



Registration of a Charge

LLP name in full: **BARONY CASTLE LLP**

LLP Number: **SO303918**



Received for filing in Electronic Format on the: **27/06/2023**

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Details of Charge

Date of creation: **16/06/2023**

Charge code: **SO30 3918 0009**

Persons entitled: **LHV BANK LIMITED**

Brief description:

Contains floating charge(s) (floating charge covers all the property or undertaking of the company).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 AS APPLIED BY THE LIMITED LIABILITY PARTNERSHIPS (APPLICATION OF COMPANIES ACT 2006) REGULATIONS 2009 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **ANDREW RONALD, HARPER MACLEOD LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

LLP number: SO303918

Charge code: SO30 3918 0009

The Registrar of Companies for Scotland hereby certifies that a charge dated 16th June 2023 and created by BARONY CASTLE LLP was delivered pursuant to Part 25 of the Companies Act 2006 as applied by The Limited Liability Partnerships (Application of Companies Act 2006) (Amendment) Regulations 2013 on 27th June 2023 .

Given at Companies House, Edinburgh on 27th June 2023

The above information was communicated by electronic means and authenticated
by the Registrar of Companies under the Limited Liability Partnership
(Application of the Companies Act 2006) Regulations 2009 SI 2009/1804



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

Floating Charge

by

Barony Castle LLP

in favour of

LHV Bank Limited

HARPER MACLEOD LLP IS ONLY ADVISING LHV BANK LIMITED AND NO OTHER PARTY IN RESPECT OF THIS DOCUMENT. EACH OTHER PARTY TO THIS DOCUMENT SHOULD TAKE ITS OWN INDEPENDENT LEGAL ADVICE BEFORE ENTERING INTO THIS DOCUMENT AS THE EXECUTION OF THIS DOCUMENT WILL HAVE LEGAL EFFECT AND IMPLICATIONS.

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Floating Charge by

Barony Castle LLP, a limited liability partnership incorporated and registered in Scotland (Registered Number SO303918) and having its registered office at Barony Castle, Eddleston, Peebles, EH45 8QW (the "LLP"),

in favour of

LHV Bank Limited, a company incorporated and registered in England and Wales (Company Number 13180211) and having its registered office at One Angel Court, 1 Angel Court, London, United Kingdom, EC2R 7HJ (the "Chargee")

It is agreed as follows:-

1 Definitions and interpretation

1.1 In this instrument, unless the context otherwise requires or permits, the following shall have the following meanings:

"**Act**" means the Companies Act 1985;

"**Administrator**" means any administrator appointed in respect of the LLP (whether pursuant to this instrument, pursuant to any statute, by a court or otherwise);

"**Business Day**" means a day, other than a Saturday, Sunday or public holiday in Scotland, on which clearing banks are open for non-automated commercial business in the City of Edinburgh and "**Business Days**" means more than one of them;

"**Default Rate**" means 7.15% above the Bank of England base rate or such other rate as agreed between the LLP and the Chargee;

"**Enforcement Event**" means any of the following events:

- (a) the LLP has failed to pay all or any of the Secured Liabilities in accordance with Clause 2.1;
- (b) any breach of the terms of this instrument by the LLP;
- (c) the occurrence of any event, howsoever described, which entitles the Chargee to accelerate, or demand repayment of, the Secured Liabilities (or any part thereof) and/or declare any Security granted in respect of any of the Secured Liabilities (or any part thereof) enforceable, and/or
- (d) the occurrence of an Insolvency Event;

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

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

"**Insolvency Act**" means the Insolvency Act 1986;

"**Insolvency Event**" means:

- (a) any application, notice, resolution or order being made, passed or given for or in connection with the winding-up, liquidation, dissolution, administration or reorganisation of the LLP;
- (b) the LLP becoming subject to any insolvency, winding-up reorganisation, receivership (whether relating to all or only some of its assets), administration, liquidation, dissolution or other similar proceedings, whether voluntary or involuntary and whether or not involving insolvency;
- (c) the appointment of an Insolvency Representative in respect of the LLP and/or any of its assets;
- (d) the LLP assigning all or any of its assets for the benefit of its creditors generally (or any class thereof) or entering into any composition or arrangement with its creditors generally or any arrangement being ordered or declared by a court of competent jurisdiction whereby all or any of its affairs and/or assets are submitted to the control of, or are protected from, its creditors;
- (e) the LLP becoming subject to any distribution of its assets in consequence of insolvency, reorganisation, winding-up, liquidation, dissolution or administration; or
- (f) any event analogous to any of the foregoing occurring in relation to the LLP or any of its assets in any jurisdiction;

"Insolvency Representative" means any liquidator, administrator, receiver and manager, administrative receiver, custodian, trustee or any similar officer in any jurisdiction;

"Instrument" means this floating charge;

