

Dated 4 November

2025

HINXHILL ESTATE LLP

and

HARRY FERGUSON HOLDINGS LIMITED

CONSERVATION COVENANT AGREEMENT

pursuant to Section 117, 118 and 119 of the
Environment Act 2021 and all other enabling
powers, relating to a temporary fallowing scheme
providing nutrient and phosphate offsets at land
north of Willesborough Lees, Ashford

THIS DEED is made on 4 November

2025

BETWEEN:

- (1) HINXHILL ESTATE LLP** (Co Regn No OC423401) a limited liability partnership whose registered address is situated at The Estate Office, Hinxhill Estate, Ashford, Kent, TN25 5NR (the “**Owner**”); and
- (2) HARRY FERGUSON HOLDINGS LIMITED** (Co Regn No 01573192) whose registered address is situated at Kings Manor Farm, Copse Lane, Freshwater, Isle of Wight, PO40 9TL (the “**Responsible Body**”).

RECITALS

- A The Responsible Body is a designated responsible body pursuant to section 119 of the Act.
- B The Owner is the freehold owner of the Property registered under Title Numbers K756987, K600752, K353042, K801216, K834572, K562009, K334424, K360540, K115916, K661974, TT20499 and TT20502, and wishes to restrict the use of the Property in accordance with the Land Management Plan.
- C The Owner and the Responsible Body have agreed to enter into this Deed, being a conservation covenant agreement for the purposes of section 117 of the Act, in order to regulate the use of the Property as a temporary fallowing scheme providing nitrogen and phosphate offsets resulting in Temporary Nutrient Credits.
- D This Deed contains provisions which (pursuant to section 117 of the Act):
- a. are of a qualifying kind, requiring the Owner to be responsible for compliance with the Land Management Plan for the duration of this Deed and requiring the Responsible Body to undertake a monitoring role;
 - b. have a conservation purpose in order to conserve the natural environment of land; and
 - c. are intended by the parties to be for the public good having regard to the environmental and social benefits.
- E In accordance with the Habitats Regulations local planning authorities may only grant planning permission where they are satisfied that there will not be an adverse effect on the European Designated Site as a result of the proposed development.
- F High levels of nitrogen and phosphorus in the European Designated Site mean that local planning authorities cannot be satisfied that additional residential and other overnight accommodation will not have an adverse effect as a result of increased levels of nitrogen/phosphorus.
- G In order to provide a temporary level of mitigation, it is proposed to offset the increase in nitrogen and/or phosphorus arising from the occupation of a Development by inter alia imposing temporary appropriate and counter balancing restrictions on proportionate parts of the Property.
- H The Responsible Body and the Owner have agreed to enter into this Deed in order to regulate the use of the Property in contemplation of applications for planning permission in respect of future development comprising residential and other overnight accommodation that fall within the River Stour catchment area and impact on the European Designated Site.

IT IS AGREED AS FOLLOWS:

1 DEFINITIONS

1.1 In this Deed the following expressions shall have the meanings indicated:

“Act”	means the Environment Act 2021 (as amended).
“Activation Date”	means in respect of any Parcel, the date of service on the Responsible Body of the Parcel Activation Notice and “Activated” shall be construed accordingly.
“Allocation”	means the attribution of any Temporary Nutrient Credits towards a Development, organisation or other third party to offset that Developments requirement to show it is nutrient neutral (and “Allocate” and “Allocated” and “Allocations” shall be construed accordingly).
“Allocation Notice”	a written certification by the Responsible Body of the Allocation of Temporary Nutrient Credits in such form as is contained within Appendix 6.
“Aggregated Annual Fee”	means the sum of Twenty Five Thousand Pounds (£25,000) which represents a one-off payment in lieu of an annual fee payable to the Responsible Body.
“BNG Scheme”	means one or more schemes intended to generate biodiversity net gain units through the management of the Property
“Capacity Report”	means a report which indicates what Temporary Nutrient Credits have been the subject of an Allocation and what Temporary Nutrient Credits remain to be Allocated within any Activated Parcels.
“Deed”	this agreement made by deed.
“Defect Notice”	means a notice of breach served on the Owner by the Responsible Body pursuant to clause 22.
“Defra”	means the Department for Environment Food & Rural Affairs or any successor body to the same functions.
“Development”	the development of land pursuant to a Permission.
“Ditch Plan”	means the plan annexed hereto within Appendix 3
“Ditch Scheme”	means a scheme whereby permanent nitrogen and/or phosphate credits are generated through the management of the Ditches.
“Ditches”	means those existing ditches on the Owner’s land identified by an orange line on the Ditch Plan including an area of 10 metres either side of the relevant ditch.
“European Designated Site”	means the Stodmarsh Special Area of Conservation/Ramsar site.

"Expert"	means an independent and suitable person holding appropriate professional qualifications appointed in accordance with the provisions of clause 17.
"Force Majeure Event"	means a circumstance not within the control of the Owner comprising either an act of God such as a drought, flood or other natural disaster or as a result of the permanent alteration of the climate through climate change, or as a result of the exercise of statutory powers by a third party (such as a utilities provider, government body or other agency) or as a result of vandalism or criminal damage by a known or unknown third party.
"Habitats Regulations"	means the Conservation of Habitats and Species Regulations 2017 (as amended).
"Index"	means the Consumer Prices Index inflation rate or if such index is at the relevant time no longer published such other comparable index or basis for indexation as the parties may agree.
"Index Linked"	<p>means the product (if any) of:</p> <p>$A \times (B/C)$</p> <p>"A" is the amount specified in this Deed;</p> <p>"B" is the most recently published figure for the Index prior to the date that the relevant amount becomes due under this Deed; and</p> <p>"C" is the published figure for the Index at the date of this Deed</p>
"Land Management Plan"	the fallow land management plan in relation to the Property, a copy of which is annexed to this Deed at Appendix 4 (as may be updated or varied by agreement between the Owner and the Responsible Body in writing from time to time or as otherwise permitted under this Deed).
"Natural England"	means Natural England or such other competent authority for the purposes of the Habitat Regulations
"Parcel[s]"	each individual parcel of the Property as shown on the Parcel Plan.
"Parcel Activation Notice"	a written notification (from the Owner to the Responsible Body) of the activation of a Parcel to comply with the nutrient off-set obligations in this Deed and for the intended allocation of Temporary Nutrient Credits in such form as is contained within Appendix 5.
"Parcel Plan"	the plan annexed hereto within Appendix 2 subject to variation in accordance with clause 7.6 of this Deed.
"Plans"	the plans annexed hereto within Appendix 1.

“Permission”	a full or outline planning permission whether or not subject to conditions to be granted by the relevant authority (and for the avoidance of doubt shall include any modifications of such planning permission and variations of conditions attaching to such planning permission, and any minor or non-material amendments to such planning permission) or any deemed planning permission.
“Property”	the land north of Willesborough Lees, Ashford and shown for identification purposes only edged with a red line on the Plans excluding the Ditches.
“Regulatory Authority”	means any of Natural England, Defra, local planning authorities and any other statutory and/or public body that has lawful authority to regulate and enforce matters related to nutrient neutrality.
“Sale”	means the completion of an Allocation to a third party buyer.
“Temporary Nutrient Credit(s)”	means the temporary nitrogen and/or phosphate credits generated on the Property pursuant to this Deed in accordance with the applicable calculation mechanism established in statute and/or policy as referenced in the Parcel Activation Notices and Allocation Notices served pursuant to this Deed.
“Term”	means the period from the Activation Date for the relevant Parcel until 30 June 2030.
“Working Day”	means any day from Monday to Friday (inclusive) which is not Christmas Day, Good Friday or a statutory bank holiday.

2 INTERPRETATION

- 2.1 Where in this Deed reference is made to any clause, paragraph, schedule or recital such reference (unless the context otherwise requires) is a reference to a clause, paragraph, schedule or recital in this Deed.
- 2.2 Words of the masculine gender include the feminine and neuter genders and words denoting actual persons include companies, corporations and firms and all words shall be construed interchangeable in that manner.
- 2.3 Wherever there is more than one person named as a party and where more than one party undertakes an obligation all their obligations can be enforced against all of them jointly and severally unless there is an express provision otherwise.
- 2.4 Any reference to an Act of Parliament shall include any modification, extension or re-enactment of that Act for the time being in force and shall include all instruments, orders, plans regulations, permissions and directions for the time being made, issued or given under that Act or deriving validity from it and references to any secondary legislation shall include any modification extension amendment or re-enactment to it and any reference to subsidiary legislation shall include any modification, extension or re-enactment of that subsidiary legislation.

- 2.5 Subject to section 122(5) of the Act, references to the Owner shall include the successors in title to that party and to any person deriving title through or under that party and references to the Responsible Body shall include any responsible body as defined in Part 7 of the Act to whom the covenants in this Agreement were transferred in accordance with section 131 of the Act and the terms of this Deed.
- 2.6 References to “the parties” shall mean the parties to this Deed and reference to a “party” shall mean any one of the parties.
- 2.7 The headings are for reference only and shall not affect construction.
- 2.8 Words importing the singular meaning where the context so admits include the plural meaning and vice versa.

3 STATUTES

- 3.1 This Deed is made pursuant to Section 117, 118 and 119 of the Act, and all other enabling powers.
- 3.2 The covenants, restrictions and requirements imposed upon the Owner under this Deed create conservation covenants pursuant to Sections 117 and 118 of the Act and are enforceable by the Responsible Body against the Owner, and to the extent permitted by law pursuant to section 122 of the Act, its successors in title in the Property or any part of it from the Owner.
- 3.3 The covenants, restrictions and requirements upon the Responsible Body under this Deed are enforceable by the Owner and successors in title in the Property or any part of it against the Responsible Body pursuant to section 123 of the Act.

4 EFFECT OF THE AGREEMENT

- 4.1 Subject to clause 4.2, this Deed shall take effect on the day and year first before written.
- 4.2 The covenants contained in paragraph 1 of Schedule 1 to this Deed shall only take effect in respect of any Activated Parcel.

5 THE OWNER’S COVENANTS

- 5.1 The Owner hereby covenants with the Responsible Body pursuant to Sections 117, 118 and to the extent permitted by law pursuant to section 122 of the Act with the intention of binding the Property and each and every part of it that the Owner and its successors in title will observe and perform the covenants contained in this Deed including the Schedules to it (to the extent a covenant is given by the Owner) subject to the operation of clause 4.2 of this Deed.

6 RESPONSIBLE BODY’S COVENANTS

- 6.1 The Responsible Body hereby covenants with the Owner pursuant to Sections 117 and 118 of the Act that it will observe and perform the covenants contained in this Deed including the Schedules (to the extent a covenant is given by the Responsible Body) to this Deed.

7 ACTIVATION AND ALLOCATION

- 7.1 The Owner may at any time issue a Parcel Activation Notice to the Responsible Body and the relevant Parcel will thereafter be Activated for the purposes of this Deed.

