

MR01

Particulars of a charge



Companies House

13/024850

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 NOT for**
You may not use this form to
register a charge where there is no
instrument. Use form MR08.

For further information, please
refer to our guidance at:
www.companieshouse.gov.uk

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



You must enclose a certified copy of the instrument with this form. I
scanned and placed on the public record. Do not send the original.

FRIDAY



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SCT

17/10/2014

#4

COMPANIES HOUSE

1 Company details

Company number S C 0 7 5 6 4 7

Company name in full AYRSHIRE ALUMINIUM CO. LIMITED

→ 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 0 2 1 0 2 0 1 4

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 The Royal Bank of Scotland plc

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.

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Particulars of a charge

4	Brief description	
Brief description	<p>Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument.</p> <p>N/A</p>	<p>Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument".</p> <p>Please limit the description to the available space.</p>
5	Other charge or fixed security	
	<p>Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box.</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>	
6	Floating charge	
	<p>Is the instrument expressed to contain a floating charge? Please tick the appropriate box.</p> <p><input checked="" type="checkbox"/> Yes Continue</p> <p><input type="checkbox"/> No Go to Section 7</p> <p>Is the floating charge expressed to cover all the property and undertaking of the company?</p> <p><input checked="" type="checkbox"/> Yes</p>	
7	Negative Pledge	
	<p>Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box.</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	
8	Trustee statement ^①	
	<p>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.</p> <p><input type="checkbox"/></p>	<p>^① This statement may be filed after the registration of the charge (use form MR06).</p>
9	Signature	
Signature	<p>Please sign the form here.</p> <p>Signature</p> <p>X  X</p> <p>Gateley (Scotland) LLP</p> <p>This form must be signed by a person with an interest in the charge.</p>	

MRO1

Particulars of a charge



Presenter information

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **PETER SMARTT**

Company name **HBJ GATELEY**

Address **EXCHANGE TOWER**

19 CANNING STREET

Post town **EDINBURGH**

County/Region

Postcode **E H 3 8 E H**

Country

DX **ED27**

Telephone **0131 228 2400**



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: 75647

Charge code: SC07 5647 0003

The Registrar of Companies for Scotland hereby certifies that a charge dated 2nd October 2014 and created by AYRSHIRE ALUMINIUM CO. LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 17th October 2014.

Given at Companies House, Edinburgh on 22nd October 2014



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

Certified as a true copy of
the original subject to the
exclusion of personal
information permitted by
Section 859G of the
Companies Act 2006

Bank ref: [

Floating Charge (Scotland) Company (0910)

Gateley (Scotland) LLP

THIS IS AN IMPORTANT DEED. YOU SHOULD TAKE LEGAL ADVICE BEFORE SIGNING.

Owner: Ayrshire Aluminium Co. Limited

Registered No: SC075647

Bank: The Royal Bank of Scotland plc

1. Owner's Obligations

The Owner will pay to the Bank on demand all the Owner's Obligations. The **Owner's Obligations** are all the Owner's liabilities to the Bank (present, future, actual or contingent and whether incurred alone or jointly with another) and include:

- 1.1 **Interest** at the rate charged by the Bank, calculated both before and after demand or decree on a daily basis and compounded according to agreement, or, in the absence of agreement, quarterly on the days selected by the Bank.
- 1.2 Any expenses the Bank or a receiver incurs (on a full indemnity basis and with Interest from the date of payment) in connection with:
 - 1.2.1 the **Property** charged by Clause 2. References to Property include any part of it.
 - 1.2.2 taking, perfecting, protecting, enforcing or exercising any power under this deed

2. Floating Charge

- 2.1 The Owner, as a continuing security for the payment on demand of the Owner's Obligations, gives to the Bank a floating charge over all its property, undertaking, assets (including uncalled capital) and rights owned now or in the future.
- 2.2 Any fixed charge given by the Owner to the Bank will rank in priority to the floating charge.
- 2.3 The floating charge will rank in priority to any fixed charge and any other floating charge granted by the Owner after completion of this deed, unless the Bank agrees otherwise.

