

13/005901

In accordance with
Sections 859A and
859J of the Companies
Act 2006.

MR01

Particulars of a charge



Companies House

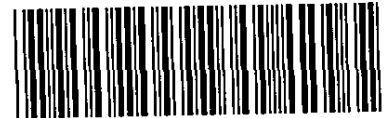
A fee is payable with this form.
Please see 'How to pay' on the
last page.

You can use the WebFiling service to file this form online.
Please go to www.companieshouse.gov.uk

☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument.

☐ **What this form is for**
You may not use this
register a charge wh
instrument. Use form

WEDNESDAY



SCT 07/08/2013 #572
COMPANIES HOUSE

This form must be delivered to the Registrar for registra
21 days beginning with the day after the date of creation of
delivered outside of the 21 days it will be rejected unless it is
court order extending the time for delivery.

You must enclose a certified copy of the instrument with this
scanned and placed on the public record.

SCT 05/08/2013 #17
COMPANIES HOUSE

1 Company details

Company number **SC158728**
Company name in full **BUCKLE SHIPYARD LIMITED**

8 for official use
→ **Filling in this form**
Please complete in typescript or in
bold black capitals.
All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date **1^d 9^m 2013**

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge.

Name **LITHGOWS LIMITED**

Name

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below.

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge.

MR01

Particulars of a charge

4

Description

Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security.

Continuation page
Please use a continuation page if you need to enter more details.

Description

5

Fixed charge or fixed security

Does the instrument include a fixed charge or fixed security over any tangible or intangible (or in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box.

☐ Yes

☒ No

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box.

☒ Yes Continue

☐ No Go to **Section 7**

Is the floating charge expressed to cover all the property and undertaking of the company?

☒ Yes

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the chargor from creating any further security that will rank equally with or ahead of the charge? Please tick the appropriate box.

☒ Yes

☐ No

MR01

Particulars of a charge

8

Trustee statement ^①

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge.

☐

^① This statement may be filed after the registration of the charge (use form MR06).

9

Signature

Please sign the form here.

Signature

Signature

X *James F. W. W. W.* X

This form must be signed by a person with an interest in the charge.

MR01

Particulars of a charge



Presenter information

We will send the certificate to the address entered below. All details given here will be available on the public record. You do not have to show any details here but, if none are given, we will send the certificate to the company's Registered Office address.

Contact name **GORDON MURRAY**

Company name **MURRAY SNELL LLP**

Address **40 NORTH CASTLE STREET**

Post town **EDINBURGH**

County/Region

Postcode **EH2 3RN**

Country

DX **ED 203**

Telephone **0131 625 6625**



Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have included a certified copy of the instrument with this form.
- ☐ You have entered the date on which the charge was created.
- ☐ You have shown the names of persons entitled to the charge.
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8.
- ☐ You have given a description in Section 4, if appropriate.
- ☐ You have signed the form.
- ☐ You have enclosed the correct fee.
- ☐ Please do not send the original instrument; it must be a certified copy.



Important information

Please note that all information on this form will appear on the public record.



How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House.'



Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below:

For companies registered in England and Wales:
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

For companies registered in Scotland:
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post).

For companies registered in Northern Ireland:
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 158728


Charge code: SC15 8728 0008

The Registrar of Companies for Scotland hereby certifies that a charge dated 19th July 2013 and created by BUCKIE SHIPYARD LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 7th August 2013.

Given at Companies House, Edinburgh on 7th August 2013



**CERTIFIED
TRUE COPY**


05.08.13

BOND AND FLOATING CHARGE

by

**Gordon Lindsay Kevan Murray
Solicitor and Notary Public
40 North Castle Street
Edinburgh EH2 3BN**

BUCKIE SHIPYARD LIMITED

in favour of

LITHGOWS LIMITED

19 July 2013

INDEX

Clause	Page
1. Definitions and Interpretation	
2. Personal Bond	
3. Floating Charge	
4. Ranking of Charge	
5. Undertakings	
6. Further Security	
7. Further Assurances and Power of Attorney	
8. Appointment of Receiver or Administrator	
9. Powers of Receiver or Administrator	
10. Indemnity	
11. Protection of Third Parties	
12. Set-Off	
13. Miscellaneous	