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

"Receiver" means any receiver or administrative receiver appointed in respect of all or any of the Secured Assets (whether pursuant to this Instrument, pursuant to any statute, by a court or otherwise) and includes (without limitation) joint receivers and joint administrative receivers;

"Secured Assets" means the whole of the property and assets (including without limitation, uncalled capital) which is or may be from time to time while this Instrument is in force comprised in the property and undertaking of the LLP;

"Secured Liabilities" means all present and future obligations and liabilities whatsoever (whether actual or contingent, whether owed jointly or severally and whether owed as principal or surety or in any other capacity whatsoever) of the LLP to the Chargee (and whether originally owing to the Chargee or purchased or acquired by the Chargee) together with any of the following matters relating to or arising in respect of, those liabilities and obligations

- (a) any refinancing, novation, deferral or extension;
- (b) any claim for damages or restitution; and
- (c) any claim as a result of any recovery by the LLP of a payment or discharge on the grounds of preference,

and any amounts which would be included in any of the above but for any discharge, non-provability or unenforceability of those amounts in any insolvency or other proceedings;

"Secured Liabilities Discharge Date" means the date on which the Secured Liabilities have been unconditionally and irrevocably and fully and completely paid and/or discharged to the

satisfaction of the Chargee and the Chargee is satisfied that no further Secured Liabilities are capable of becoming outstanding;

"Security" means a mortgage, charge (fixed or floating), standard security, assignment in security, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect; and

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

- 1.2 References in this Instrument to a "fixed security" shall be construed as a reference to a fixed security as defined by Section 486 of the Act as in force at the date of this Instrument.
- 1.3 Reference to any statute or statutory provision shall include a reference to any statute or statutory provision which amends, extends, consolidates or replaces the same or which has been amended, extended, consolidated or replaced by the same and shall include any orders, regulations, instruments or other subordinate legislation made under the relevant statute or statutory provision.
- 1.4 References to "including" shall not be construed as limiting the generality of the words preceding it.
- 1.5 Any reference in this Instrument to a document of any kind whatsoever (including, without limitation, this Instrument) is to that document as amended, varied, supplemented, novated or substituted from time to time.
- 1.6 Words importing persons shall include individuals, firms, partnerships, corporations, governments, governmental bodies and departments, authorities, agencies, unincorporated bodies of persons or associations and any other organisations having legal capacity.
- 1.7 The singular includes the plural and vice versa and any gender includes all genders.
- 1.8 The clause headings are inserted for convenience and shall not affect the construction of this Instrument.
- 1.9 References to Clauses are references to the relevant clauses in this Instrument.
- 1.10 References to persons shall include their respective successors and permitted assignees and permitted transferees.
- 1.11 Reference to the "winding-up" of a person also includes the amalgamation, reconstruction, reorganisation, insolvency, bankruptcy, sequestration, administration, dissolution, provisional liquidation, liquidation, receivership, merger or consolidation of that person, the entering into of a scheme of arrangement of affairs, voluntary arrangement or trust deed for creditors (or other composition in satisfaction of debts) in respect of that person, the appointment of an administrator, receiver, trustee in sequestration, judicial factor or any other equivalent officer in any jurisdiction in respect of that person, and any other analogous procedure under the law of any jurisdiction which has a similar effect to the foregoing.
- 1.12 Unless the context otherwise requires, a reference to the Secured Assets includes:
 - 1.12.1 any part of the Secured Assets; and
 - 1.12.2 the proceeds of that Secured Asset.

2 Bond

2.1 The LLP undertakes to the Chargee that it will pay and discharge to the Chargee (or to such other person as the Chargee may direct) all of the Secured Liabilities on demand in writing when the same are due.

2.2 The LLP agrees that if it shall fail to pay and discharge any part of the Secured Liabilities when due then such amount shall bear interest (after as well as before decree and payable on demand) on a daily basis based on a year of 365 days at the Default Rate from the due date thereof until paid in full. Any such interest accrued shall be compounded monthly and shall be payable by the LLP to the Chargee on demand in writing.

2.3 A certificate signed by or on behalf of the Chargee as to the amount, calculation or nature of the Secured Liabilities or any part of it will, in the absence of manifest error, be conclusive and binding on the LLP.

3 Floating Charge

3.1 The LLP, as security for the payment and discharge of all the Secured Liabilities, hereby grants in favour of the Chargee a floating charge over the Secured Assets.

3.2 Paragraph 14(2)(a) of Schedule B1 to the Insolvency Act shall apply to the floating charge created by this Instrument which is a "qualifying floating charge" for the purpose of paragraph 14(1) of Schedule B1 of the Insolvency Act.

4 Ranking

4.1 The LLP agrees that, except with the prior written consent of the Chargee, it shall be prohibited from granting or creating subsequent to the date of this Instrument, any fixed security or any other floating charge having priority over or ranking pari passu with the floating charge created by this Instrument, otherwise than in favour of the Chargee.