3. Restrictions

The Owner will not, without the Bank's consent:

- 3.1 permit or create any fixed security, floating charge or lien on the Property, whether ranking before or after this deed, except in favour of the Bank.
- 3.2 dispose of any of its Land. References to **Land** are to any interest in heritable, freehold or leasehold land.
- 3.3 grant, or accept a surrender of, any lease or licence of any of its Land or consent to a tenant assigning or sub-letting.
- 3.4 dispose of any other property, assets or rights, other than in the ordinary course of business.
- 3.5 deal with its book and other debts, except by collecting them in the ordinary course of business. In particular, the Owner will not realise its book and other debts by means of invoice discounting or factoring arrangements.
- 3.6 call on, or accept payment of, any uncalled capital.

4. Property Undertakings

The Owner will:

- 4.1 permit the Bank at any time to inspect the Property.
- 4.2 keep all Property of an insurable nature comprehensively insured (including if requested by the Bank, terrorism cover) to the Bank's reasonable satisfaction for its full reinstatement cost. In default, the Bank may arrange insurance at the Owner's expense.

- 4.3 hold on trust for the Bank all proceeds of any insurance of the Property. At the Bank's option, the Owner will apply the proceeds in making good the relevant loss or damage, or to reduce the Owner's Obligations.
- 4.4 where required by the Bank, deposit with the Bank all insurance policies (or copies where the Bank agrees), and all deeds and documents of title relating to the Property.
- 4.5 keep the Property in good condition.
- 4.6 not, without the Bank's consent, carry out any development on or make any alterations to any Land which require planning permission or approval under building regulations.
- 4.7 pay all the money the Owner receives in respect of book and other debts into an account with the Bank. The Bank may specify the relevant account.

5. Investigating Accountants

The Bank may require the Owner to appoint a firm of accountants to review its financial affairs, if:

- 5.1 any of the Owner's Obligations are not paid when due.
- 5.2 the Bank considers that the Owner has breached any other obligation to the Bank.
- 5.3 the Bank considers any information provided by the Owner to be materially inaccurate.

Any review required will take place within 7 days of the Bank's request (or longer if the Bank agrees). The firm, and the terms of reference, must be approved by the Bank. The Owner (and not the Bank) will be responsible for the firm's fees and expenses, but the Bank may make payment and the Owner will repay the Bank on demand.

6. Enforcement

In addition to the Bank's statutory rights, the floating charge will become enforceable and the Bank may appoint an administrator or receiver, if:

- 6.1 the Bank demands payment of any of the Owner's Obligations.
- 6.2 the Owner asks the Bank, or the Bank receives notice of intention, to appoint an administrator or an administration application is made.
- 6.3 a meeting is called or a petition is presented for liquidation of the Owner.
- 6.4 any security is enforced in respect of any assets of the Owner.

7. Certificate of Owner's Obligations and Consent to Registration

A certificate signed by a Bank official as to the amount of the Owner's Obligations will be binding on the Owner, except if there is an obvious error. The Owner consents to the registration of this deed and the certificate for preservation and execution.

8. Appointment of Receiver or Administrator

The Bank may appoint or remove a receiver or receivers of the Property, or appoint an administrator of the Owner. If the Bank appoints a receiver, the Bank may fix and pay the receiver's fees and expenses. The receiver will be the Owner's agent and the Owner (and not the Bank) will be responsible for the acts, defaults and remuneration of the receiver.

9. Powers of the Bank and receivers

- 9.1 The Bank or any receiver may:
 - 9.1.1 carry on the Owner's business.
 - 9.1.2 enter, take possession of, and/or generally manage the Property.