BOND AND FLOATING CHARGE

by

BUCKIE SHIPYARD LIMITED incorporated in Scotland under the Companies Acts with registered number SC158728 and whose registered office is at Netherton, Langbank, Renfrewshire PA14 6YG (**the Borrower**)

in favour of

LITHGOWS LIMITED incorporated in Scotland under the Companies Acts with registered number SC010170 and whose registered office is at Netherton, Langbank, Renfrewshire PA14 6YG and its successors and assignees whomsoever (**the Lender**)

1. INTERPRETATION

1.1 Definitions	In this instrument, unless the context otherwise requires, the following words and expressions shall have the following meanings:-
the Debts	means all book and other debts, revenues and claims both present and future which may be or become due or owing to the Borrower, and the benefit of all insurance policies (not being personal, accident or health or disability policies taken out for the benefit of employees to the extent that any proceeds of such policies are in fact paid to employees or their dependants) and all rights which may give rise to any debt, revenue or claim;
Encumbrance	means any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignation, security agreement or security or preferential arrangement of any kind (save for any security in favour of the Lender);
Insurance Proceeds	means any sum paid out on any insurance policy taken out by the Borrower or otherwise in relation to the Property;
Interest	means interest calculated at rates and to be computed as agreed between the Lender and the Borrower and, if they fail to agree, to be at such rates and computed and compounded by the Lender (at its absolute discretion) in the same way as applies to other accounts of a similar nature;
Legislation	means any statute, statutory instrument, regulation, rule or decision, whether primary or derivative;
Loan Agreement	means the Loan Agreement (as such Loan Agreement is amended, varied, supplemented, novated or replaced from time to time) dated on or about 19 July 2013 between (1) the Borrower and (2) the Lender;
Secured Assets	means the whole of the property (including uncalled capital and property held in trust) which is, or may from time to time while this instrument is in force be, comprised in the Borrower's property and undertaking; and

Secured Obligations means all monies, obligations and liabilities which now are, or which at any time or times hereafter may become, due, owing or incurred to the Lender from the Borrower, either alone or jointly with any other person, firm or company, on any account whatsoever and whether in the character of principal debtor, cautioner, guarantor, surety or otherwise howsoever, including, without prejudice to the foregoing generality, all interest, discount, commission and other charges computed day by day at such rate or rates as has or have been provided, or shall from time to time be provided, in any separate agreement between the Borrower and the Lender or, failing any such agreement, at the usual rates charged by the Lender, all such interest to include interest as well before as after any decree obtained by the Lender and (on a full indemnity basis) all costs, charges and expenses paid or incurred by the Lender in connection with preparing, registering, perfecting and enforcing this instrument and obtaining payment of the Secured Obligations with interest thereon as provided above.

1.2 Construction

- (a) Save as expressly herein defined or unless the context otherwise requires, a term used in the Loan Agreement or in any notice given under, or in connection with, the Loan Agreement has the same meaning in this instrument.
- (b) In this instrument, unless the contrary intention appears, a reference to:
 - (i) a clause is a reference to a clause of this Agreement;
 - (ii) a person shall be construed as reference to any individual, firm, company, body corporate, government, state or state entity or any association or partnership (whether or not having separate legal personality) or any two or more of the foregoing and includes its successors and permitted assignees;
 - (iii) a provision of law is a reference to that law as re-enacted, amended or replaced and to any regulation made under it;
 - (iv) a **regulation** includes any regulation, rule, official directive, request, guidelines or binding order (whether or not having the force of law) of any governmental body, agency, department, court, tribunal or regulatory authority or organisation;
 - (v) the index to and the headings in this instrument are for convenience only and are to be ignored in construing this Instrument.
- (c) Each provision contained in this instrument will be severable from the remainder of it. If at any time any one or more of these provisions will be or become invalid, illegal, unlawful or unenforceable, none of the remaining provisions will in any way be affected, prejudiced or impaired.