4.2 The floating charge created by this Instrument shall, if the LLP grants another charge in breach of Clause 4.1, subject to section 464(2) of the Act, rank in priority to any other fixed security which shall be created by the LLP after its execution of this Instrument (other than a fixed security in favour of the Chargee) and to any other floating charge which shall be created by the LLP after its execution of this Instrument and (subject as aforesaid) no such fixed security or other floating charge shall rank in priority to or equally with the floating charge hereby created by it.

5 Warranties and Undertakings

5.1 The LLP hereby represents and warrants to the Chargee as follows:-

5.1.1 the documents which contain or establish the LLP's constitution include provisions which give power, and all necessary corporate authority has been obtained and action taken, for the LLP to grant the floating charge hereby created and to execute, deliver and perform the undertakings and obligations contained in this Instrument.

5.1.2 this Instrument constitutes legal, valid and binding obligations of the LLP enforceable in accordance with their terms; and

5.1.3 the LLP's execution and delivery of this Instrument and the LLP's performance of any of the undertakings or obligations contained in this Instrument does not, and will not, conflict with:

5.1.3.1 any law or regulation applicable to it;

5.1.3.2 its constitutional documents; and/or

5.1.3.3 any agreement, deed, certificate, instrument or other document whatsoever binding upon it or any of its assets or constitute a default or termination event (howsoever described) thereunder.

5.2 Except as the Chargee may otherwise agree in writing, the LLP hereby undertakes that it shall:-

- 5.2.1 carry on and conduct its business and affairs in a proper and efficient manner;
- 5.2.2 not make any substantial alteration in the nature of, or mode of conduct of, its business;
- 5.2.3 not purchase, licence or otherwise acquire any assets outwith the ordinary course of business or not on an arm's length basis;
- 5.2.4 not sell, transfer, assign, lease, hire out, lend, discount, factor, charge or otherwise dispose of, deal in or remove all or any of the Secured Assets, save for in the ordinary course of business;
- 5.2.5 keep, or cause to be kept, proper books of account relating to its business;
- 5.2.6 permit the Chargee or any person authorised by the Chargee to have access to, and inspect free of charge, its statutory registers;
- 5.2.7 not pull down or remove the whole or any part of any buildings forming part of the Secured Assets or sever or unfix or remove any of the fixtures attaching to them nor (except for the purposes of effecting necessary repairs or of replacing any of them with new or improved models or substitutes) remove any of the plant and machinery belonging to or used by the LLP;
- 5.2.8 keep all of the Secured Assets in good and sufficient repair and all plant and machinery and other moveable property in good working order and condition and, as and when requisite (whether by reason of an original or inherent defect, obsolescence, destruction or otherwise), rebuild, renew and replace the same;
- 5.2.9 not grant or agree to grant any tenancy or licence affecting all or any of the Secured Assets or grant or agree to grant a lease of, or accept a surrender of a lease or tenancy of, all or any part of them;
- 5.2.10 not become cautioner, guarantor or surety for any person, firm or company;
- 5.2.11 not undertake any obligation to any third party whereby its rights to recover or take payment of any monies due or which may become due to it from any debtor of it are postponed or subordinated to the claims of such third party;
- 5.2.12 pay (and indemnify the Chargee, any Receiver and any Administrator against) all rents, rates, taxes, levies, assessments, impositions and outgoings whatsoever (whether imposed by agreement, statute or otherwise, whether in the nature of capital or revenue and even if wholly novel and whether governmental, municipal or otherwise) which may be imposed upon or payable in respect of the Secured Assets as and when the same shall become payable, taking into account agreed periods of grace (if any), and also punctually pay and discharge all debts and obligations which by law may have priority over the floating charge created by this Instrument;
- 5.2.13 maintain its centre of main interests (COMI) for the purposes of Regulation (EU) 2015/848 of 20 May 2015 on insolvency proceedings (recast) in the United Kingdom;
- 5.2.14 not transfer, factor, discount, sell, assign, release, compound, subordinate, defer or vary the terms of any book or other debts or moneys for the time being due, owing

or payable to the LLP or otherwise deal with the same, except in the usual course of business;