- 7.2 Upon the Activation Date of any Parcel, Temporary Nutrient Credits may be Allocated in relation to that Parcel PROVIDED THAT any Temporary Nutrient Credits may only be Allocated if the Owner has served a draft Allocation Notice on the Responsible Body for the relevant Allocation and the Responsible Body has approved and certified (such approval and certification not to be unreasonably withheld or delayed) the content of the notice by signing and dating the said Allocation Notice.
- 7.3 The Owner may at any time (be it prior to or after the Activation Date of any Parcel) serve on the Responsible Body a draft Allocation Notice relating to a prospective Allocation whereby the Responsible Body will use all reasonable endeavours to agree and certify the content of the Allocation Notice simultaneous with completion of the relevant Sale and (if applicable) Activation of the relevant Parcel.
- 7.4 For the avoidance of doubt, an Allocation Notice can relate to more than one Activated Parcel.
- 7.5 The Owner will provide to the Responsible Body an updated Capacity Report with each draft Allocation Notice served pursuant to clauses 7.2 and/or 7.3 and for the avoidance of doubt this obligation shall cease and determine in relation to an Activated Parcel once all of the Temporary Nutrient Credits within the relevant Activated Parcel have been Allocated and a final Capacity Report confirming the same has been sent to the Responsible Body.
- 7.6 The Owner may at any time from the date hereof notify the Responsible Body of a proposed variation to the Parcel Plan and the Responsible Body will (acting reasonably) notify the Owner whether it approves the variation within 20 Working Days and upon the provision of the Responsible Body's approval the Parcel Plan shall thereafter be so varied.
- 7.7 In accordance with the terms of an Allocation Notice the relevant Temporary Nutrient Credits may be Allocated to any number of specified Developments PROVIDED THAT if the Development or Developments are not known at the date of the Allocation Notice then the Owner will procure that the Responsible Body is notified by the ultimate end user of the relevant Temporary Nutrient Credits of the Allocation to the relevant Development and any such Allocation will only be validated upon receipt of the said notification by the Responsible Body PROVIDED FURTHER THAT the Owner may subsequently request that some or all of the Temporary Nutrient Credits are allocated to a different Development and in making any such request to the Responsible Body the Owner shall supply:
- 7.7.1 evidence of the reasons behind the change in approach including (if required) confirmation from any relevant Regulatory Authority; and
- 7.7.2 copies of any draft revised Allocation Notices,
- and if the Responsible Body (acting reasonably) approves the same then the revised Allocation Notices will be certified by the Responsible Body and replace any previous Allocation Notices so certified for the same Temporary Nutrient Credits.

8 RELEASE

It is hereby agreed that the Owner shall not be liable for a breach of any of its obligations under this Deed (save for antecedent breaches) after it shall have parted with all of its respective interests in that part of the Property upon which such breach is committed.

9 LAND CHARGES and LAND REGISTRY

- 9.1 This Deed is a local land charge and shall be registered as such by the Responsible Body as soon as reasonably practicable from the date hereof.

9.2 The Responsible Body will upon the written request of the Owner at any time after the obligations of the Owner under this Deed have been fulfilled, or this Deed has been terminated for any reason, issue written confirmation of the same, and request cancellation of all related entries in the register of local land charges.

10 DUTY TO ACT REASONABLY AND IN GOOD FAITH

10.1 All parties to this Deed acknowledge that they are under a duty to act reasonably and if any deed consent approval or expression of satisfaction is due from one party to another under the terms of this Deed the same shall (unless otherwise stated) not be unreasonably withheld or delayed.

10.2 The parties shall at all times conduct matters in utmost good faith to each other in relation to this Deed and shall do all such acts and things as may reasonably be required to comply with the terms and the spirit of this Deed.

11 NO FETTER ON DISCRETION OR WAIVER

11.1 Nothing contained or implied in this Deed shall prejudice or affect the rights discretions powers duties and obligations of the Responsible Body under all statutes by-laws statutory instruments orders and regulations in the exercise of their respective functions.

11.2 No waiver (whether expressed or implied) by the Responsible Body or the Owner of any breach or default in performing or observing any of the covenants terms or conditions of this Deed shall constitute a continuing waiver and no such waiver shall prevent the Responsible Body or the Owner from enforcing any of the relevant terms or conditions or from acting upon any subsequent breach or default.

12 COVENANT AS TO TITLE

12.1 The Owner hereby covenants with the Responsible Body that no other person has any legal interest in the Property.

12.2 The Owner hereby covenants with the Responsible Body that there is no restriction, obligation, right or impediment in relation to the Property of which the Owner is aware that would restrict and/or prevent compliance with the terms of this Deed.

13 SEVERABILITY

It is agreed that if any part of this Deed shall be declared unlawful or invalid by a court of competent jurisdiction then (to the extent possible) the remainder of this Deed shall continue in full force and effect.

14 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

Notwithstanding the provisions of the Contracts (Rights of Third Parties) Act 1999 no part of this Deed shall be enforceable by a third party who is not a party to the Deed and for the avoidance of doubt the terms of this Deed may be varied by Deed between the parties without the consent of any such third party.

15 NOTICES

15.1 Any notice to be given under this Deed shall only be given in writing and shall be signed by the relevant party or its solicitors (unless given by email).

15.2 Any notice or document to be given or delivered under this agreement must be given by delivering it personally or sending it by pre-paid first class post or recorded delivery to the address and for the attention of the relevant party by email in the following manner:

15.2.1 The Responsible Body: Kings Manor Farm, Copse Lane, Freshwater, Isle Of Wight, PO40 9TL (FAO: Charlie Sheldon)

Or, via email to: or, via email to: charles@hfenvironmental.com

15.2.2 The Owner: The Estate Office, Hinxhill Estate, Ashford, Kent, TN25 5NR with an electronic copy being sent via email to michael.anderson@ceresproperty.co.uk

Or, via email to: michael.anderson@ceresproperty.co.uk and jonathan@hinxhillestate.co.uk and jo@hinxhillestate.co.uk

PROVIDED THAT either party may provide updated contacted details to the other party in writing from time to time.

15.3 Any such notice will be deemed to have been received:

15.3.1 if delivered personally, at the time of delivery provided that, if delivery occurs:

15.3.1.1 before 9.00 am on a Working Day, the notice will be deemed to have been received at 9.00 am on that day; and

15.3.1.2 if delivery occurs after 5.00 pm on a Working Day, or on a day which is not a Working Day, the notice will be deemed to have been received at 9.00 am on the next Working Day; or

15.3.2 in the case of pre-paid first class post or recorded delivery, on the second Working Day after posting; or

15.3.3 in the case of email, at the time it is received, provided that, if delivery occurs:

15.3.3.1 before 9.00 am on a Working Day, the email will be deemed to have been received at 9.00 am on that day; and

15.3.3.2 if delivery occurs after 5.00 pm on a Working Day, or on a day which is not a Working Day, the email will be deemed to have been received at 9.00 am on the next Working Day.

15.4 In proving service it will be sufficient to prove that delivery was made or that the envelope containing the notice was properly addressed and posted as a prepaid first class or recorded delivery letter or that the email was addressed correctly as the case may be.

15.5 Where notice is sent via email there should also be a hard copy of the notice sent via post unless otherwise agreed by the Responsible Body and the Owner.

16 NOTIFICATION OF SUCCESSORS IN TITLE

16.1 The Owner covenants with the Responsible Body that it will give prompt written notice to the Responsible Body of any change in ownership of the Property such notice to give details of the transferee's full name and registered office if a company or usual address if not together with the area of the Property purchased or leased by reference to a plan.

17 DISPUTES

- 17.1 In the event of a dispute senior representatives of the parties to the dispute shall initially meet in person or via the telephone (as requested by either party), which shall occur within 10 Working Days of the request by either party and occur at a time convenient to the parties (acting reasonably).
- 17.2 Should senior representatives of the parties fail to meet and reach agreement within 20 Working Days of the dispute first being notified to the parties then the dispute may be referred to an Expert to be agreed by the parties within 5 Working Days, or in the absence of agreement, to be appointed, at the request of either of the parties, by or on behalf of the president for the time being of the professional body chiefly responsible for dealing with such matters as may be in dispute and the decision of such an Expert shall be final and binding on the parties save in the case of manifest error or fraud.
- 17.3 The Expert shall be appointed subject to an express requirement that the Expert shall reach a decision and communicate it to the parties within the minimum practicable timescale allowing for the nature and complexity of the dispute and in any event not more than twenty-eight (28) Working Days from the date the Expert receives the written submissions of the parties pursuant to clause 17.4.
- 17.4 The Expert shall be required to give notice to each party inviting each party to submit within ten (10) Working Days of the Expert's appointment, written submissions and supporting material and shall afford each party a further five (5) Working Days to make counter-submissions to the written submissions of any other party.
- 17.5 Responsibility for the costs of referring a dispute to an Expert under this clause 17, including costs connected with the appointment of the Expert and the Expert's own costs, but not the legal and other professional costs of either party in relation to a dispute, will be borne equally or as otherwise decided by the Expert.

18 TERMINATION

- 18.1 At the end of the Term the obligations in this Deed shall cease to bind the Property.

19 ASSIGNMENT & APPOINTMENT

- 19.1 The Owner agrees with the Responsible Body that the Responsible Body (the 'Appointor') can appoint another responsible body as defined in section 119 of the Act (the 'Appointee') as its replacement and that such appointment will, in accordance with section 131 of the Act, transfer to the Appointee:

19.1.1 the benefit of every obligation of the Owner under this Deed, and

19.1.2 the burden of every obligation of the Appointor under this Deed

PROVIDED THAT the Owner has first approved the Appointee in writing (acting reasonably).

- 19.2 The Owner has the right to transfer their right, title and interest in the Temporary Nutrient Credits to a third party and shall forthwith notify the Responsible Body of any such transfer (it being acknowledged that the third party with the benefit of the Temporary Nutrient Credits may also so notify the Responsible Body).

20 LIABILITY

The Responsible Body's liability under this Deed is limited to Fifty Thousand Pounds (£50,000) Index Linked (with the exception of liability that cannot be excluded by law) PROVIDED THAT this cap on liability shall not apply to any loss, costs, claims expenses and fees reasonably and properly incurred

by the Owner arising from the Responsible Body accessing the Property and/or other land within the ownership of the Owner.

21 VARIATION AND PORTING OF OBLIGATIONS

21.1 The Responsible Body and the Owner (each acting reasonably) may agree that any obligation in this Deed is:

21.1.1 No longer in accordance with the requirements imposed on responsible bodies pursuant to the Act or any other legislation; or

21.1.2 No longer suitable or in line with the requirements of section 117(1)(a) of the Act; or

21.1.3 No longer suitable for achieving nutrient neutrality,

and in which case this Deed can be suitably varied and the parties shall (if necessary) enter into a form of deed of variation (in such form agreed between the parties acting reasonably) PROVIDED THAT if this variation is necessitated by any negligent act or omission or breach of this Deed by either party then the defaulting party will be responsible for all reasonable and proper fees, costs and expenses (including for the avoidance of doubt legal and professional costs) of the non-defaulting party in varying this Deed.

21.2 The Owner and the Responsible Body hereby agree and acknowledge that it is possible for the obligations to deliver a nutrient off-set scheme pursuant to this Deed on any Activated Parcel to be transferred to a different area of land and scheme that provides an equivalent nutrient off-set PROVIDED THAT:

21.2.1 the Owner provides the Responsible Body with all reasonable details of the alternative temporary nutrient off-set scheme that is secured pursuant to a conservation covenant under the Act or an agreement under section 106 Town and Country Planning Act 1990 (or any other recognised means of securing such a scheme);

21.2.2 the Owner provides the Responsible Body with all reasonable details regarding which Activated Parcels and Temporary Nutrient Credits are so affected; and

21.2.3 the Owner is responsible for the Responsible Body's reasonable internal and professional fees in this process,

and if the Responsible Body (acting reasonably and having regard to all relevant legislation, policy and guidance) determines that any such porting can take place then the parties will agree any necessary variation to this Deed as well as any Parcel Activation Notices and Allocation Notices already served and the required documentation needed for the alternative scheme including for the avoidance of doubt any confirmation required from a relevant Regulatory Authority.