2. PERSONAL BOND

- 2.1 The Borrower hereby binds and obliges itself to pay or discharge to the Lender upon demand (unless otherwise agreed in writing by the Lender) the Secured Obligations.
- 2.2 The Borrower agrees that a certificate signed by an officer of the Lender shall ascertain and (save in the case of manifest error) constitute conclusively all sums whatsoever due or to become due to the Lender by the Borrower as aforesaid, or any part thereof.

- 2.3 No suspension of a charge, or of a threatened charge, for payment of the Secured Obligations (or any part thereof) shall pass, nor any right of execution thereon be granted, except on consignment.

3. FLOATING CHARGE

- 3.1 The Borrower hereby, in security of the Secured Obligations, GRANTS in favour of the Lender a FLOATING CHARGE over the Secured Assets.
- 3.2 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 (incorporated by Schedule 16 to the Enterprise Act 2002) shall apply to this Floating Charge.
- 3.3 The security created by this instrument shall be a continuing security, shall not be affected by any fluctuations in the Secured Obligations or by the existence at any time of a credit balance on any current or other account, and shall be in addition and without prejudice to, and shall not be prejudiced by, any other security, heritable or moveable, real or personal, or guarantee which the Lender holds or may hold in respect of the Secured Obligations or any part thereof, it being always in the power of the Lender to sell, dispose of, surrender or abandon all or any part of such securities or property to which they relate or allow these to be sold, disposed of, surrendered or abandoned and to apply the same to any account or item of account or any transaction to which the same may be applicable or to give up, cancel or relinquish any such guarantee without in any manner affecting the security hereby created or releasing the Secured Obligations.
- 3.4 It shall be in the power of the Lender, at its own discretion and without consulting the Borrower, to transact or compromise with or give time to any other party liable with or for the Borrower without impairing or affecting the Borrower's liability under the security created by this instrument.
- 3.5 The rights of the Lender under this instrument are not to be prejudiced or affected by notice of any present or future financial arrangement between the Borrower and any third party. Where under any such arrangement any payment is to be made by a third party to the Lender or its nominee for or on account of the Borrower, the Lender may, in its absolute discretion, give to the third party time for payment or otherwise vary any term of the arrangement so far as it affects the Lender. Neither the giving of time nor any variation is to prejudice or affect the rights of the Lender against the Borrower under this instrument.

4. RANKING OF CHARGE

- 4.1 Except as herein otherwise provided, or as may hereafter be otherwise agreed in writing by the Lender and subject to Section 464(2) of the Companies Act 1985, the floating charge hereby created shall rank in priority to any fixed security and any other floating charge, being a fixed security or floating charge which shall have been created by the Borrower over the Secured Assets or any part thereof after the Borrower's execution hereof.
- 4.2 Any fixed security which may be granted by the Borrower in favour of the Lender shall have priority over the floating charge hereby created.
- 4.3 The Borrower shall be prohibited from creating or permitting to subsist subsequent to its execution hereof any fixed security or floating charge over the Borrower's assets or any part thereof (other than any such charge or security in favour of the Lender) having priority over or ranking pari passu with or postponed to the floating charge hereby created except with the prior written consent of the Lender.

- 4.4 If the Lender receives intimation of any subsequent charge or security affecting the Secured Assets or any part thereof or interest therein the Lender may open a new account for the Borrower; if the Lender does not open a new account then unless the Lender gives express written notice to the contrary to the Borrower it shall nevertheless be treated as if it had done so at the time when it received such notice and as from that time all payments made by or on behalf of the Borrower to the Lender shall be credited or be treated as having been credited to the new account and shall not operate to reduce the amount due from the Borrower to the Lender at the time when it received notice.