- 5.2.15 subject always to Clause 5.2.14, promptly get in and realise in the ordinary course of its trade or business all its book debts apart from balances standing to the credit of any account with any bank or financial institution;
- 5.2.16 observe and perform, in all respects, all restrictive and other covenants, stipulations and burdens for the time being affecting its heritable, freehold and leasehold property and the mode of use and the enjoyment of the same and affecting its moveable and personal property and its ancillary and connected rights and will not, without the prior consent in writing of the Chargee, enter into any onerous or restrictive obligations with regard thereto, make any structural or material alteration thereto, suffer to be done on any such property anything which is a "development" as defined in Section 55 of the Town and Country Planning Act 1990 or Section 26 of the Town and Country Planning (Scotland) Act 1997 as from time to time amended and/or do, suffer and/or omit to be done any act, matter and/or thing whereby any provisions of any Act of Parliament, order or regulation whatsoever from time to time in force affecting such property and/or rights shall be infringed;
- 5.2.17 not negotiate, compromise, abandon or settle any claim for compensation (whether payable under any enactment or otherwise) or any claim under any Insurances in respect of any Secured Assets or any other material compensation, insurance or other claim; and
- 5.2.18 not do or cause or permit to be done, nor omit to do, or allow the omission of, anything which may in any way materially and adversely depreciate, jeopardise or otherwise prejudice the value to the Chargee of the Secured Assets or the Security hereby constituted.

5.3 The LLP undertakes to comply to the satisfaction of the Chargee with the following obligations in respect of insurance:-

- 5.3.1 the LLP hereby undertakes, at its own expense, to insure and keep insured in its own name and in such manner as to protect the interests of the Chargee as the Chargee may require all of the Secured Assets whatsoever of an insurable nature with reputable underwriters or insurers against loss or damage by fire, civil commotion, explosion, earthquake, landslip, heave, aircraft and articles dropped therefrom, flood, storm, lightning, burst pipes, theft, malicious damage, impact and such other risks and contingencies as the Chargee shall from time to time request to the full replacement value thereof from time to time, including, without limitation, architects', surveyors' and engineers' fees and all other professional fees and demolition charges and to maintain such other insurance policies containing like provisions for the protection of the Chargee as are required by law or are normally maintained by prudent companies carrying on similar businesses;
- 5.3.2 the LLP undertakes, if the Chargee in any case so requires, to use reasonable endeavours to obtain the agreement of the insurers not to cancel any such policy without first giving fourteen days' notice in writing to the Chargee and to obtain confirmation in writing from the insurer that a breach by the LLP will not vitiate the policy in respect of the Chargee's interest or affect the Chargee's right to claim under the policy;
- 5.3.3 the LLP undertakes to punctually pay all premiums and other sums payable in respect of all insurances effected by the LLP, to comply with all warranties or other requirements relating thereto and to produce to (or, if required, deposit with) the Chargee on demand all or any of the relevant policies and the receipts for the last premiums payable thereunder; and

5.3.4 the LLP undertakes to hold any moneys payable to or received by the LLP on any insurance (whether maintained under any statutory provision, this Instrument or otherwise) upon trust to apply them in replacing or repairing the property or assets in respect of which the moneys are received in accordance with the Chargee's instructions

5.4 The LLP hereby undertakes to notify the Chargee in writing:

5.4.1 of its acquisition of any heritable, freehold or leasehold property and if required to do so by the Chargee, deposit with the Chargee during the continuance of this Instrument all charges and documents of title relating to that property;

5.4.2 in the event of any creditor executing diligence against the LLP and/or the Secured Assets (whether effectual or not) or any distress or execution being levied or enforced against the LLP or any third party debt order or freezing order being made and served on the LLP; and

5.4.3 if any steps (including, without limitation, the making of an application or the giving of any notice) are taken by any person (including, without limitation, the LLP) in respect of an Insolvency Event,

immediately upon the occurrence thereof.

5.5 If the LLP for any reason fails to observe or punctually to perform any of its obligations to the Chargee hereunder, the Chargee shall have power (but shall not be obliged), on behalf of or in the name of the LLP or otherwise and at the LLP's expense, to perform the relevant obligation and to take any steps which the Chargee may (in its absolute discretion) consider appropriate with a view to remedying or mitigating the consequences of the failure, but so that the exercise of this power, or the failure to exercise it, shall in no circumstances prejudice the Chargee's rights under this Instrument.

6 New Accounts

6.1 Subject to Clause 6.2, the Chargee may appropriate all payments received in respect of the Secured Liabilities in reduction of any part of the Secured Liabilities as the Chargee decides.

6.2 If the Chargee receives notice (whether actual or constructive) that the LLP has created any subsequent Security over any of the Secured Assets, the Chargee may open one or more new accounts with the LLP in its books. If the Chargee does not open any such new account or accounts (unless it gives written notice to the contrary to the LLP), it shall nevertheless be treated as if it had done so at the time when it received such notice and from that time (in the absence of any express appropriation to the contrary) all payments made by the LLP to the Chargee shall be treated as having been credited to such new account or accounts and shall not operate to reduce the Secured Liabilities.

6.3 The Chargee may place to the credit of a suspense account for so long as it considers desirable any money received under this Instrument without any obligation to apply it towards discharge of the Secured Liabilities.