22 STEP IN RIGHTS

From and including the Activation Date for the relevant Parcel and for the duration of the Term, the Owner shall comply with the provisions of this clause 22 in relation to any Activated Parcel only:

22.1 In the event of a breach by the Owner of the obligations contained in this Deed, the Responsible Body may serve on the Owner a Defect Notice specifying the nature of the breach, the actions required to remedy the breach (the "**Remedial Works**") and a reasonable timescale for compliance.

- 22.2 If the Owner fails to complete the Remedial Works in accordance with the Defect Notice then the Responsible Body may, after providing the Owner with 10 Working Days' written notice:
- 22.2.1 be entitled to enter upon such parts of the Property as is reasonably necessary in order to complete the Remedial Works;
- 22.2.2 carry out any other matter needed to remedy the breach;
- 22.2.3 appoint such consultants and professional advisers as the Responsible Body deems necessary in their reasonable discretion.
- and the Responsible Body may recover from the Owner all reasonable costs, expenses and fees properly incurred directly in connection with the carrying out of the Remedial Works specified in a valid Defect Notice on a full indemnity basis.
- 22.3 Any such right of access by the Responsible Body shall extend to the Responsible Body's employees, contractors and authorised personnel and all necessary vehicles, equipment and machinery.
- 22.4 If and to the extent the Owner is (acting reasonably) prevented, impeded, hindered, conditioned or delayed in or from performing any of its obligations under this Deed by a Force Majeure Event, the affected party shall not be in breach of this Deed or otherwise liable for any such failure or delay in performance of such obligations PROVIDED THAT:
- 22.4.1 the Owner will still be required to comply with the terms of this Deed and the Land Management Plan, but the time for performance of such obligation shall be extended accordingly (as agreed between the parties acting reasonably); and
- 22.4.2 the Owner will use reasonable endeavours to mitigate, overcome or circumvent any Force Majeure Event.
- 22.5 The Owner shall as soon as reasonably practicable after the start of the Force Majeure Event, notify the Responsible Body in writing of the nature of the Force Majeure Event and its impact on the ability to perform the obligations under this Deed.

23 ACCESS

- 23.1 Upon the Responsible Body giving at least 10 Working Days notice to the Owner or without notice in the case of an emergency, the Responsible Body may access the Property to carry out any site investigations, inspection, monitoring, test or surveys in order to monitor the Owner's compliance with the provisions of this Deed.
- 23.2 The Property shall be accessed directly from adopted highways and to the extent that any Activated Parcel needs to be accessed through the Owner's land then the Owner hereby grants a right of access and the Owner will ensure that:
- 23.2.1 there is no impediment to access to all parts of an Activated Parcel for the Responsible Body; and
- 23.2.2 should the Owner transfer the freehold or grant a lease over any part of the land where the route of access crosses over, the same rights of access is reserved for the Responsible Body for the duration of this Deed.
- 23.3 Any such right of access by the Responsible Body shall extend to the Responsible Body's employees, contractors and authorised personnel and all necessary vehicles, equipment and machinery.

23.4 Any such entry by the Responsible Body shall be at the Responsible Body's own risk, subject to the Responsible Body maintaining all necessary insurances, causing as little damage, disturbance and inconvenience to the Owner as reasonably possible and making good any damage caused to the reasonable satisfaction of the Owner.

24 JURISDICTION

24.1 This Deed is governed by and interpreted in accordance with the law of England and the parties submit to the non-exclusive jurisdiction of the courts of England and Wales.

24.2 If any provision of this Deed (or part of any provision) is found to be illegal, invalid or unenforceable by any court or other authority of competent jurisdiction, that provision or part provision will, to the extent required, be deemed not to form part of this Deed and the validity and enforceability of the other provisions of this Deed will not be affected.

25 DELIVERY

25.1 This Deed is for the purposes of the Regulatory Reform (Execution of Deeds and Documents) Order 2005 a deed and for the avoidance of doubt the Deed shall be deemed not delivered despite being executed by the parties until such time as it is dated.

26 COUNTERPARTS

26.1 This Deed may be executed in any number of counterparts, each of which shall constitute a duplicate original, but all the counterparts shall together constitute the one agreement.

SCHEDULE 1

THE OWNER'S OBLIGATIONS

The Owner covenants with the Responsible Body as follows:

1. **NUTRIENT NEUTRALITY OBLIGATIONS**

- 1.1 From and including the Activation Date for the relevant Parcel and for the duration of the Term, the Activated Parcel shall be used and managed in accordance with the Land Management Plan by the Owner and the Owner shall not permit nor allow any use or activity unless expressly authorised under the Land Management Plan.
- 1.2 The Owner shall forthwith notify the Responsible Body of any breach of the provisions of the Land Management Plan providing all information the Responsible Body reasonably requires and will thereafter comply with any Defect Notice served on them pursuant to clause 22.
- 1.3 The Owner may request an amendment to the Land Management Plan by serving notice on the Responsible Body which notice shall specify the proposed variation and the Responsible Body will review any such request and (acting reasonably) determine whether the amendment is approved PROVIDED THAT:
 - 1.3.1 the Owner shall as soon as reasonably practicable provide all information reasonably requested by the Responsible Body;
 - 1.3.2 the Owner shall pay the Responsible Body's reasonable and proper internal and professional fees in reviewing the requested amendment; and
 - 1.3.3 if the Responsible Body approves the amendment the revised Land Management Plan shall thereafter be the approved Land Management Plan for the purposes of this Deed.
- 1.4 The Owner will provide to the Responsible Body a report every 6 months from the first Activation Date for a period 3 years and thereafter on an annual basis of how the Land Management Plan is being complied with in relation to all Activated Parcels and shall provide to the Responsible Body such photographic evidence and other information as the Responsible Body shall reasonably require.

2. **INSURANCE**

- 2.1 The Owner shall maintain public liability insurance in relation to the Property with a limit of indemnity of at least £2,000,000 for any one claim for the duration of the Term.
- 2.2 The Owner shall provide evidence of up to date policies to the Responsible Body when requested but not more frequently than on an annual basis.

3. **RESTRICTIONS**

- 3.1 From the date of this Deed not to cause or permit any Activated Parcel to be subject to any other commitments or obligations in favour of any local planning authority, other responsible body, or any person or legal entity in respect of Temporary Nutrient Credits where such commitments would have the effect of duplicating, restricting or negating the obligations contained in this Deed without the approval of the Responsible Body.
- 3.2 Prior to the Activation of a Parcel the Owner shall not do anything on that Parcel that shall prevent subsequent compliance with the Land Management Plan.
- 3.3 The Owner shall not erect any buildings, structures or other development on the Activated Parcel where such works would prejudice compliance with the Land Management Plan.

- 3.4 The Owner shall not wilfully or negligently do anything on any land owned by the Owner and adjoining to the Activated Parcel that has the effect of preventing compliance with the terms of this Deed and the Land Management Plan in relation to the relevant Activated Parcel.
- 3.5 The Owner shall be responsible for managing public access to the Activated Parcel in accordance with the Land Management Plan and shall use reasonable endeavours to limit access by the public to the designated registered public rights of way that cross the Property.
- 3.6 Nothing in this Deed shall limit or prohibit the ability of the Owner to pursue:
- 3.6.1 the Ditch Scheme nor to generate nutrient credits or other environmental services through the management of the Ditches; and/or
 - 3.6.2 a BNG Scheme on the Property or any part thereof
- and any such credits, units or services generated through the Ditch Scheme and/or the BNG Scheme shall not be governed by this Deed.
- 3.7 The parties hereto acknowledge that the Owner intends to create a sand and gravel quarry on land to the north of the railway line (outside of the Property) and the Responsible Body hereby confirms that nothing in this Deed would prevent the Owner from developing and using their land for such a use.

4. **COMMUNICATION**

- 4.1 The Owner will, upon receipt of a reasonable written request by the Responsible Body:
- 4.1.1 attend a meeting with the Responsible Body and its agents to discuss compliance with this Deed and any such meeting shall be held as soon as reasonably practicable for all parties in person at a suitable venue or via a suitable electronic format;
 - 4.1.2 Provide a verbal and/or written update on compliance with the Land Management Plan; and
 - 4.1.3 Provide, on an open book basis, any further information reasonably and properly requested by the Responsible Body surrounding compliance with the Land Management Plan.
- 4.2 The Owner shall promptly inform the Responsible Body of any matters which may affect its ability to comply with the Land Management Plan, including (but not limited to) the receipt of any third party action or complaints and/or correspondence received from any Regulatory Authority.
- 4.3 The Owner shall cooperate with the Responsible Body if there is an investigation by Natural England or any other Regulatory Authority as to whether this Deed has been breached.

5. **RESPONSIBLE BODY COSTS**

- 5.1 The Owner shall pay:
- 5.1.1 the Responsible Body's reasonable set up and advisory costs; and
 - 5.1.2 the Aggregated Annual Fee;
- on the first Activation Date.

SCHEDULE 2

THE RESPONSIBLE BODY'S OBLIGATIONS

The Responsible Body covenants with the Owner as follows:

1. The Responsible Body shall monitor compliance by the Owner of their obligations under this Deed including (for the avoidance of doubt) reviewing the reports supplied by the Owner pursuant to paragraph 1.4 of Schedule 1 and, where the Responsible Body reasonably requires, undertaking on-site inspections.
2. The Responsible Body will comply with its statutory duty pursuant to section 136 of the Act to make an annual return to Defra.
3. The Responsible Body shall notify the Owner as soon as reasonably practicable of any communication from Defra regarding the Responsible Body's status as an approved responsible body under the Act.

IN WITNESS whereof the parties hereto have executed this Deed on the day and year first before written

EXECUTED AS A DEED by)
HINXHILL ESTATE LLP)
acting by two Members)

Signature of Member:

Signed by:
Jonathan Houchin
FD9AA771F2194A1...

Signature of Member:

Signed by:
Peter Houchin
BE0802E911CD4C4...

EXECUTED AS A DEED by)
HARRY FERGUSON HOLDINGS LIMITED)
Acting by one director in the presence of:)

Signed by:
Charles Sheldon
133036561B7C42A...

Witness Name: John Russell

Witness Signature:

Signed by:
John Russell
E420E5D1D6BA44E...

Witness Address: 2B Beverley Road,
London, W4 2LP

Witness Occupation: Accountant

APPENDIX 1

PLAN

Signed by:

Jonathan Houchester Houchin

FD9AA771F2194A1...