- 9.1.3 complete any unfinished works or carry out any new works of building, reconstruction, maintenance or repair on any Land.
- 9.1.4 purchase any Land or other property and purchase, grant or release any interest in or right over Land or the benefit of any covenants affecting that Land. References to Land or Property include land or property that is purchased by the Bank or a receiver under this power.
- 9.1.5 sell, lease, surrender or accept surrenders of leases, charge or deal with the Property without restriction, including disposing of any fixtures separately from the Land.
- 9.1.6 complete any transactions by executing any deeds or documents in the name of the Owner.
- 9.1.7 take, continue or defend any proceedings and enter into any arrangement or compromise.
- 9.1.8 insure the Property and any works, arrange indemnity and other similar insurance, and obtain bonds and give counter-indemnities and other security in connection with this.
- 9.1.9 call up any uncalled capital with all the powers conferred by the Owner's articles of association.
- 9.1.10 employ advisers, consultants, managers, agents, workmen and others.
- 9.1.11 purchase or acquire materials, tools, equipment, furnishing, goods or supplies.
- 9.1.12 do any acts which the Bank or a receiver considers to be incidental or beneficial to the exercise of their powers.
- 9.2 A receiver may borrow and secure the repayment of any money, in priority to the Owner's Obligations.
- 9.3 Joint receivers may exercise their powers jointly and separately.
- 9.4 A receiver will first apply any money received from the Property towards the repayment of all money that the receiver has borrowed and secondly in payment of the receiver's fees and expenses. The receiver will then apply any remaining money received as required by law.
- 9.5 The Bank may exercise any of its powers even if a receiver has been appointed.
- 9.6 The Bank may exercise any rights attached to any charged stock, shares and other securities as it considers necessary to preserve the value of, or realise, that Property. Otherwise, the Bank will only exercise those rights as instructed by the Owner.
- 9.7 The Bank may set off any amount due from the Owner against any amount owed by the Bank to the Owner. The Bank may exercise this right, without prior notice, both before and after demand. For this purpose, the Bank may convert an amount in one currency to another, using its market rate of exchange at the relevant time.
- 9.8 Any credit balance with the Bank will not be repayable, or capable of being disposed of, charged or dealt with by the Owner, until the Owner's Obligations both before and after demand have been paid in full. The Bank allowing the Owner to make withdrawals will not waive this restriction in respect of future withdrawals.

10. Application of Payments

- 10.1 The Bank may apply any payments received for the Owner to reduce any of the Owner's Obligations, as the Bank decides.
- 10.2 If the Bank receives notice of any charge or interest affecting the Property, the Bank may suspend the Owner's account(s) and open a new account or accounts. Regardless of whether the Bank suspends the account(s), any payments received by the Bank for the Owner after the date of the notice will be applied first to repay the Owner's Obligations arising after that date.

11. Preservation of Other Security and Rights and Further Assurance

- 11.1 The deed is in addition to any other security or guarantee for the Owner's Obligations held by the Bank now or in the future. The Bank may consolidate the deed with any other security so

that they have to be redeemed together, but it will not merge with or prejudice any other security or guarantee or any of the Bank's other rights.

- 11.2 On request, the Owner will execute any deed or document, or take any other action required by the Bank, to perfect or enhance the Bank's security under the deed.

12. Power of Attorney

To give effect to the deed and secure the exercise of any of their powers, the Owner irrevocably appoints the Bank, and separately any receiver, to be the Owner's attorney (with full power of substitution and delegation), in the Owner's name to sign or execute any documents, deeds and other instruments, or to take, continue or defend any proceedings.

13. Consents, Notices and Demands

- 13.1 All consents, notices and demands must be in writing.

- 13.2 The Bank may deliver a notice or demand to the Owner at its registered office or at the contact details last known to the Bank.

- 13.3 A notice or demand signed by an official of the Bank will be effective at the time of personal delivery; on the second business day after posting; or, if by fax, at the time of sending, if sent before 6.00 p.m. on a business day, or otherwise on the next business day. A **business day** is a weekday other than a national holiday.

- 13.4 A notice from the Owner to the Bank will be effective on receipt.

14. Transfers

The Bank may allow any person to take over any of its rights and duties under the deed. The Owner authorises the Bank to give that person or its agent any financial or other information about the Owner. References to the Bank include its successors.

15. Law

- 15.1 Scots law applies to this deed and the Scottish courts have exclusive jurisdiction.

15.2 For the benefit of the Bank, the Owner irrevocably submits to the jurisdiction of the Scottish courts and irrevocably agrees that a decree or ruling in any proceedings in connection with the deed in those courts will be conclusive and binding on the Owner and may be enforced against the Owner in the courts of any other jurisdiction.