7 Payments

7.1 All sums payable by the LLP hereunder shall be paid in full to the Chargee (or to such other person as the Chargee may direct) without any set off or counterclaim whatsoever and, except to the extent compelled by law, without any withholding or deduction. Where the LLP is required by law to make any withholding or deduction, it shall pay to the Chargee such additional sums to the extent necessary to ensure that the Chargee receives on the due date a sum equal to the sum which it would have received had there been no such withholding or deducting. If the Chargee subsequently receives a credit which is referable to the increased payment and which enhances its position, then it will reimburse the LLP sufficient to redress

the position up to the lower of (a) the increased payment and (b) the amount received, so long as doing so does not prejudice receipt or retention of such credit.

7.2 The Chargee may:-

7.2.1 refrain from applying or enforcing any other moneys, Security or rights held or received by it in respect of the Secured Liabilities or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the LLP shall not be entitled to the benefit of the same, and/or

7.2.2 hold in an interest bearing account any money received from the LLP or on account of the LLP's liability under this Instrument without any immediate obligation to apply such monies or any part thereof in or towards discharge of any of the Secured Liabilities.

7.3 All payments to be made under this Instrument shall be made in the currency or currencies in which the relevant Secured Liabilities are expressed to be payable by the LLP.

8 Set-off

The Chargee may set-off any matured Secured Liabilities against any matured liabilities and/or obligations owed by the Chargee to the LLP.

9 Enforcement

9.1 In addition to the Chargee's statutory rights, at any time following the occurrence of an Enforcement Event, the floating charge created pursuant to this Instrument shall be immediately enforceable and the power to appoint an Administrator or (subject, if applicable, to Section 72A of the Insolvency Act) a Receiver of the Secured Assets shall be immediately enforceable and exercisable in relation to the Security created by the LLP by or pursuant to this Instrument, and the Chargee may then by instrument in writing appoint any person or persons (if more than one with power to act both jointly and severally) to be an Administrator or a Receiver of the Secured Assets. In addition, and without prejudice to the foregoing provisions of this Clause 9.1, in the event that any person appointed to be an Administrator or a Receiver as aforesaid shall be removed by a Court or shall otherwise cease to act as such, then the Chargee shall be entitled so to appoint another person as an Administrator or Receiver in its place.

9.2 An Administrator appointed hereunder shall have and be permitted to exercise, in addition to and without limiting all of the powers of an administrator under the Insolvency Act, all the powers of a receiver under Schedule 2 of the Insolvency Act and a Receiver appointed in terms of this Instrument shall have and be entitled to exercise, in addition to and without limiting all the powers of a receiver and an administrative receiver under the Insolvency Act, all the powers of an administrator and an administrative receiver set out in Schedule 1 of the Insolvency Act, together with (in either case) the power to exercise any powers or rights incidental to ownership of the Secured Assets, including, without limitation, (as regards shares and other securities) any voting rights or rights of enforcing the same together with power to:

9.2.1 implement and exercise all and any of the LLP's powers and rights and obligations under any contract or other agreement forming part of the Secured Assets;

9.2.2 make any arrangement or compromise which it shall think expedient of, or in respect of, any claim by or against the LLP;

9.2.3 promote or procure the formation of any new company or corporation;

9.2.4 subscribe for or acquire for cash or otherwise any share capital of such new company or corporation in the name of the LLP and on its behalf and/or in the name(s) of a nominee(s) or trustee(s) for it;

- 9.2.5 sell, feu, assign, transfer, exchange, hire out, grant leases of or otherwise dispose of or realise the Secured Assets or any part thereof to any such new company or corporation and accept as consideration or part of the consideration therefor in the name of the LLP and on its behalf and/or in the name(s) of any nominee(s) or trustee(s) for it any shares or further shares in any such company or corporation or allow the payment of the whole or any part of such consideration to remain deferred or outstanding by way of loan or debt or credit;
- 9.2.6 sell, feu, assign, transfer, exchange, hire out, grant leases of or otherwise dispose of or realise on behalf of the LLP any such shares or deferred consideration or part thereof or any rights or benefits attaching thereto;
- 9.2.7 convene a meeting of the members of the LLP;
- 9.2.8 acquire any property on behalf of the LLP; and
- 9.2.9 do all such other acts and things as it may consider necessary or desirable for protecting or realising the Secured Assets, or any part thereof, or incidental or conducive to any of the matters, powers or authorities conferred on an Administrator or a Receiver under or by virtue of or pursuant to this Instrument and exercise in relation to the Secured Assets, or any part thereof, all such powers and authorities and do all such things as it would be capable of exercising or doing if it were the absolute beneficial owner of the same and use the name of the LLP for all and any of the purposes aforesaid.