5. UNDERTAKINGS

- 5.1 The Borrower shall not without the prior written consent of the Lender:-
- 5.1.1 create or allow to arise any Encumbrance over or in respect of all or any of the Secured Assets; or
 - 5.1.2 sell, transfer or otherwise dispose of all or any of the Secured Assets otherwise than in the ordinary course of business.
- 5.2 The Borrower shall not without the prior written consent of the Lender 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 part of the fixtures thereto nor (except for the purposes of effecting necessary repairs thereto or of replacing the same with new or improved models or substitutes) remove any of the plant and machinery belonging to or used by the Borrower.
- 5.3 The Borrower shall keep or cause to be kept all its buildings and erections and all plant, machinery, fixtures, fittings, vehicles and other effects and every part thereof in good and substantial repair and in good working order and condition and whenever any of the same is destroyed or damaged or deteriorates forthwith repair, replace and make good the same and shall not do or cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise impair the value of the Secured Assets or its or their realisation.
- 5.4 The Borrower shall not without the prior written consent of the Lender grant or agree to grant any tenancy or licence affecting all or any part of the Secured Assets nor grant or agree to grant a lease of, or consent to any assignation or sub-lease of or accept a surrender or renunciation of, or irritate or terminate a lease or tenancy of, all or any part of the Secured Assets.

- 5.5 The Borrower shall at its own expense at all times keep all buildings, machinery and fixtures and fittings which may from time to time form part of the Secured Assets constantly insured with insurers or underwriters previously approved by the Lender in writing against loss or damage by fire, explosion, storm, tempest, lightning, aircraft (other than hostile aircraft), riot, civil commotion, malicious damage, subsidence and landslip and such risks and contingencies as may from time to time be required by the Lender in accordance with the terms of the Loan Agreement ("the Insured Risks") to a minimum of the full replacement value thereof including architects' and other professional fees and demolition charges and the Borrower shall effect and maintain public liability insurance against loss or damage by such risks and contingencies at a level of cover in each case as required by the Lender acting reasonably AND the Borrower shall procure that the interest of the Lender as heritable creditor primo loco is endorsed on the relevant policy or policies of insurance as aforesaid in terms acceptable to the Lender in its absolute discretion. The Borrower shall duly pay or cause to be paid on the due date the premiums due and other sums of money payable in respect of any such policy or policies of insurance and produce or cause to be produced to the Lender evidence satisfactory to the Lender of such payment(s). Further, the Borrower shall, forthwith upon receiving any written demand from the Lender that it is to do so, exhibit to the Lender certified true copies of the policy documents evidencing all such insurances. The Borrower shall likewise keep all stock-in-trade belonging to it similarly insured. All monies which may be received under or by virtue of any insurance policy or policies shall be applied by the Borrower in making good the loss or damage in respect of which such monies may have been received or (at the option of the Lender and without prejudice to any obligation in the policy or policies of insurance or to any other obligation having priority to the obligations imposed by these presents) in discharge or reduction of the sums and obligations hereby secured. In the event of the Borrower's refusing or neglecting to keep in force such insurance or insurances or to produce to the Lender the receipt or receipts for the premium or premiums therefor, the Lender shall be entitled to effect such insurances as it may think proper over the property hereby charged (or any part thereof) and the Borrower shall upon demand by the Lender repay to the Lender the amount of such premiums so paid together with interest thereon, from the date or dates of payment by the Lender, computed as aforesaid.
- 5.6 The Borrower shall at all times observe and perform all burdens and stipulations (including restrictive and other covenants) for the time being affecting its freehold, leasehold or heritable property or the use or enjoyment of the same or affecting its industrial or intellectual property or licences for the use thereof or its ancillary or connected rights and not without the prior written consent of the Lender enter into any onerous or restrictive obligations with regard thereto or do or suffer to be done on any such property anything which is deemed to be development or a change of use within the meaning of the Town and Country Planning Acts or the Town and Country Planning (Scotland) Acts from time to time in force nor do or suffer or omit to be done any act, matter or thing whereby any provision of any Legislation from time to time in force affecting any such property or rights is infringed.
- 5.7 The Borrower shall not without the prior written consent of the Lender transfer any part of the Borrower's assets to any subsidiary of the Borrower.
- 5.8 The Borrower shall not without the prior written consent of the Lender deal with the Debts or securities for money forming part of the Borrower's assets otherwise than in the ordinary course of getting in and realising the same which course shall not include or extend to any of (i) the selling, assigning or holding in trust or in any other way factoring or discounting any of the Debts or securities, or (ii) any obligation to any third party whereby the Borrower's rights to recover or take payment of any monies due or which may become due to the Borrower from any one of its debtors (the common debtor) are postponed or subordinated to the claims of such third party upon the common debtor.