Subscribed for the Owner

)
)
)
)
)
)

Director/Secretary

If there is only one signature, which must be that of a Director, a witness is required

Signed by the Director in the presence of:

Witness' signature

Witness' name in full

Address

Occupation

Date 0 2 1 0 1 4

You must date
the document

Certified as a true copy of
the original subject to the
exclusion of personal
information permitted by
Section 859G of the
Companies Act 2006


Gateley (Scotland) LLP

INTERCREDITOR AGREEMENT

between

(1) THE ROYAL BANK OF SCOTLAND PLC

(2) RBS INVOICE FINANCE LIMITED

(3) UK STEEL ENTERPRISE LIMITED

(4) MARTIN ALAN SMITH AND OTHERS

and

(5) GMSS HOLDINGS LIMITED AND CERTAIN OF ITS SUBSIDIARIES

2014

HBJ Gateley

Cornerstone
107 West Regent Street
Glasgow, G2 2BA

t: +44 (0) 141 221 2300
f: +44 (0) 141 221 5800
FAS2286
DX GW120

Exchange Tower
19 Canning Street
Edinburgh EH3 8EH

t: +44 (0) 131 228 2400
f: +44 (0) 131 222 9800
FAS: 2830
DX ED27

www.hbjgateley.com
A/8538909/5

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INTERCREDITOR AGREEMENT

between

- (1) **THE ROYAL BANK OF SCOTLAND PLC** (Registered Number SC090312) whose registered office is at 36 St Andrew Square, Edinburgh EH2 2YB ("**RBS**");
- (2) **RBS INVOICE FINANCE LIMITED** (Registered Number 00662221) whose registered office is at Smith House, PO Box 50, Elmwood Avenue, Feltham, Middlesex TW13 7QD ("**RBSIF**");
- (3) **UK STEEL ENTERPRISE LIMITED** (Registered Number 535960) whose registered office is at The Innovation Centre, 217 Portobello, Sheffield S1 4DP ("**UK Steel**");
- (4) **THE INDIVIDUALS**, whose details are listed in Part 1 of the Schedule (together the "**Managers**" and each a "**Manager**");
- (5) **GMSS HOLDINGS LIMITED** (Registered Number SC478614) whose registered office is at Block 2, Bonnyton Industrial Estate, Munro Place, Kilmarnock, Ayrshire KA1 2NP (the "**Parent**"); and
- (6) **THE COMPANIES**, whose details are listed in Part 2 of the Schedule (together the "**Subsidiaries**", each a "**Subsidiary**").

NOW THEREFORE THE PARTIES HAVE AGREED AND DO HEREBY AGREE as follows:-

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Agreement, except where the context otherwise requires, each of the expressions set out below shall have the following meanings:-

"**Administrator**" has the same meaning as in Schedule B1 to the Insolvency Act 1986;

"**Articles of Association**" means the articles of association of the Parent adopted on or around the date of this Agreement;

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

"**Creditor**" means each of the Senior Lenders and each of the Subordinated Creditors;

"**Customer Debt**" means any Debt as such term is defined in the RBSIF Facility Agreement;

"**Debt**" means the Senior Debt and the Subordinated Debt;

"**Deed of Accession**" means a deed of accession in favour of the Senior Lenders substantially in the form set out in Part 3 of the Schedule (or as otherwise approved by the Senior Lenders in writing);

"**Enforcement Action**" means any action whatsoever to:-

- (a) demand payment of, declare prematurely due and payable or otherwise seek to accelerate payment of or place on demand, all or any part of the Subordinated Debt;
- (b) recover all or any part of the Subordinated Debt (including, without limitation, by exercising any right of set-off or combination of accounts);
- (c) exercise or enforce any security right or rights against guarantors or sureties or any other rights under any other document or agreement in relation to (or

given in support of) all or any part of the Subordinated Debt (including, without limitation, under the Subordinated Documents);

- (d) petition for (or take any other steps or action which may lead to) an Insolvency Event in relation to any Group Company; or
- (e) commence legal proceedings against any Group Company;

"Financial Covenants" means the financial covenants set out in clause 10 of the RBS Facility Agreement or any other replacement financial covenants in any RBS Document;

"Glasgow Property" means the retail premises owned by SDG at 445 Clarkson Road, Glasgow G44 3LL;

"Group Company" means the Parent and each of the Subsidiaries and **"Group Company"** means each and any of them;