9.3 To the extent that any Secured Assets constitute Financial Collateral and are subject to a Security Financial Collateral Arrangement created by or pursuant to this Instrument, the Chargee shall have the right, at any time after this Instrument becomes enforceable, to appropriate all or any part of those Secured Assets in or towards the payment or discharge of the Secured Liabilities. The value of any Secured Assets appropriated in accordance with this Clause 9.3 shall be:

- 9.3.1 in the case of cash, the amount standing to the credit of the relevant account, together with any accrued interest, at the time of appropriation; and
- 9.3.2 in the case of any other Secured Asset, the price thereof at the time the right of appropriation is exercised as listed on any recognised market index, as determined by independent valuation or as determined by such other method as the Chargee may reasonably select.

The LLP agrees that the methods of valuation provided for in this Clause 9.3 are commercially reasonable for the purposes of Regulation 18 of the Financial Collateral Regulations. To the extent that any Secured Assets constitute Financial Collateral, the LLP agrees that such Secured Assets shall be held or designated so as to be under the control of the Chargee for all purposes of the Financial Collateral Regulations.

10 Office Of Receiver

- 10.1 Any Receiver appointed under Clause 9 shall be the agent of the LLP for all purposes and (subject to the provisions of the Insolvency Act) the LLP alone shall be responsible for its contracts, engagements, acts, omissions, defaults and losses and for Secured Liabilities incurred by it and for its remuneration and its costs, charges and expenses and the Chargee shall not incur any liability therefor (either to the LLP or any other person) by reason of the Chargee making its appointment as such Receiver or for any other reason whatsoever.
- 10.2 Any Receiver appointed under Clause 9 shall be entitled to remuneration for its services and the services of its firm appropriate to the responsibilities involved. Such remuneration shall be payable by the LLP alone and the amount of such remuneration shall form part of the Secured Liabilities and accordingly be secured on the Secured Assets under the floating charge constituted by this Instrument.

11 Application of Security Proceeds

11.1 All monies received by the Chargee in terms of this Instrument shall be applied in the following order of priority:

11.1.1 first, in or towards payment of or provision for all costs, charges and expenses properly incurred by the Chargee;

11.1.2 second, towards application of the Secured Liabilities in such order and manner as the Chargee sees fit; and

11.1.3 third, in payment of the surplus (if any) to the LLP or other person entitled to it.

11.2 Clause 11.1 is subject to the payment of any claims having priority over this Instrument.

11.3 Clause 11.1 does not prejudice the right of the Chargee to recover any shortfall from the LLP.

12 Protection of Third Parties

No person (including, without limitation, a purchaser) dealing with the Chargee or its agents will be concerned to enquire:

12.1 whether the Secured Liabilities have become payable;

12.2 whether any power which the Chargee is purporting to exercise has become exercisable or is being properly exercised;

12.3 whether any money remains due in respect of the Secured Liabilities; or

12.4 how any money paid to the Chargee is to be applied.

13 Further Assurance

The LLP shall execute and do all such assurances, acts and things as are necessary for perfecting or protecting the Securities created by or pursuant to this Instrument over the Secured Assets or for facilitating the realisation of such assets and the exercise of all powers, authorities and discretions vested in the Chargee and shall, in particular (but without prejudice to the generality of the foregoing), execute all necessary fixed securities, floating charges, assignments, Securities, transfers, dispositions and assurances of the Secured Assets whether to the Chargee (or its nominee) or otherwise and give all necessary notices, orders and directions.

14 Protection of Security

14.1 The Security created by this Instrument shall be a continuing security notwithstanding any intermediate payment or satisfaction of the Secured Liabilities and shall remain in full force and effect and may not be revoked until the Secured Liabilities Discharge Date has occurred. As soon as practicable following the Secured Liabilities Discharge Date, the Chargee shall execute and deliver, at the cost of the LLP, a release of this Instrument and retrocess to the LLP the Secured Assets.

14.2 The Security created by this Instrument shall be in addition to and shall not in any way prejudice or be prejudiced by any other Security, right or remedy which the Chargee may now or at any time hereafter hold for all or any part of the Secured Liabilities.

14.3 No failure on the part of the Chargee to exercise and no delay on its part in exercising any right, remedy, power or privilege under or pursuant to this Instrument or any other document relating to or securing all or any part of the Secured Liabilities will operate as a waiver thereof, nor will any single or partial exercise of any right or remedy preclude any other or further

exercise thereof or the exercise of any other right or remedy. The rights and remedies provided in this Instrument and any such other document are cumulative and not exclusive of any right or remedies provided by law.

14.4 Each of the provisions in this Instrument shall be severable and distinct from one another and if at any time any one or more of such provisions is or becomes or is declared null and void, invalid, illegal or unenforceable in any respect under any law or otherwise howsoever, the validity, legality and enforceability of the remaining provisions of this Instrument shall not in any way be affected or impaired thereby.