- 5.9 Without prejudice to any provisions of this instrument, the Borrower shall not except with the prior written consent of the Lender create or allow to come into being any security or charge upon any part of the Secured Assets (including for the avoidance of doubt all heritable, real and leasehold property wherever situated, assets, undertaking or uncalled capital), shall not create or issue any debenture stock or loan capital and shall not without the prior written consent of the Lender become cautioner, guarantor or surety for any person, firm or company.
- 5.10 The Borrower shall not without the prior written consent of the Lender call up any part of its uncalled capital or receive same in advance of calls and every amount received by the Borrower in respect of uncalled capital shall be paid by the Borrower to the Lender and may be applied by the Lender in or towards satisfaction of monies hereby secured or intended to be secured.
- 5.11 The Borrower shall furnish to the Lender from time to time such information regarding its assets and liabilities as the Lender may require.
- 5.12 The Borrower shall notify the Lender immediately of the execution upon any part of the property hereby charged of any diligence (including upon the dependence or in security) whether effectual or not.
- 5.13 At any time after the Lender shall have become entitled to appoint a receiver hereunder, or after any power conferred by any fixed security or floating charge ranking to any extent in priority to, or pari passu with, the floating charge hereby created shall become exercisable, the Lender shall be entitled, without prejudice to its whole other rights and powers hereunder, in its sole discretion, to redeem or procure the transfer to the Lender of that fixed security or floating charge so ranking and all sums and expenses paid by the Lender in consideration of such redemption or transfer shall be charged to and repayable by the Borrower upon demand with interest thereon, from the date or dates of payment by the Lender, computed as aforesaid.
- 5.14 The Borrower shall procure that each of its Subsidiaries shall at all times comply, in relation to itself and its property and undertaking (including uncalled capital) from time to time, with the obligations undertaken by the Borrower under this Clause 5 (except the immediately foregoing paragraph) in relation to itself and its property and undertaking (including uncalled capital) for the time being and from time to time.
- 5.15 Insofar as this paragraph is not inconsistent with any separate written agreement between the Borrower and the Lender, as at the date or dates upon which any of the Secured Obligations shall fall to be paid or satisfied or at any time thereafter, the Lender may at its option (a) capitalise the interest, discount, commission and banking charges then accrued or outstanding on any part thereof and (b) if the Lender shall have more than one account for the Borrower in the Lender's books, transfer all or any part of any credit balance on any account or accounts to any other or others of such accounts then in debit without prior notice to the Borrower and in such proportions as the Lender elects but subject to notifying the Borrower of any such transfer or transfers having been made.
- 5.16 If the Borrower fails or is believed by the Lender to have failed in the performance of any of the undertakings contained in this Clause 5, the Lender (at its absolute discretion) shall be entitled (but is not obliged) to perform those undertakings and to pay all costs and damages occasioned by such failure or default.
- 5.17 The Lender shall (at its absolute discretion) be entitled in the event of the Borrower failing to protect or repair the property or buildings and erections forming part of the Secured Assets to enter upon the whole or part of such property, buildings and erections for the purpose of protecting it and/or carrying out or making good any repairs at the Borrower's cost.