"Insolvency Event" means:-

- (a) any application, notice, resolution or order is made, passed or given for or in connection with the winding up, liquidation, dissolution, administration or reorganisation of any Group Company;
- (b) any Group Company becomes subject to any insolvency, reorganisation, receivership (whether relating to all or some only of its assets), liquidation, dissolution or other similar proceedings, whether voluntary or involuntary and whether or not involving insolvency;
- (c) any Group Company assigns all or any of its assets for the benefit of its creditors generally (or any class thereof) or enters into any composition or arrangement with its creditors generally or any arrangement is ordered or declared by a court of competent jurisdiction whereby all or any of its affairs and/or assets are submitted to the control of, or are protected from, its creditors;
- (d) any Group Company becomes subject to any distribution of its assets in consequence of insolvency, reorganisation, liquidation, dissolution or administration; or
- (e) any event analogous to any of the foregoing shall occur in relation to any Group Company or any of its assets in any jurisdiction;

"Kilmarnock Property" means the industrial premises owned by SDG at Block 2, Munro Place, Kilmarnock KA1 2NP;

"Manager Debt" means all present and future sums, liabilities and obligations (whether actual and contingent, present or future) payable or owing by the Group Companies or any of them to the Managers under the Manager Documents;

"Manager Documents" means:

- (a) the Manager Loan Agreements;
- (b) the Articles of Association; and
- (c) the Subscription Agreement;

"Manager Loan Agreements" means:

- (a) the loan agreement dated on or around the date of this Agreement between the Borrower and Martin Alan Smith;
- (b) the loan agreement dated on or around the date of this Agreement between the Borrower and Gavin Smith;

- (c) the loan agreement dated on or around the date of this Agreement between the Borrower and John Glen; and
- (d) the loan agreement dated on or around the date of this Agreement between the Borrower and Robert McKnight;

"Non-vesting Debts" means any Customer Debts purchased or purported to be purchased by RBSIF pursuant to the RBSIF Facility Agreement which fail to vest absolutely in RBSIF;

"Permitted Payments" means:-

- (a) a scheduled payment of interest by the Parent pursuant to the terms of clause 4 of the UK Steel Loan Agreement;
- (b) a scheduled capital repayment by the Parent pursuant to the terms of clause 5.1 of the UK Steel Loan Agreement; and
- (c) a scheduled dividend payment by the Parent pursuant to article 13 of the Articles of Association;

"Properties" means each of the Glasgow Property and the Kilmarnock Property;

"Purchased Debts" means all or any of the Customer Debts together with their Related Rights (as defined in the RBSIF Facility Agreement) which are purchased or the ownership of which are assigned or are intended to be assigned to RBSIF pursuant to the RBSIF Facility Agreement;

"RBS Debt" means all or any monies and liabilities which shall from time to time (and whether on or at any time after demand) be due, owing or incurred in whatsoever manner to RBS by the Group Companies, whether actually or contingently, solely or jointly and whether as principal or surety and whether or not RBS shall have been an original party to the relevant transaction, and including interest, discount, commission and other lawful charges or expenses which RBS may in the course of its business charge or incur in respect of any of those matters or for keeping the Group Companies' accounts, and so that interest shall be computed and compounded according to the usual RBS rates and practice as well after as before any demand made or decree obtained;

"RBS Documents" means the RBS Facility Agreement, the RBS Security Documents and any other agreement, deed, letter or instrument entered into between RBS and any of the Group Companies setting out the terms of the RBS Debt;

"RBS Default" means an Event of Default (as defined in the RBS Facility Agreement);

"RBS Discharge Date" means the first date on which all RBS Debt has been fully repaid and discharged to RBS whether or not as the result of enforcement, and RBS is under no further obligation to provide finance to any Group Company under any of the RBS Documents;

"RBS Facility Agreement" means the facility agreement dated on or around the date of this Agreement between RBS and the Parent relating to certain term loan facilities;

"RBS Floating Charges" means each of the floating charges granted by each of the Group Companies in favour of RBS dated on or around the date hereof;

"RBS Security Documents" means the RBS Floating Charges, the RBS Standard Securities and all collateral, additional or substituted securities from time to time being held by RBS and granted by the Group Companies (or any of them) as security for the payment and discharge of any part of the RBS Debt;

"RBS Standard Securities" means:

- (a) the standard security granted by SDG in favour of RBS dated on or around the date hereof in relation to the Glasgow Property; and
- (b) the standard security granted by SDG in favour of RBS dated on or around the date hereof in relation to the Kilmarnock Property;

"RBSIF Default" means any decision by RBSIF to demand immediate repayment of the RBSIF Debt;