14.5 Neither the Security created by this Instrument nor the rights, powers, discretions and remedies conferred upon the Chargee by this Instrument or by law shall be discharged, impaired or otherwise affected by reason of:

14.5.1 any increase in or waiver or discharge of the Secured Liabilities;

14.5.2 any variation, extension, discharge, compromise, dealing with, exchange or renewal of any right or remedy which the Chargee may have now or in the future from or against the LLP or any other person in respect of any of the Secured Liabilities;

14.5.3 any act or omission by the Chargee or any other person in taking up, perfecting or enforcing any Security or guarantee from or against the LLP or any other person or the invalidity or unenforceability of any such Security or guarantee;

14.5.4 any amendment, variation, restatement or supplement of or to, or novation, transfer or termination (in whole or in part) of, any document relating to the Secured Liabilities or any exercise by the Chargee (in each case, in its absolute discretion) of its rights to refuse, grant, continue, vary, review, determine or increase any credit or facilities to the LLP;

14.5.5 any grant of time, indulgence, waiver or concession by the Chargee to the LLP or any other person;

14.5.6 any arrangement or compromise entered into between the Chargee and the LLP or any other person;

14.5.7 the winding-up, incapacity, limitation, disability, discharge by operation of law or any change in the constitution, name and/or style of the LLP;

14.5.8 the invalidity, illegality, unenforceability, irregularity or frustration of the Secured Liabilities or any other obligations of the LLP;

14.5.9 any legal limitation, disability, incapacity or similar circumstances relating to the LLP;

14.5.10 any claim or enforcement of payment from the LLP;

14.5.11 the existence of any claim, set-off or other right which the LLP may have at any time against any person, whether in connection with the Secured Liabilities or otherwise, or

14.5.12 any other act or omission done or omitted by any person which but for this provision might operate to exonerate or discharge or otherwise reduce or extinguish the LLP's liability under this Instrument.

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

14.6.1 take any action or obtain judgement or decree in any court against the LLP; or

14.6.2 make or file any claim to rank in a winding-up of the LLP.

15 Power of Attorney

15.1 The LLP hereby irrevocably appoints the Chargee to be its mandatory and attorney for it and on its behalf and in its name or otherwise and as such to:

15.1.1 do all such things as the LLP is obliged to do under and in terms of this Instrument but has not done; and

15.1.2 at any time after this Instrument becomes enforceable, execute, deliver and otherwise perfect any document, or perform any act necessary for perfecting or protecting the Securities created by or pursuant to this Instrument over the Secured Assets or for facilitating the realisation of such assets and the exercise of all powers, authorities and discretions vested in the LLP under this Instrument.

15.2 The LLP hereby ratifies and confirms and agrees to ratify and confirm whatever any such mandatory or attorney shall do in the exercise or purported exercise of all or any of the powers, authorities and discretions referred to in this Clause 15.

16 Examination of Secured Assets

16.1 At any time following the occurrence of an Enforcement Event, the LLP shall permit the Chargee and any persons appointed by it, during normal business hours and following receipt of reasonable prior notice in writing, to enter in or upon the property of or premises used or occupied by the LLP or any part thereof at all times:

16.1.1 to view the state and condition thereof or of any buildings, fixtures, fittings (including, without limitation, trade fixtures and fittings) or any plant and machinery;

16.1.2 in the event of the LLP failing to comply with any undertaking or obligation hereunder, to execute any works and do anything thereon necessary to ensure such compliance; and

16.1.3 in the event of the LLP failing so to do, to comply with any order, direction, requisition, permission, notice or other matter and to do all acts and things necessary or proper for complying therewith.

16.2 At any time following the occurrence of an Enforcement Event, the LLP shall permit the Chargee and any persons appointed by it, during normal business hours and following receipt of reasonable prior notice in writing, full access to the Secured Assets to carry out any survey, inspection, assessment or review of the Secured Assets and shall permit an inspection to be made and copies and extracts to be taken of books, accounts, records and documents relating to the Secured Assets or the undertakings and obligations of the LLP under this Instrument and any costs, fees and expenses properly incurred by the Chargee in connection with all such survey, inspection, assessment and/or review shall be payable by the LLP.

16.3 At any time following the occurrence of an Enforcement Event, the LLP shall at its own cost, if requested by the Chargee, appoint such persons as the Chargee may specify to investigate or review the financial affairs or operations of the LLP and report thereon to the Chargee.

17 Costs and expenses

The LLP shall pay, on a full indemnity basis, immediately on demand all costs, charges, expenses and liabilities incurred by the Chargee or to be incurred by the Chargee or any attorney, manager, agent or other person appointed by the Chargee in connection with:

17.1 the preparation, negotiation, completion, execution, registration and/or perfection of this Instrument;

- 17.2 responding to, considering and/or implementing any request for a modification, amendment and/or issue of waivers and/or consents to this Instrument;
- 17.3 responding to, considering and/or implementing any request for an assignation, release and/or discharge of this Instrument;
- 17.4 the enforcement and/or attempted enforcement of, preservation of rights under, exercise or purported exercise of rights under or decision as to whether to exercise rights under, this Instrument or any actions, proceedings or claims in respect of this Instrument and/or the Secured Assets.

which costs, charges and expenses shall form part of the Secured Liabilities.

