22.1 Amendments

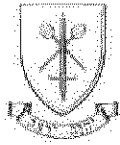
No amendment of this agreement shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative).

22.2 Waivers and consents

- (a) A waiver of any right or remedy under this agreement or by law, or any consent given under this agreement, is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.
- (b) A failure or delay by a party to exercise any right or remedy provided under this agreement or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this agreement. No single or partial exercise of any right or remedy provided under this agreement or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this agreement by the Chargee shall be effective unless it is in writing.

22.3 Rights and remedies

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



23. SEVERANCE

Severance

If any provision (or part of a provision) of this agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this clause shall not affect the legality, validity and enforceability of the rest of this agreement.

24. COUNTERPARTS

Counterparts

- (a) This agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one agreement.
- (b) If transmission of the executed signature page of a counterpart of this agreement occurs by facsimile or e-mail (in PDF, JPEG or other agreed format) to the other parties, such transmission shall only take effect as delivery of an executed counterpart of this agreement to create a legally binding agreement when all of the parties agree that it should so take effect; and, unless otherwise agreed in writing, each party shall provide the other(s) with the original of its counterpart as soon as reasonably possible but not later than five (5) Business Days after the date the legally binding agreement shall have come into effect. This agreement shall become a legally binding agreement between the parties only when signed and delivered by each party to the other.

25. THIRD PARTY RIGHTS

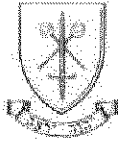
Third party rights

Except as expressly provided elsewhere in this agreement, a person who is not a party to this agreement shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this agreement. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

26. FURTHER PROVISIONS

26.1 Independent security

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



26.2 Continuing security

This agreement shall remain in full force and effect as a continuing security for the Secured Liabilities, despite any settlement of account, or intermediate payment, or other matter or thing, unless and until the Chargee discharges this agreement in writing and which it shall so when the Secured Liabilities have been fully discharged.

26.3 Discharge conditional

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

- (a) the Chargee or its nominee may retain this agreement and the security created by or pursuant to it, including all certificates and documents relating to the whole or any part of the Secured Assets, for any period that the Chargee deems necessary to provide the Chargee with security against any such avoidance, reduction or order for refund; and
- (b) the Chargee may recover the value or amount of such security or payment from the Chargor subsequently as if the release, discharge or settlement had not occurred.

26.4 Certificates

A certificate or determination by the Chargee as to any amount for the time being due to them from the Chargor under this agreement issued by the Chargor shall be, in the absence of any manifest error, conclusive evidence of the amount due.

26.5 Consolidation

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

27. NOTICES

27.1 Delivery

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

- (a) in writing;
- (b) delivered by hand, by pre-paid first-class post or other next working day delivery service or sent by fax; and



- (c) sent to:
 - (i) the Chargor at the respective addresses first mentioned at the beginning of this agreement; and
 - (ii) the Chargee at the address first mentioned at the beginning of this agreement,
- or to any other address or fax number as is notified in writing by one party to the other from time to time.

27.2 Receipt

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

- (a) if delivered by hand, at the time it is left at the relevant address;
- (b) if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting; and
- (c) if sent by fax, when received in legible form.

A notice or other communication given as described in **clause 27.2(a)** or **clause 27.2(c)** on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

27.3 No notice by e-mail

A notice or other communication given under or in connection with this agreement is not valid if sent by e-mail.

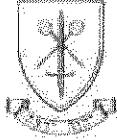
28. GOVERNING LAW AND JURISDICTION

28.1 Governing law

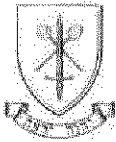
This agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

28.2 Jurisdiction

Each party irrevocably agrees that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim arising out of or in connection with this agreement or its subject matter or formation (including non-contractual disputes or claims). Nothing in this clause shall limit the right of the Lender



to take proceedings against the Chargor in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.



EXECUTION PROVISIONS:

IN WITNESS WHEREOF the parties hereto have executed and delivered this agreement the day and year first above written.

The Chargee

EXECUTED and **DELIVERED** as a)
deed by **APPLEFIRST LTD**, acting by)
Abdou Razak Amadou, the duly)
authorised director:)

In the presence of:

Director

Name:

Address:

Occupation:

The Chargor

EXECUTED and **DELIVERED** as a)
deed by **THE TAUNTON CIDER**)
COMPANY LIMITED, by Alison)
Louise Simpson, the duly authorised)
director:)

In the presence of:

X _____
Director

Name: AMANDA BAKER

Address: 9 Springfield Road Wellington Somerset

Occupation:

Finance

TAR 540