"RBSIF Documents" means the RBSIF Facility Agreement, the RBSIF Security Documents and any other agreement, deed, letter or instrument entered into between RBSIF and any of the Group Companies setting out the terms of the RBSIF Debt;

"RBSIF Facility Agreement" means the invoice discounting agreement dated on or around the date of this Agreement between RBSIF and SDG relating to certain invoice discounting facilities;

"RBSIF Floating Charges" means each of the floating charges granted by each of the Group Companies in favour of RBSIF dated on or around the date hereof;

"RBSIF Debt" means all or any monies and liabilities which shall from time to time (and whether on or at any time after demand) be due, owing or incurred in whatsoever manner to RBSIF by the Group Companies, whether actually or contingently, solely or jointly and whether as principal or surety and whether or not RBSIF shall have been an original party to the relevant transaction, and including interest, discount, commission and other lawful charges or expenses which RBSIF may in the course of its business charge or incur in respect of any of those matters or for keeping the Group Companies' accounts, and so that interest shall be computed and compounded according to the usual RBSIF rates and practice as well after as before any demand made or decree obtained;

"RBSIF Security Documents" means the RBSIF Floating Charges and all collateral, additional or substituted securities from time to time being held by RBSIF and granted by the Group Companies (or any of them) as security for the payment and discharge of any part of the RBSIF Debt;

"Receiver" means an administrative receiver, a receiver and manager or a receiver;

"Schedule" means the schedule in three parts annexed as relative hereto;

"SDG" means Scotia Double Glazing Limited (registered number SC084590);

"Securities" means any or all, as the context requires, of Senior Security Documents and the Subordinated Security Documents;

"Security Period" means the period from the date of this Agreement to the date on which the Senior Debt is repaid in full and no commitment by either of the Senior Lenders to provide facilities to all or any of the Group Companies remains in effect;

"Senior Debt" means the RBS Debt and the RBSIF Debt;

"Senior Documents" means the RBS Documents and the RBSIF Documents;

"Senior Floating Charges" means the RBS Floating Charges and the RBSIF Floating Charges;

"Senior Lenders" means each of RBS and RBSIF;

"Senior Security Documents" means the RBS Security Documents and the RBSIF Security Documents;

"Subordinated Creditors" means UK Steel and the Managers;

"Subordinated Debt" means the Manager Debt and the UK Steel Debt;

"Subordinated Documents" means the Manager Documents and the UK Steel Documents;

"Subscription Agreement" means the subscription agreement dated on or around the date of this Agreement among the Parent, UK Steel and the Managers

"Trust Account" means any bank account in the name of a Group Company designated in trust for RBSIF for the purposes of the RBSIF Facility Agreement;

"UK Steel Debt" means all present and future sums, liabilities and obligations (whether actual and contingent, present or future) payable or owing by the Group Companies or any of them to UK Steel under the UK Steel Loan Agreement; and

"UK Steel Documents" means:

- (a) the UK Steel Loan Agreement;
- (b) the Subscription Agreement; and
- (c) the Articles of Association; and

"UK Steel Loan Agreement" means the unsecured loan agreement dated on or around the date of this Agreement between the Parent and UK Steel.

1.2 In this Agreement, unless the context otherwise requires:-

- 1.2.1 references to the parties shall be construed so as to include their respective successors and permitted assigns;
- 1.2.2 references to a "business day" shall be construed as a reference to a day (other than a Saturday or a Sunday) on which banks are generally open for the transaction of business in Pounds Sterling in London;
- 1.2.3 references to Clauses are references to clauses of this Agreement;
- 1.2.4 references to this Agreement shall be to this Agreement as amended, varied, supplemented or novated from time to time;
- 1.2.5 headings are inserted for ease of reference only and shall be ignored in the construction of this Agreement;
- 1.2.6 references to any statute or law shall be to such statute or law as re-enacted, amended, extended or replaced from time to time; and
- 1.2.7 the singular includes the plural and vice versa and any gender includes the other.

1.3 If there is any conflict or inconsistency between any provision of this Agreement and any provision contained within a Security, the provisions of this Agreement shall prevail.

2. **CONSENTS AND AGREEMENTS**

2.1 Insofar as consent is required under the terms of the Securities or otherwise, each Creditor hereby confirms its consent to the creation and continuance of the Securities in favour of RBS and RBSIF.