- 5.18 The Borrower shall indemnify the Lender in full and keep the Lender indemnified in full against, and so pay to the Lender forthwith upon demand by the Lender at any time and from time to time, such amounts as may be notified to it by the Lender as necessary to compensate the Lender for all monies expended by the Lender and for all losses, claims, costs, charges and expenses of whatever nature incurred by or made against the Lender in connection with it exercising its rights under this Clause 5.
- 5.19 Interest shall be payable on all monies expended and all losses, claims, costs, charges and expenses incurred by or made against the Lender in connection with the exercise by it of its rights under this Clause 5 and such interest shall accrue from time to time when the Lender expends such monies or incurs any such loss, claim, cost, charge or expense and shall be paid by the Borrower to the Lender forthwith upon demand by the Lender at any time and from time to time.
- 5.20 Any other remedy, lien or security which the Lender may or, but for this instrument, would have for the recovery of the said monies and/or all losses, claims, costs, charges or expenses will continue notwithstanding this instrument.

6. FURTHER SECURITY

- 6.1 The Borrower shall, upon being so requested by the Lender in writing, forthwith grant in favour of the Lender a fixed heritable security or securities in the usual form adopted by the Lender over any heritable, freehold or leasehold property or properties which may now or from time to time hereafter belong to the Borrower and/or a fixed security or securities in the usual form adopted by the Lender over any moveable property including, without prejudice to the said generality, all or any of the Debts and insurance policies which may now or from time to time hereafter belong to or are or may be owing to the Borrower, in each case in security of the Secured Obligations or such part thereof as the Lender shall from time to time request.
- 6.2 The Borrower shall upon being so requested by the Lender in writing deposit with the Lender and permit the Lender during the continuance of this security to hold and retain the following:-
- 6.2.1 all deeds and documents of title relating to all freehold, leasehold and heritable property from time to time belonging to the Borrower (and the insurance policies therefor);
 - 6.2.2 all stock and share certificates and documents of title relating to any securities held in the name of the Borrower or beneficially owned by the Borrower;
 - 6.2.3 such deeds of transfer in blank and other documents as the Lender may from time to time require for perfecting its title to such securities (duly executed by or signed on behalf of the registered holder) or for vesting or enabling it to vest the same in itself or its nominee or nominees or in any purchaser; and
 - 6.2.4 all such documents (including but not restricted to documents of title) relating to the book debts and incorporeal moveable rights of the Borrower as the Lender may from time to time require.

7. FURTHER ASSURANCES AND POWER OF ATTORNEY

- 7.1 The Borrower shall at all times execute and do all such deeds, assurances and actions as the Lender may require to perfect, preserve or protect the security intended to be created by this instrument and to facilitate the realisation of the Secured Assets and the exercise by the Lender or any receiver of all the powers, authorities and discretions conferred on it or him.

- 7.2 The Borrower hereby irrevocably appoints the Lender and separately any and every receiver appointed hereunder to be its attorney and on its behalf and in its name or otherwise to execute all such deeds, documents, agreements and assurances, and to do all acts and things which the Borrower ought to do under the undertakings and provisions contained in these presents including, without prejudice to the generality of the foregoing, to make any demand upon or to give any receipt to any person from whom any Debt is, for the time being, owing and generally, on its behalf and in its name, to exercise all or any of the powers, authorities and discretions conferred by or pursuant to these presents on the Lender or any such receiver, and without prejudice to the generality of the foregoing, to seal and deliver and otherwise perfect any deed, document, assurance, agreement, instrument or act which it or he may deem proper in or for the purpose of exercising any of such powers, authorities and discretions.
- 7.3 The Borrower hereby ratifies and confirms and agrees to ratify and confirm whatever any such attorney as is mentioned in Clause 7.2 shall do or purport to do in the exercise or purported exercise of all or any of the powers, authorities and discretions referred to in Clause 7.2.
- 7.4 Any costs, charges or expenses incurred by the Lender or any receiver or any attorney (including all legal costs on a full indemnity basis) in the exercise of its powers hereunder will be paid by the Borrower to the Lender on demand with Interest from the time of same having been incurred.