Signed by:

Jonathan Houchester Houchin

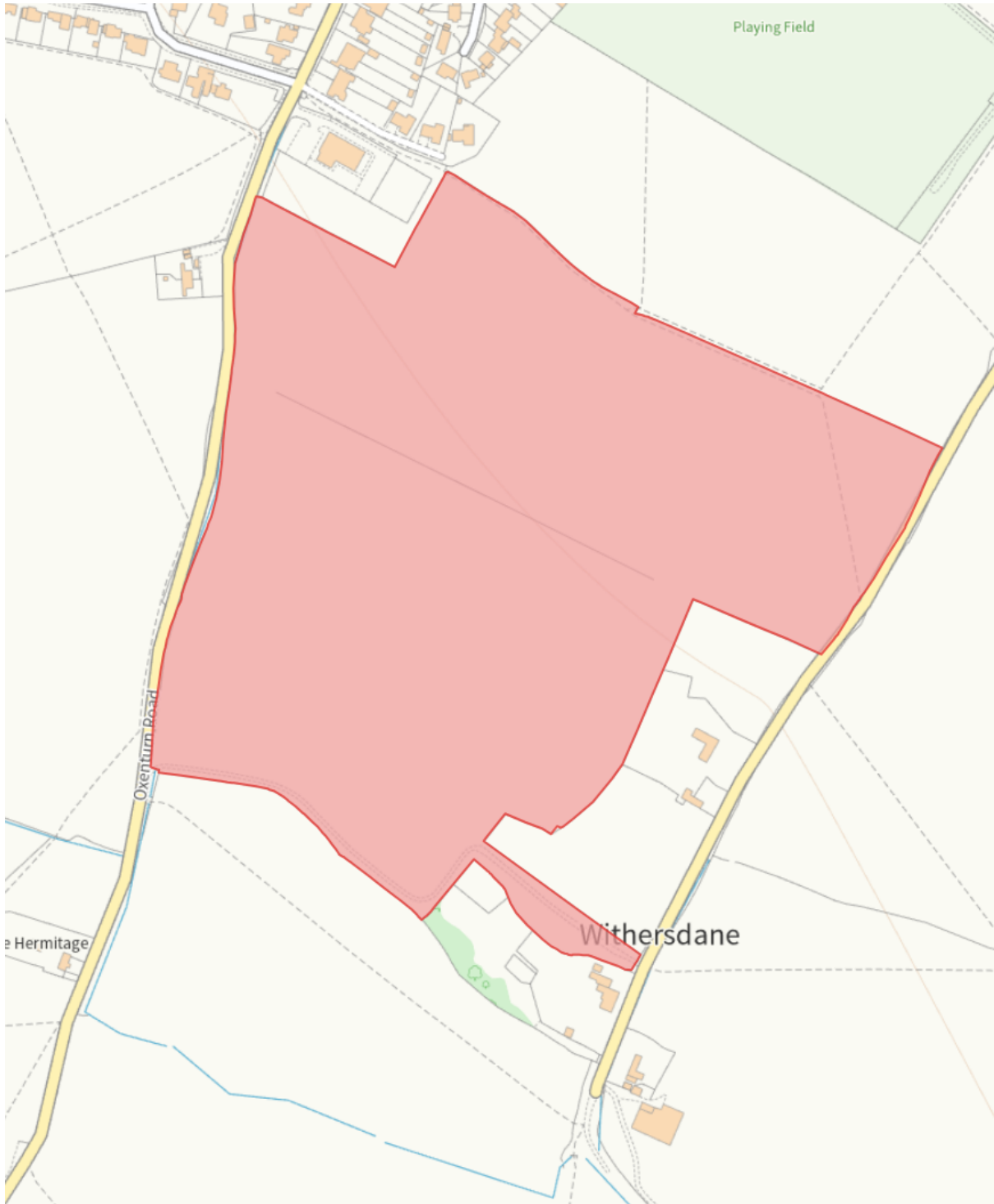
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Signed by:

Charles Sheldon

133036561B7C42A...

Plan 1a



Signed by:
Jonathan Hough
FD9AA771F2194A1...

Signed by:
Jonathan Hough
BE0802E911CD4C4...

Signed by:
Charles Sheldon
133036561B7C42A...

Plan 1b



Signed by:

Jonathan Howlister Howlin

FD9AA771F2194A1...

Signed by:

Jonathan Howlin

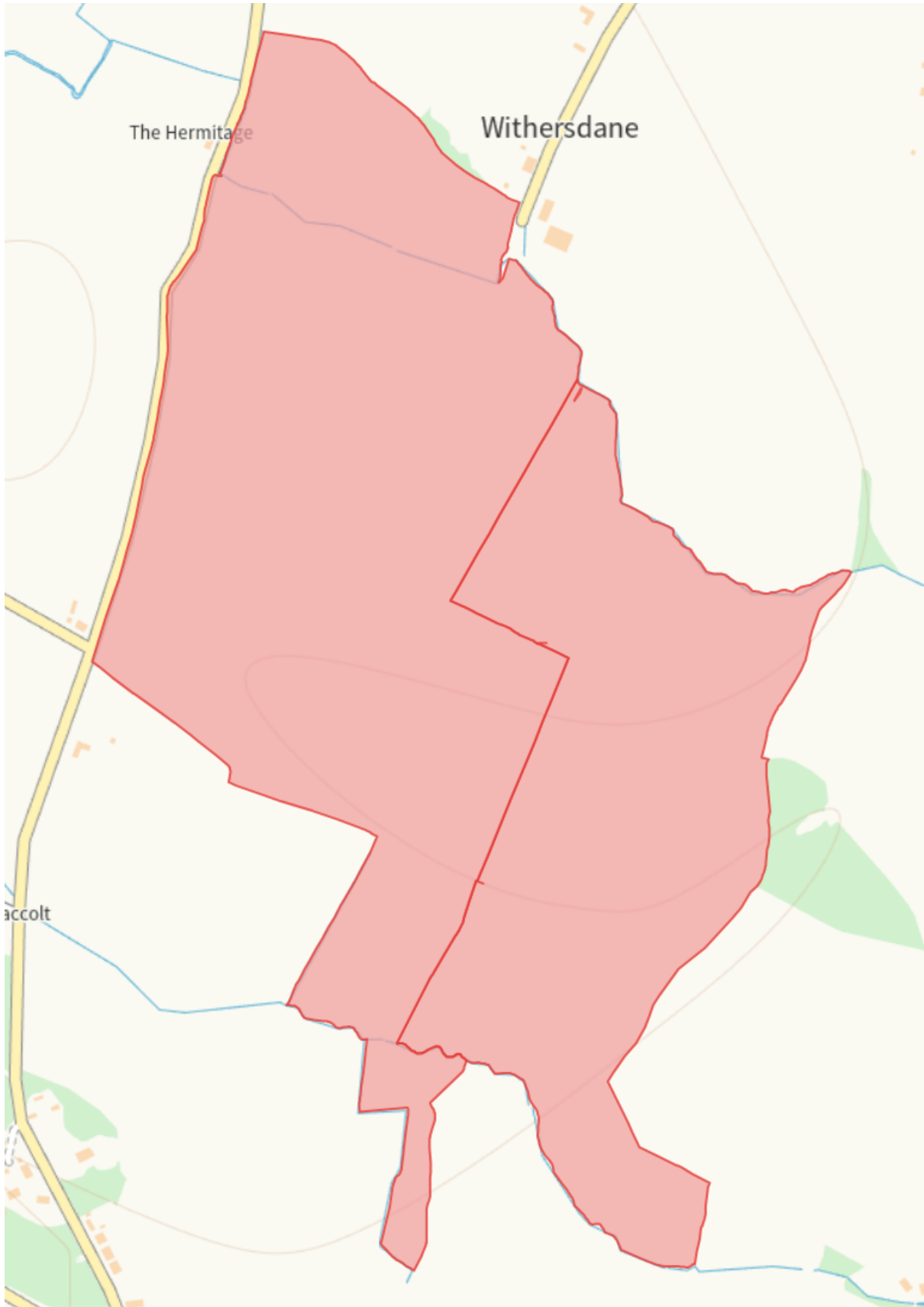
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Signed by:

Charles Sheldon

133036561B7C42A...

Plan 2



Signed by:

Jonathan Houck

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Signed by:

Jonathan Houck

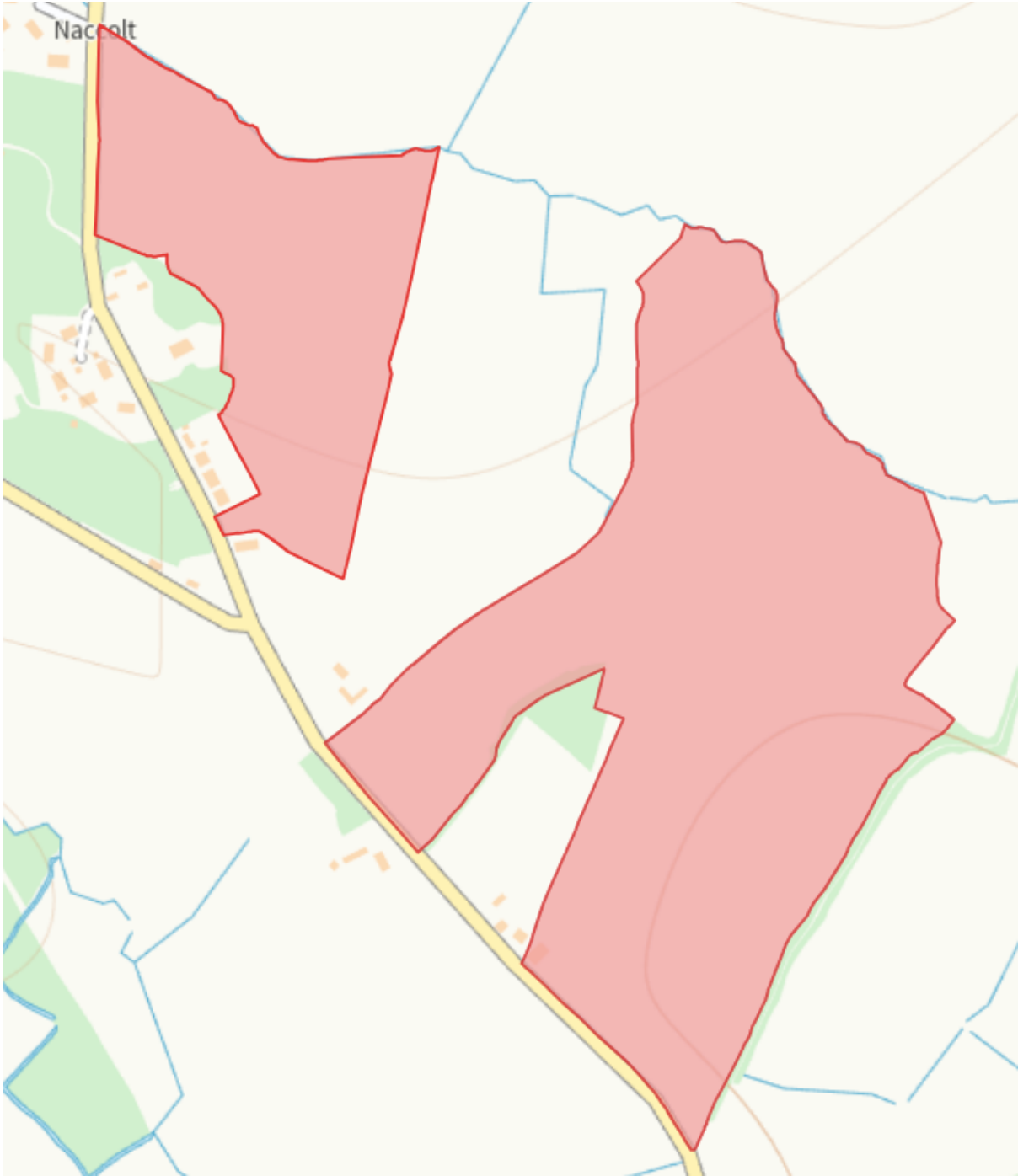
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Signed by:

Charles Sheldon

133036561B7C42A...