18 Avoidance of Payments

- 18.1 Any amount which has been paid by the LLP to the Chargee and which is capable of being reduced or restored or otherwise avoided, in whole or in part, by virtue of any applicable law relating to insolvency for the time being in force shall not be regarded as having been irrevocably paid for the purposes of this Instrument.
- 18.2 Any settlement, discharge or release of this Instrument and/or the Secured Liabilities granted by the Chargee to the LLP shall be conditional upon no Security or payment to the Chargee by the LLP or any other person or any other transaction with any such person being terminated, avoided or reduced by virtue of any applicable law relating to insolvency for the time being in force. If that happens, the Chargee shall be entitled to recover the Secured Liabilities from the LLP and enforce this Instrument as if the settlement, discharge or release had not been given.

19 Notices

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

19.2 Addresses

- 19.2.1 The address and e-mail address (and the department or officer, if any, for whose attention the communication is to be made) of each party for any communication or document to be made or delivered under or in connection with this Instrument is:

19.2.1.1 in the case of the LLP:

Address: Barony Castle, Eddleston, Peebles, EH45 8QW

E-mail address: richard.spanner@prestige-hm.com

Attention: Richard Timothy Spanner and Scott Weatherby; and

19.2.1.2 in the case of the Chargee:

Address: One Angel Court, 1 Angel Court, London, United Kingdom, EC2R 7HJ

E-mail address: SMElending@LHV.com

Attention: The Securities Department

or any substitute address (in the United Kingdom) or department or officer as a party may notify to the others by not less than five Business Days' notice.

19.3 Delivery

19.3.1 Any communication or document made or delivered by a party to the other party under or in connection with this Instrument will only be effective

19.3.1.1 if by way of e-mail, when received in legible form; or

19.3.1.2 if by way of letter, when it has been left at the relevant address or two Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

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

19.3.2 Any communication or document to be made or delivered to the Chargee will be effective only when actually received by the Chargee and then only if it is expressly marked for the attention of the department or officer identified above (or any substitute department or officer as the Chargee shall specify for this purpose)

19.3.3 If deemed receipt under clause 19.3.1 would occur outside business hours in the place of receipt, it shall be deferred until business hours resume. In this clause, business hours means 9.00 am to 5.00 pm Monday to Friday on a day that is not a public holiday in the place of receipt.

20 Delegation

20.1 The Chargee may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Instrument.

20.2 Any such delegation may be made upon any terms (including, without limitation, power to sub-delegate) which the Chargee may think fit.

20.3 The Chargee will not be in any way liable or responsible to the LLP for any loss or liability arising from any act, default, omission or misconduct on the part of any delegate or sub-delegate other than to the extent which the same is caused by the wilful default or gross negligence of any such delegate or sub-delegate.

21 Changes to the Parties

21.1 The LLP shall not be entitled to assign, transfer and/or otherwise dispose of all or any part of its right, title and/or interest in and to, and/or any of its obligations or liabilities under, this Instrument.

21.2 The Chargee may assign, transfer and/or otherwise dispose of all or any part of his right, title and/or interest in and to, and/or any of his obligations or liabilities under, this Instrument.

22 Disclosure

The Chargee may disclose any information in its possession relating to the LLP to its advisers or any applicable regulatory authority.

23 Registration

The LLP consents to the registration for preservation and execution in the Books of Council and Session of this Instrument and of any certificate referred to in Clause 2.3 hereof.

24 **Governing Law**

24.1 This Instrument and any dispute or claim arising out of, or in connection with, it or its subject matter or formation (including, without limitation, non-contractual disputes or claims) shall be governed by and construed in accordance with the laws of Scotland.

24.2 The LLP agrees that, subject as provided below, the courts of Scotland shall have exclusive jurisdiction to settle any dispute or claim that arises out of, or in connection with, this Instrument or its subject matter or formation (including, without limitation, non-contractual disputes or claims). Nothing in this Clause 24 shall limit the right of the Chargee to take proceedings against the LLP 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 that other jurisdiction.

IN WITNESS WHEREOF these presents consisting of this and the preceding 14 pages are subscribed as follows:

Subscribed for and on behalf of Barony Castle
LLP

by RICHARD SPANNER
at EDDLESTON, PEEBLES
on 16 June 2023
before



Member

Witness

Full Name

Address

SHONAGH DUMMOND
BARON CASTLE, OLD MANSE
ROAD, EDDLESTON