8. APPOINTMENT OF RECEIVER OR ADMINISTRATOR

- 8.1 The Lender shall be entitled to appoint (i) a receiver in respect of the Secured Assets or any part thereof or (ii) an administrator (in each case in accordance with and to the extent of the applicable laws) in the event of, and either forthwith upon or at any time subsequent to, any of:-
- 8.1.1 The occurrence of any of the events specified in Section 52 of the Insolvency Act 1986; or
 - 8.1.2 a request to the Lender by the Borrower for such appointment; or
 - 8.1.3 the presentation of a petition for an administration order being made in relation to the Borrower; or
 - 8.1.4 upon payment not being made of the Secured Obligations (or any part thereof) when payment thereof has become due, following (to the extent that the Lender is obliged to make demand and allow an interval to expire thereafter before exercising its powers hereunder) demand for payment having been made and any specific interval which the Lender has agreed (or 24 hours where the Lender is obliged to make demand but no specific interval has been agreed) having expired after that demand; or
 - 8.1.5 Any step is taken (including, without limitation, the making of an application or the giving of any notice) by the Borrower to appoint an administrator in respect of the Borrower;
 - 8.1.6 Any step is taken (including, without limitation, the making of an application or the giving of any notice) by the Borrower or by any other person to wind up or dissolve the Borrower or to appoint a liquidator (whether provisional , interim or otherwise), trustee, receiver, administrative receiver or similar officer to the Borrower or any part of its undertaking;

8.1.7 The occurrence of any event which constitutes, or may with the lapse of time or giving of notice or both would constitute, an Event or Default under the terms of the Loan Agreement or any other facility or other agreement or arrangement between the Borrower and the Lender.

8.2 Without prejudice to Clause 8.1 above, in the event that any person appointed thereunder shall be removed by the Court or shall otherwise cease to act then the Lender shall be entitled so to appoint another person as receiver or administrator (as the case may be) in his place.

8.3 Each receiver or administrator (as the case may be) so appointed shall be entitled to remuneration appropriate to the work and responsibilities involved upon the basis of charging from time to time adopted by such receiver or administrator (as the case may be) in accordance with the practice from time to time of his firm.

8.4 The Borrower shall be solely responsible for the acts, deeds and omissions of each receiver or administrator (as the case may be) so appointed and for his remuneration, costs, charges and expenses.

8.5 The Lender shall have no liability or responsibility for any act of such receiver or administrator (as the case may be) or any such remuneration, costs, charges and expenses.

9. POWERS OF RECEIVER OR ADMINISTRATOR

Any receiver or administrator (as the case may be) appointed hereunder shall have, and be entitled to exercise, all powers conferred upon a receiver or administrator (as the case may be) by the Insolvency Act 1986.

10. INDEMNITY

10.1 The Lender and every receiver appointed by the Lender hereunder shall be entitled to be indemnified by the Borrower:

- (i) in respect of all liabilities and expenses incurred by it or him in the execution, or purported execution, of any of the powers, authorities or discretions vested in it or him pursuant to the Companies Act 1985 or the Insolvency Act 1986 or hereto; and
- (ii) against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way relating to the Borrower's assets and liabilities.

10.2 The Lender and any such receiver may retain and pay all sums in respect of the same out of any monies recovered under the powers conferred by the Companies Act 1985, the Insolvency Act 1986 or this instrument.

10.3 The Lender shall have no liability to the Borrower for negligence or other breach of duty in respect of any act or omission of itself or any person for whom it is responsible or whose actions bind it or any receiver appointed under this instrument.

11. PROTECTION OF THIRD PARTIES

11.1 No one dealing with the Lender or any receiver appointed by the Lender or with its or his attorneys is to be concerned to enquire:-

- 11.1.1 Whether any power exercised or purported to be exercised has become exercisable; or

- 11.1.2 Whether any monies remain due on the security of this instrument; or
 - 11.1.3 as to the necessity or expediency of the stipulations and conditions subject to which any sale has been contracted or made; or
 - 11.1.4 as to the propriety or regularity of any dealing by the Lender, receiver or such attorney.
- 11.2 In the absence of conscious bad faith on the part of any person, any disposition, transfer, conveyance or transaction is to be deemed (so far as regards the safety and protection of and its enforceability by that person) to be within the powers conferred by this instrument or otherwise and to be valid and effectual accordingly.