Plan 3



Signed by:

Jonathan Hough

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Signed by:

Jonathan Hough

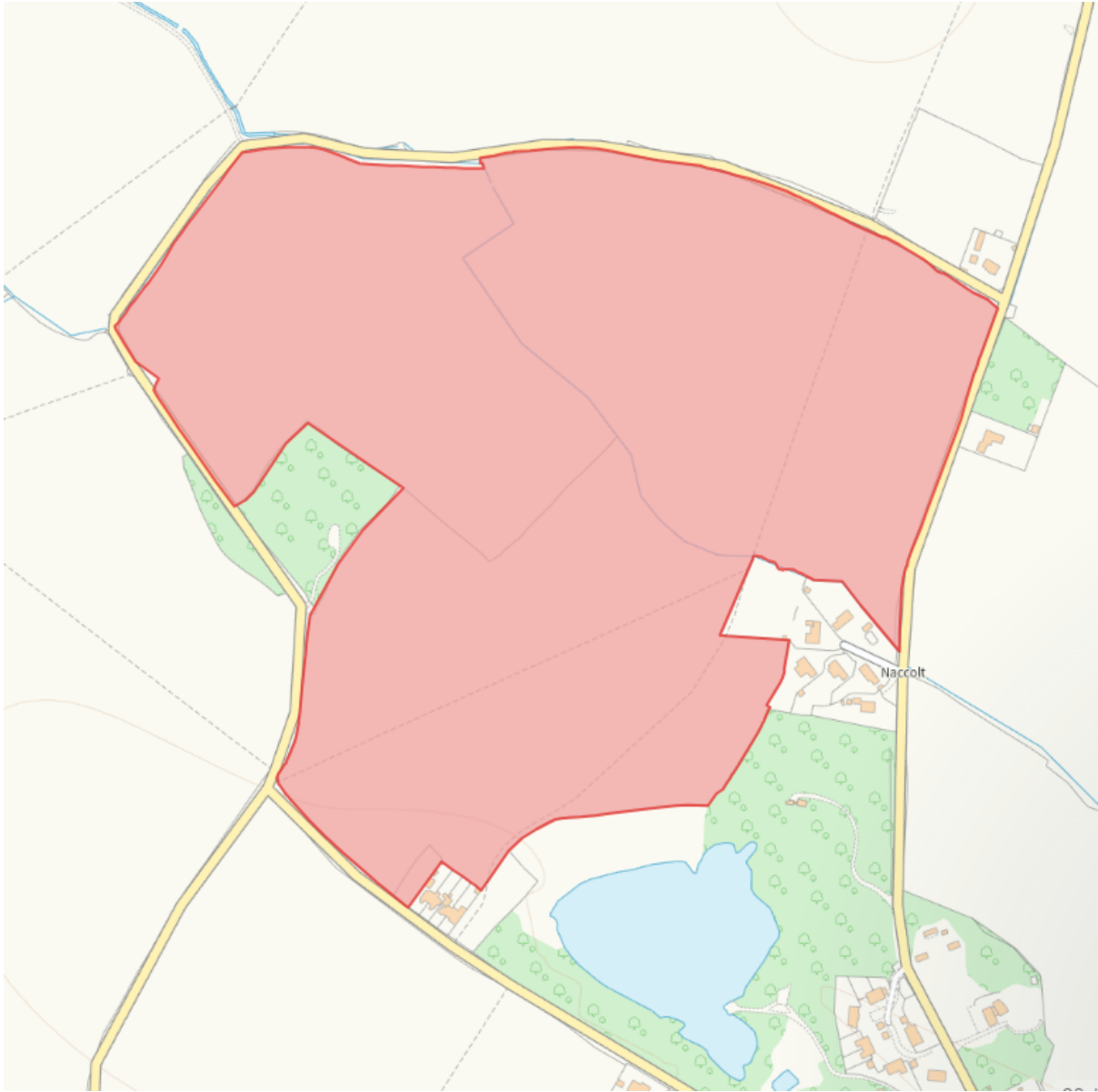
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Signed by:

Charles Sheldon

133036561B7C42A...

Plan 4



Signed by:

Jonathan Hougheter Houchin

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Signed by:

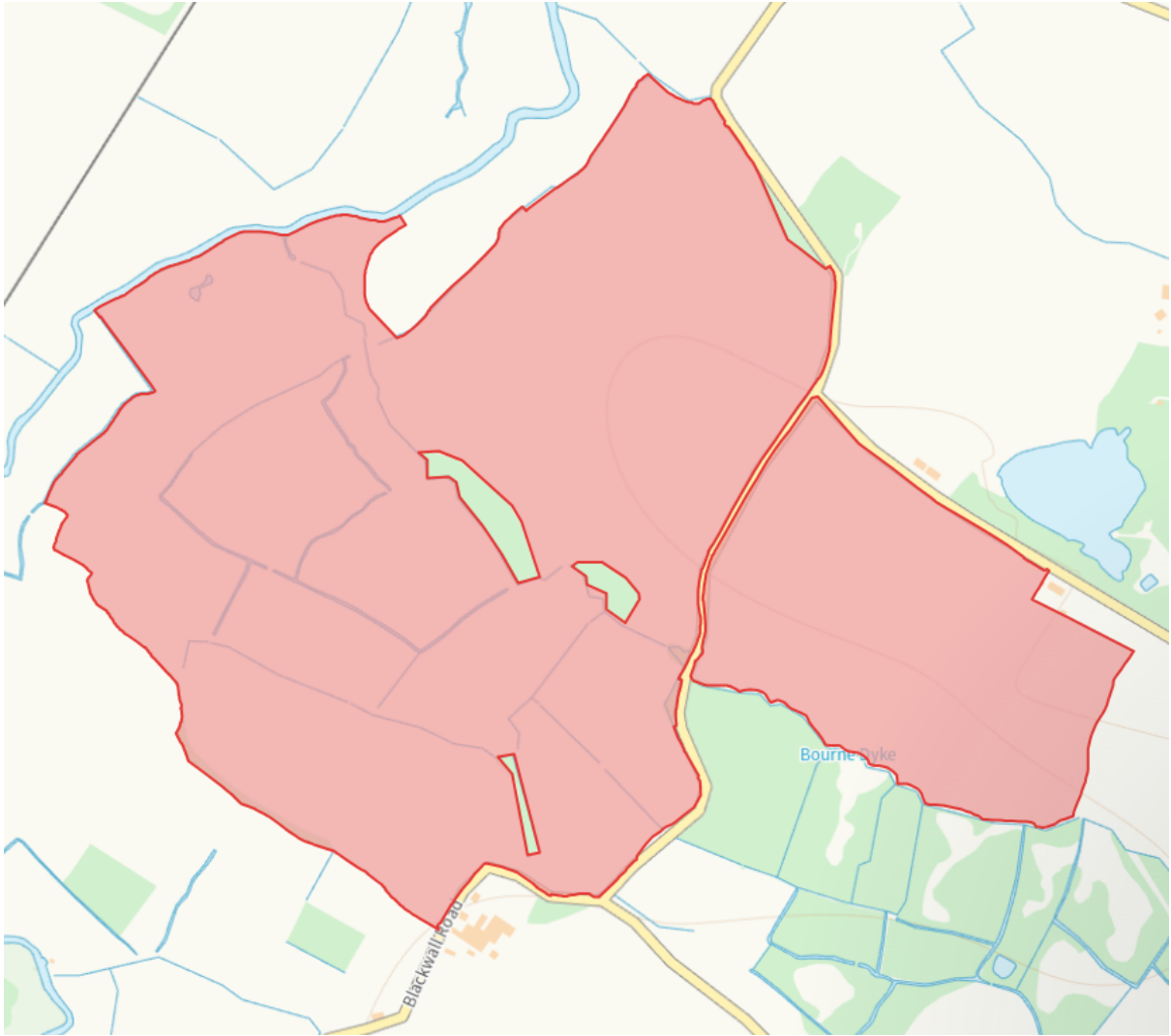
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Signed by:

Charles Sheldon

133036561B7C42A...

Plan 5



Signed by:

Jonathan Hough

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Signed by:

Jonathan Hough

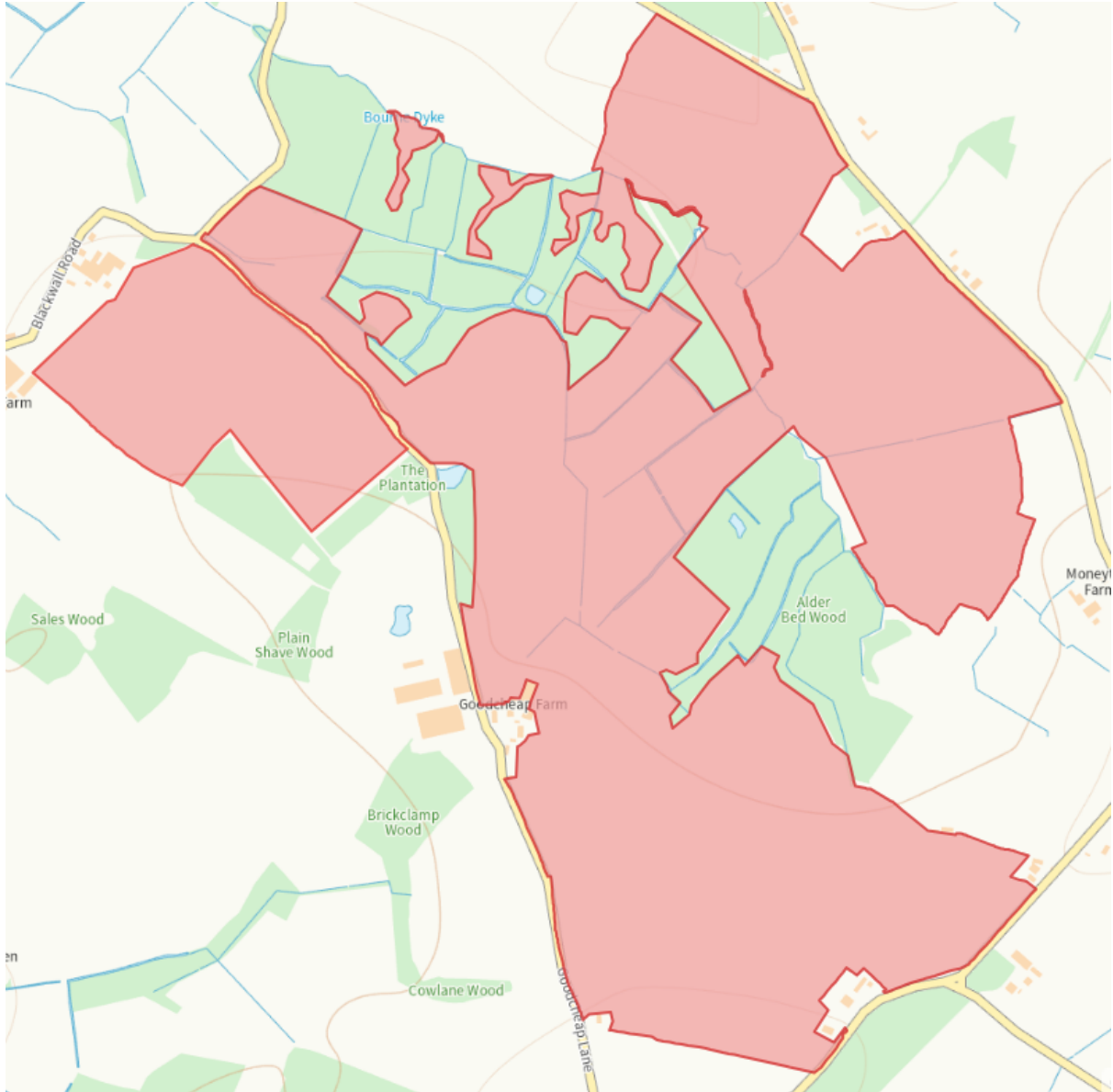
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Signed by:

Charles Sheldon

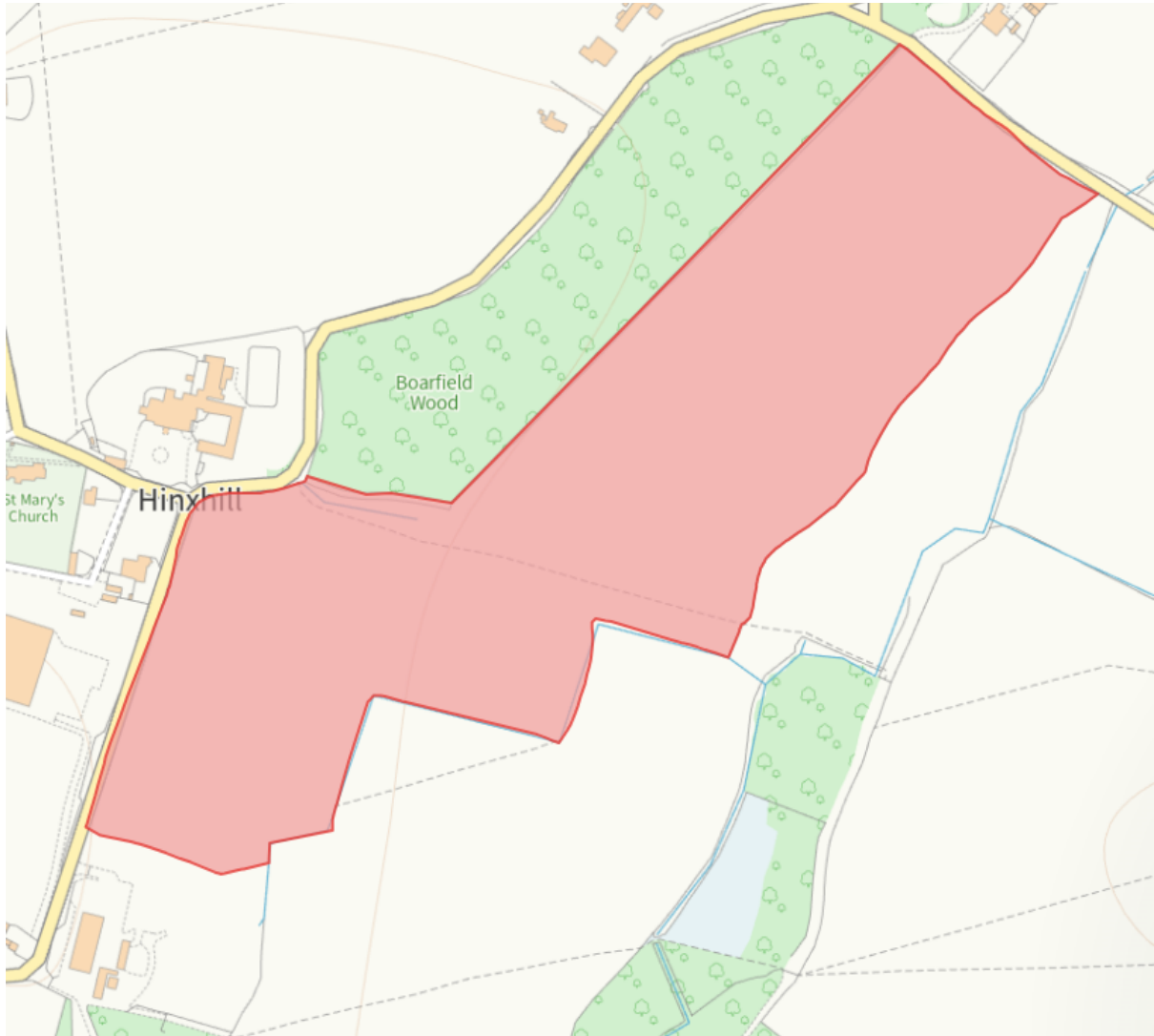
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Plan 6



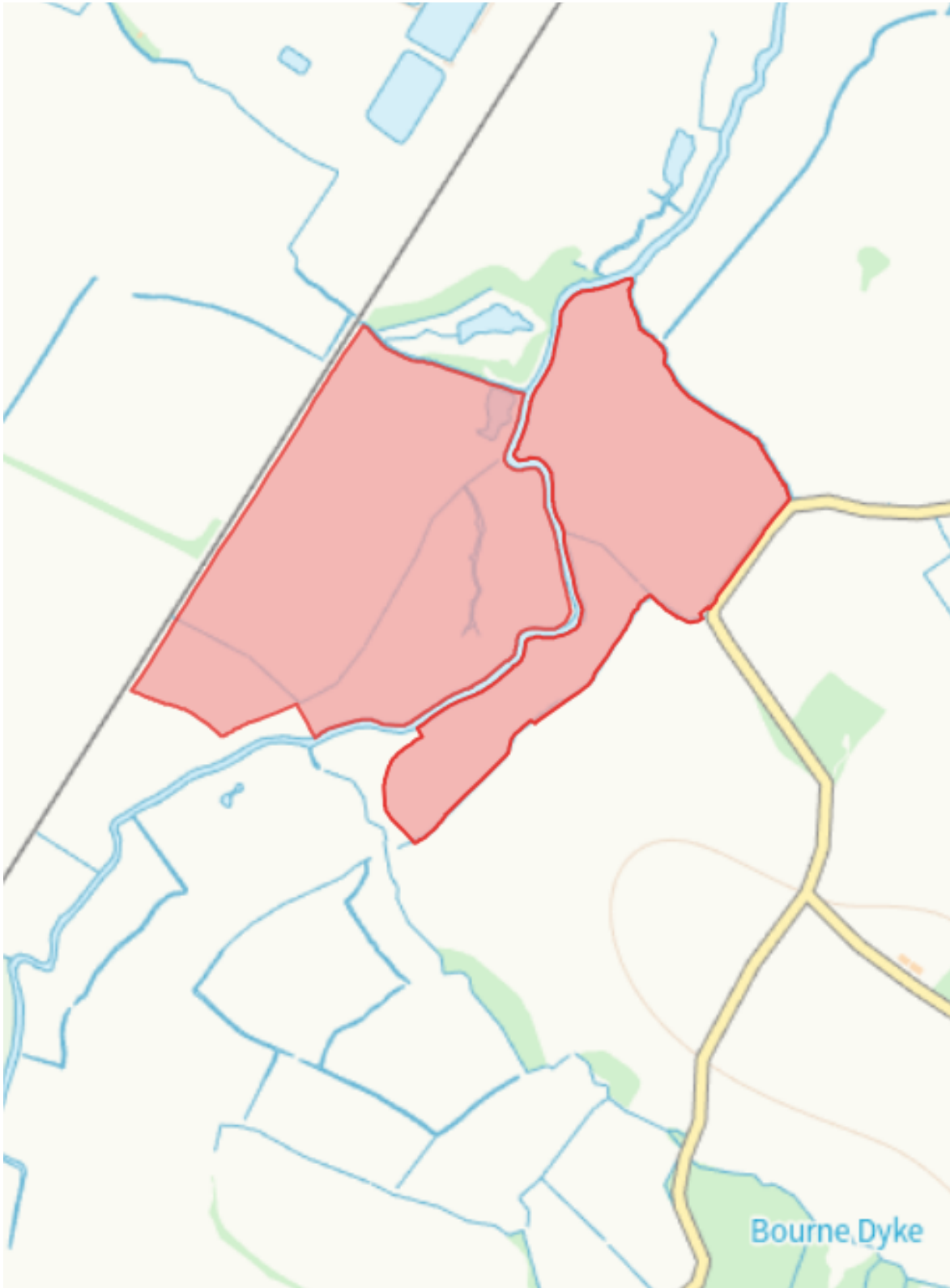
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Plan 7



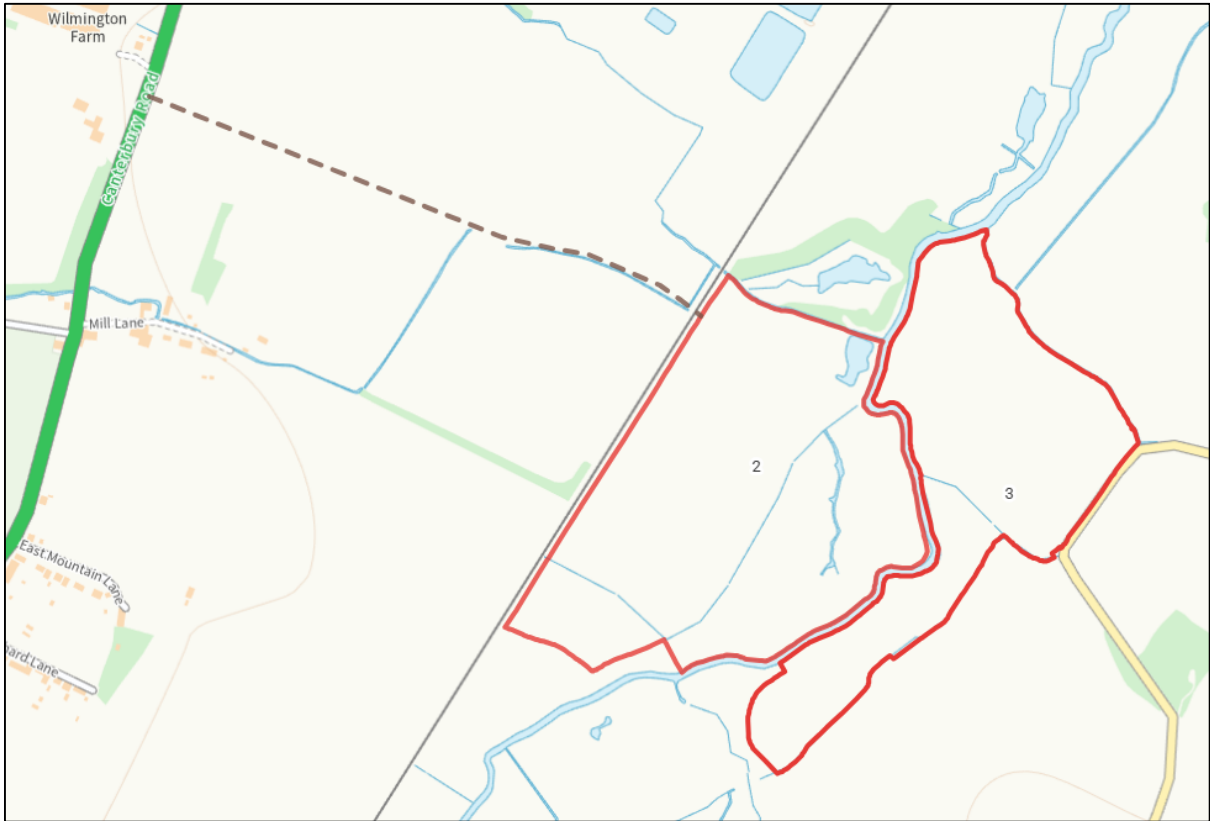
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Plan 8



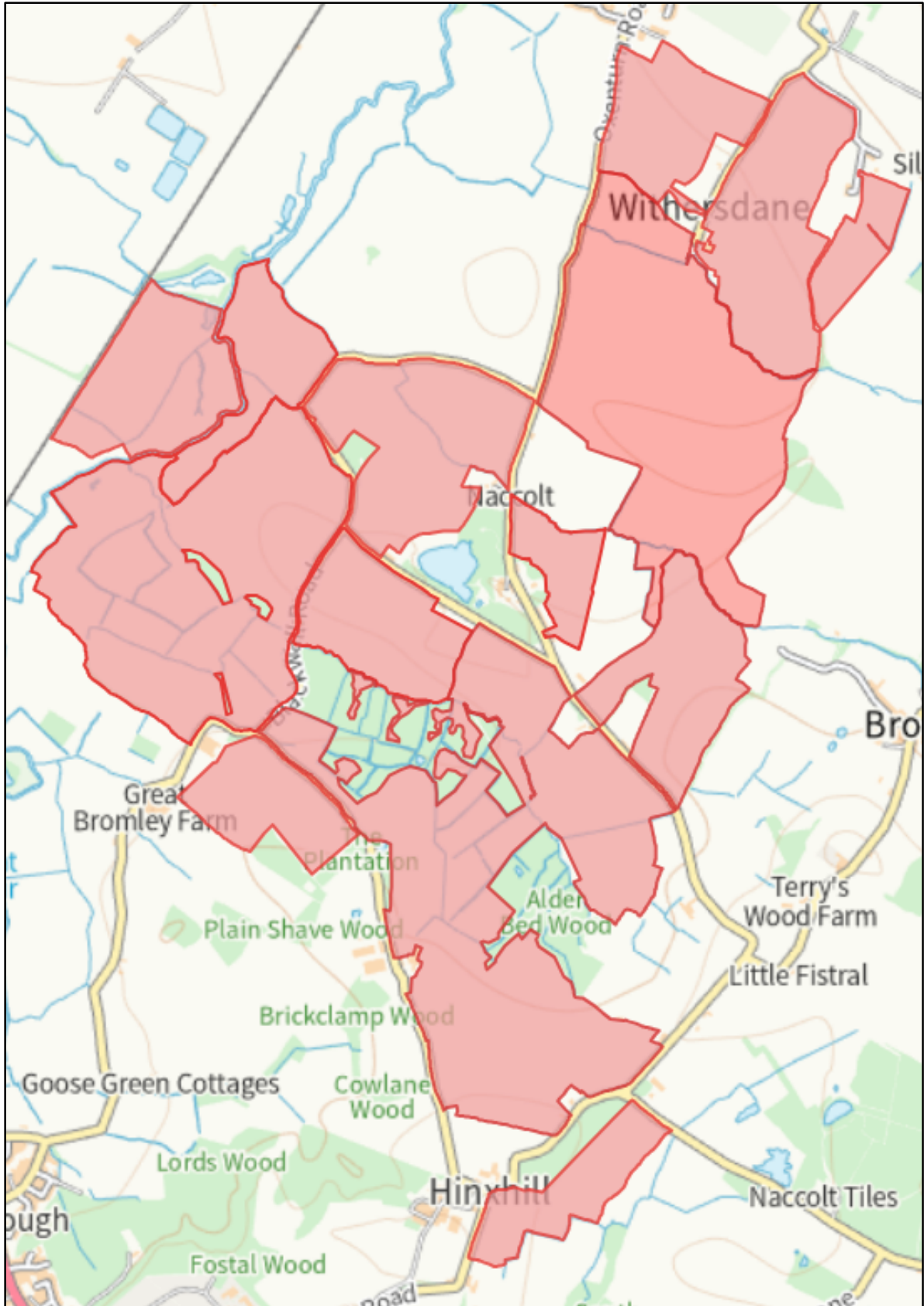
Signed by: *Jonathan Houchester Houchin* Signed by: *Charles Sheldon*
FD9AA771F2194A1... BE0802E911CD4C4... 133036561B7C42A...

Plan 9



Signed by: *Jonathan Howlister Howlin* Signed by: *Charles Sheldon*
FD9AA771F2194A1... BE0802E911CD4C4... 133036561B7C42A...

Plan 10 (overall plan)

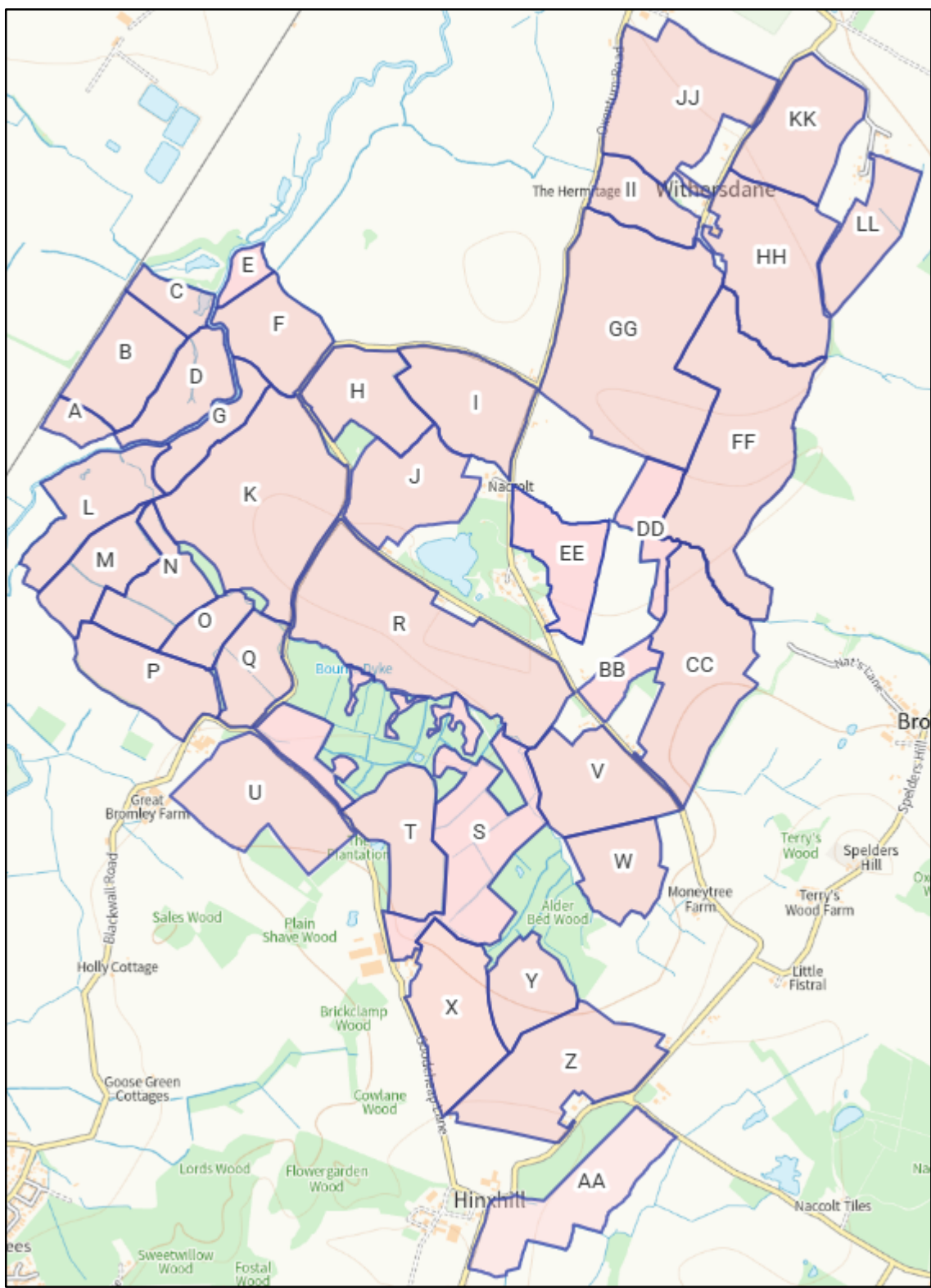


APPENDIX 2
PARCEL PLAN

Signed by: *Jonathan Howlister Howlin* Signed by: *Charles Sheldon*

FD9AA771F2194A1... BE0802E911CD4C4... 133036561B7C42A...