12. SET-OFF

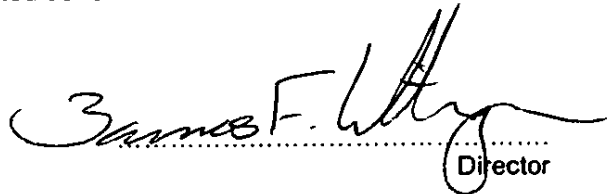
In addition and without prejudice to any rights of retention, compensation, set-off, balancing of accounts or combination of accounts conferred on the Lender by law or otherwise under or by virtue of these present, the Lender shall be entitled at any time at its discretion and whether or not it makes demand under this instrument, the Loan Agreement or otherwise and whether or not an Event of Default as is mentioned in Clause 8.1.5 shall have occurred, to set off any liabilities of the Lender to the Borrower against all or any monies and liabilities covenanted or undertaken to be paid or discharged under these presents and all monies received by the Lender from the Borrower or any other person or persons (whether or not a party hereto and whether or not such person or persons is/are jointly and/or severally liable with the Borrower) in respect of the monies and other amounts hereby secured and any monies from time to time standing to the Borrower's credit on any account with the Lender may be applied by the Lender without notice to the Borrower to any account or item of account or any transaction to which the same may be applicable, or in or towards payment or satisfaction of any monies or liabilities now or hereafter from time to time due, owing or incurred by the Borrower to the Lender in whatsoever manner whether presently payable or not, whether actually or contingently, whether solely or jointly with any other company or companies, person or persons and whether as principal, guarantor or surety.

13. MISCELLANEOUS

- 13.1 Any demand, notice, certificate, consent or other communication served hereunder or pursuant hereto shall be served in accordance with the provisions of the Loan Agreement relating to service of such matters.
- 13.2 Except as otherwise agreed the Lender may assign all or any of its rights hereunder. Any successor to, or assignee of, the Lender shall be entitled to the full benefits hereof.
- 13.3 This instrument is in addition and without prejudice to any lien to which the Lender is by law entitled and to any other security which the Lender may at any time have. Any other right or remedy of the Lender will continue in full force and effect as a continuing security until discharged.
- 13.4 All rights, powers and remedies under this instrument are in addition to and are not to be construed as excluding any other rights, powers and remedies provided by the general law or otherwise.
- 13.5 All sums payable under this instrument shall be made to the Lender in full in such manner as the Lender may direct, free of any present or future taxes, levies, imposts, duties, charges, fees or withholdings and without set-off or counterclaim or any restriction, condition or deduction whatsoever. If the Borrower is compelled by law to make any deduction or withholding, the Borrower will promptly pay to the Lender such additional amount as would result in the net amount received by the Lender being equal to the full amount which would have been receivable had there been no deduction or withholding.

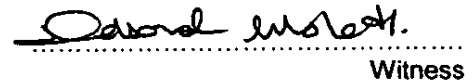
- 13.6 If any of the terms of this instrument is or becomes invalid or unenforceable for any reason under the laws of any jurisdiction, such invalidity or unenforceability shall not affect its validity or enforceability in any other jurisdiction or invalidate or make unenforceable any other term hereof.
- 13.7 If any provision of this instrument conflicts with any term of any other written agreement between the Borrower and the Lender relating to the sums secured by it or to the assets charged by it then, unless otherwise stated in that agreement, the relevant term of that agreement will prevail. This is not to prejudice any other provisions, in particular, the protection afforded to any third party under this instrument.
- 13.8 The Borrower grants warrandice to and in favour of the Lender.
- 13.9 The Borrower consents to registration hereof and of any certificate referred to in Clause 2 hereof for preservation and execution: IN WITNESS WHEREOF these presents consisting of this and the 12 preceding pages are executed as follows:

SUBSCRIBED for and on behalf of Buckie Shipyard Limited
at Netherton, Langbank, Renfrewshire PA14 6YG on the 19th
day of July 2013 by James Frank Lithgow
one of its Directors


Director

Witness: 1

Name DEBORAH WISSET
Address 44 BREIDLAND ROAD
Paisley PA2 9UF.


Witness