TEMPORARY PARCEL PLAN

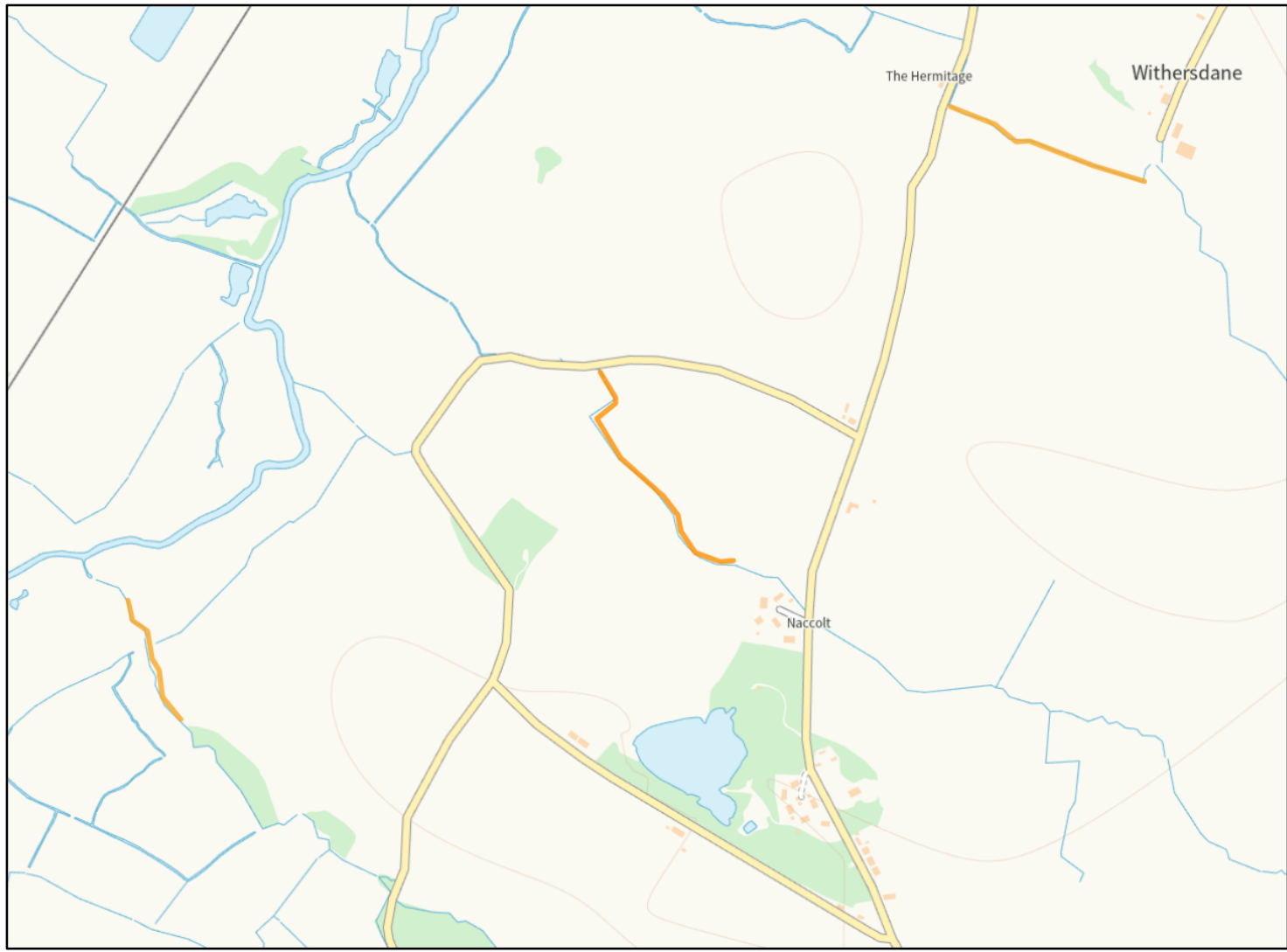


APPENDIX 3

DITCH PLAN

Signed by: *Jonathan Houchester Houchin* BE0802E911CD4C4...
Signed by: *Charles Sheldon* 133036561B7C42A...

Ditch Plan



APPENDIX 4
LAND MANAGEMENT PLAN

HINXHILL ESTATE – FALLOW LAND MANAGEMENT PLAN

AGRICULTURAL LAND AT HINXHILL, ASHFORD, KENT, TN25 5NR

SEPTEMBER 2025

Nutrient Mitigation Statement reference RMA-LC2866

INTRODUCTION

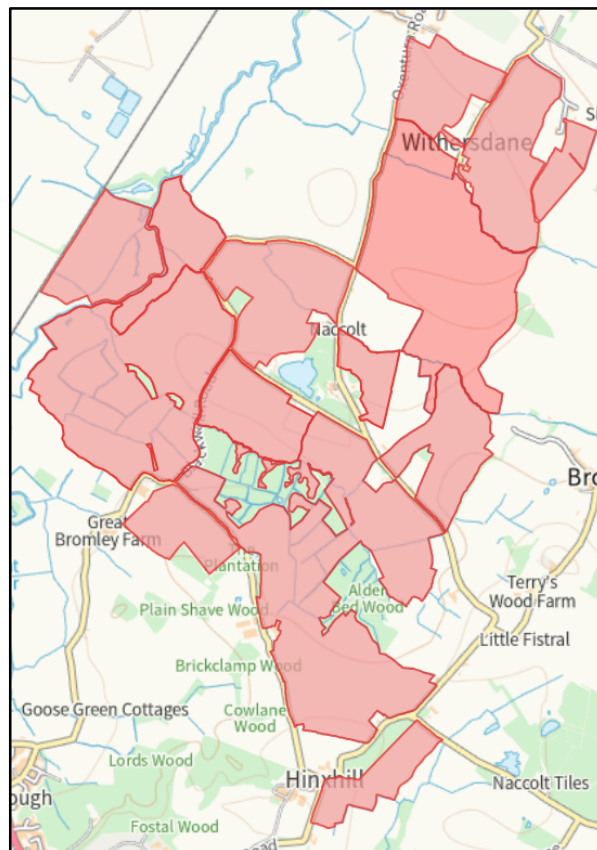
Hinxhill Estate (the “**Estate**”) are delivering a nutrient mitigation scheme (the “**Project**”) in accordance with Nutrient Mitigation Statement reference RMA-LC2866. The Project will deliver nutrient offsetting through the temporary fallowing of land for a period not exceeding five years. The site is currently under arable cultivation (cereal cropping).

This report comprises a Fallow Land Management Plan (“**Plan**”) for the Project and describes the land management approach that will be adopted to deliver the Project. The primary objective of the Plan is to prevent actions which result in the application of nutrients to the relevant land.

Given the life of the Project will be less than five years relatively straightforward monitoring and reporting structures are proposed.

SITE LOCATION AND EXISTING LAND USE

The mitigation land is located on the eastern periphery of Ashford in Kent, within an agricultural landscape predominantly used for cereal cultivation.



The site lies within the Upper Stour operational catchment, which ultimately drains into the Stodmarsh Special Area of Conservation (SAC) and Ramsar site (refer to Figure 3). The total agricultural holding extends to 795.48 hectares and is used for cereal cropping.

PURPOSE OF MITIGATION

The proposed Project involves the temporary fallowing of land at Hinxhill with the aim of generating nitrate and phosphate credits. These credits will be used to offset nutrient budgets associated with development projects that require mitigation within the Stodmarsh catchment.

FALLOW LAND MANAGEMENT PLAN

The aim of this Fallow Land Management Plan is to set out a strategy to change the use of land within the Estate's control to reduce nutrient inputs into the catchment and the associated annual management of and reporting on the 'fallowed' land. The Plan also details the monitoring regime to ensure that the fallow land is delivered for the lifetime of the Project.

The Plan's primary objective is to ensure the target nutrient mitigation is delivered. Therefore, the central element of the Plan is the prohibition of any activities that result in nutrients being applied to the land. The Plan therefore prohibits activities including the following on the Project land:

- (i) The deposit or application of any nutrients to the Project land (including fertilizer);
- (ii) Dairy farming;
- (iii) Commercial horticulture or the commercial growing of cereal crops;
- (iv) Use for the keeping of livestock that requires supplementary feeding (excluding mineral licks) to maintain the condition of animals, or exceeds 0.25 grazing livestock units;
- (v) Ploughing or subsoiling of the land with the exception of actions required to establish low input grassland;

For the avoidance of doubt the following activities shall be permitted:

- (A) The harvesting and removal of any existing crop in the ground;
- (B) The planting and management of trees and shrubs;
- (C) Leaving the land to naturally regenerate;
- (D) The grazing of animals within the stated grazing livestock limits;
- (E) Planting and maintaining low input grassland (e.g. cutting of silage);

The likely timing of areas placed in low-input grassland management is outlined as follows:

Year 1:

Cessation of fertiliser application. Grass ley is sown.
Boundaries – manage as before, avoid bird nesting season.

Year 2-5

First silage cuts in late April/ early May then subsequent cuts at intervals. Arising bailed for fodder.
Spot-treat undesirable weeds such as ragwort and thistles as required.
Boundaries – manage as before, avoid bird nesting season.

Governance arrangements will be lower complexity than on permanent schemes where risks around financial stability and long-term management capabilities require more detailed ongoing review.

The Plan will be funded and delivered by the Estate which controls all the land in question and which has all the existing capabilities and management functions to deliver the Plan over the intended period.

MONITORING AND REPORTING

Annual Fallow monitoring reports on the delivery of the land management arrangements will be prepared and submitted to the relevant Project governing bodies at the end of each calendar year. In addition the Estate will deliver photographic updates once every six months in years 1 to 3 and annually thereafter. A verification team will visit the site every year at a time of its choosing and provide a written report to the relevant governing bodies.

CONCLUSIONS

The Project involves a short (4-5 year) period of temporary fallowing, with land taken out of intensive arable production through the relevant period. This Plan and the associated prohibitions and monitoring structure ensure a robust regime is in place to ensure the outcomes are effectively implemented.

APPENDIX 5

PARCEL ACTIVATION NOTICE

Dated:

PARCEL ACTIVATION NOTICE

1 DEFINITIONS

1.1 In this Notice the following expressions shall have the meanings indicated:

Conservation Covenant	means the conservation covenant dated [] made between (1) the Owner and (2) the Responsible Body
Owner	means HINXHILL ESTATE LLP (Co Regn No OC423401) a limited liability partnership whose registered address is situated at The Estate Office, Hinxhill Estate, Ashford, Kent, TN25 5NR
Parcel	means such area of land shown edged red on the Plan and known as "Parcel []"
Plan	means the plan appended to this notice within the Annex
Responsible Body	HARRY FERGUSON HOLDINGS LIMITED (Co Regn No 01573192) whose registered address is at Kings Manor Farm, Copse Lane, Freshwater, Isle Of Wight, PO40 9TL

2 PARCEL ACTIVATION NOTICE

2.1 In accordance with clause 7.1 of the Conservation Covenant, the Owner hereby notifies the Responsible Body that the Parcel is activated.

2.2 The Parcel is [] acres.

Signed on behalf of Owner

Annex
Plan

APPENDIX 6
ALLOCATION NOTICE

Dated:

ALLOCATION NOTICE

Temporary Nutrient Credits

1 DEFINITIONS

1.1 In this Notice the following expressions shall have the meanings indicated:

Buyer	means []
Buyer's Development	[[] (kg/ha/yr) of Phosphate and [] (kg/ha/yr) of Nitrogen is allocated to] the development of land at [] for the construction of [] pursuant to a planning permission (ref: []) dated []
Conservation Covenant	means the conservation covenant dated [] made between (1) the Owner and (2) the Responsible Body
Nutrient Neutrality Calculator	means the applicable statutory and/or policy calculation of Temporary Nutrient Credits attached to this Notice within the Annex
Owner	HINXHILL ESTATE LLP (Co Regn No OC423401) a limited liability partnership whose registered address is situated at The Estate Office, Hinxhill Estate, Ashford, Kent, TN25 5NR
Parcels	means the activated Parcels known as Parcels [] as defined within the Parcel Activation Notice(s)

Parcel Activation Notice(s)	means the notice(s) dated [] by which the Owner activated the Parcels in order to allow for the allocation of the Temporary Nutrient Credits to developments
Responsible Body	HARRY FERGUSON HOLDINGS LIMITED (Co Regn No 01573192) whose registered address is situated at Kings Manor Farm, Copse Lane, Freshwater, Isle of Wight, PO40 9TL
Temporary Nutrient Credits	means: a) Phosphate: [] (kg/ha/yr) b) Nitrogen: [] (kg/ha/yr) calculated in accordance with the Nutrient Neutrality Calculator

2 ALLOCATION NOTICE

- 2.1 The Parcel Activation Notice(s) have been served in relation to the Parcels.
- 2.2 The Temporary Nutrient Credits have been transferred to the Buyer.
- 2.3 The Temporary Nutrient Credits are to be allocated solely for the Buyer's Development [and such other development as shall be notified to the Responsible Body in accordance with clause 7.7 of the Conservation Covenant].
- 2.4 The Responsible Body hereby certifies in accordance with the Conservation Covenant that the Temporary Nutrient Credits are sold and allocated in accordance with the terms of this Notice.

Signed on behalf of the Responsible Body

Annex

Nutrient Neutrality Calculator