2.2 RBS and the Subordinated Creditors consent to SDG's entry into of the RBSIF Facility Agreement and the assignation of Customer Debts by SDG under the RBSIF Facility Agreement and agrees that Customer Debts which vest in RBSIF under the RBSIF Facility Agreement (whether by way of assignation, holding in trust or otherwise) are released from the RBS Security Documents.

- 2.3 RBS and the Subordinated Creditors consent to SDG (and any other Group Company which obtains facilities from RBSIF) opening a Trust Account and agrees that such Group Company shall not be entitled to withdraw funds from such account other than by payment to RBSIF.

3. **RANKING OF DEBTS**

- 3.1 The Debt shall rank for all purposes and at all times until the occurrence of any Enforcement Action and/or Insolvency Event in the following order of priority:-
- 3.1.1 first, the Senior Debt (in such order as RBS and RBSIF may agree between themselves); and
- 3.1.2 second, the Subordinated Debt.
- 3.2 RBS, the Subordinated Creditors and the Group Companies agree and acknowledge to RBSIF that the proceeds of any Customer Debt whenever created constitute a realisation of a Customer Debt payable to RBSIF and such proceeds are not a realisation of any other asset of the Group Companies.
- 3.3 A certificate signed by a duly authorised signatory of RBS will, except in the case of manifest error, be conclusive evidence of the amount of the RBS Debt which is outstanding.
- 3.4 A certificate signed by a duly authorised signatory of RBSIF will, except in the case of manifest error, be conclusive evidence of the amount of the RBSIF Debt which is outstanding.

4. **RANKING OF SECURITIES**

- 4.1 RBS and RBSIF agree and the Group Companies acknowledge that the charges in the Securities shall rank and all receipts, recoveries and realisations (the "Realisations") pursuant to any enforcement of the Securities shall be applied in satisfying the monies, obligations and liabilities thereby secured as follows:-
- 4.1.1 in respect of Realisations of the Properties, first the RBS Standard Securities in discharging the RBS Debt, secondly the RBS Floating Charges in discharging the RBS Debt and thirdly the RBSIF Floating Charges in discharging the RBSIF Debt;
- 4.1.2 in respect of Realisations of Non-vesting Debts, first the RBSIF Floating Charges in discharging the RBSIF Debt and secondly the RBS Floating Charges in discharging the RBS Debt; and
- 4.1.3 in respect of Realisations of all assets of any Group Company other than the Properties and the Non-vesting Debts, first the RBS Floating Charges in discharging the RBS Debt, secondly the RBSIF Floating Charges in discharging the RBSIF Debt and thereafter any remaining Realisations shall be returned to the relevant Group Company.
- 4.2 The amount of any Administrator's or Receiver's remuneration and all outgoings, costs, charges, expenses, liabilities and payments ranking by statute for payment in priority to the amount secured by the Securities shall be deducted from all receipts and recoveries under the Security under which he is appointed prior to their application towards the discharge or satisfaction of the amount secured by the Securities.
- 4.3 For the purposes of the Insolvency Act 1986 the Creditors hereby confirm that any qualifying floating charges within the meaning of paragraph 14 of Schedule B1 to the Insolvency Act 1986 contained in the Securities shall rank in the order set out in Clause 4.1 notwithstanding the date of creation of such floating charges.

- 4.4 Each of the parties to this Agreement agrees that the proceeds of any Debt (as defined in the RBSIF Facility Agreement) whenever created constitute a realisation of a Debt (as defined in the RBSIF Facility Agreement) payable to RBSIF and such proceeds are not a realisation of any other asset of SDG.
- 4.5 Nothing contained within this Agreement is intended to rank any floating charge in the Securities before any fixed charge in the Securities. If the result of the operation of Clause 4.1 is to:-
- 4.5.1 rank a floating charge ahead of a fixed charge; or
- 4.5.2 cause any surplus proceeds of realisation of a fixed charge to fall due to a floating chargeholder;
- then, the parties agree that in the circumstances contemplated by Clause 4.5.1 the floating charge shall be postponed to the fixed charge and that in both cases the holder of that fixed charge (and the relevant Group Company) agrees that:-
- 4.5.3 all Realisations from its fixed charge shall be applied in the order set out in Clause 4.1; and
- 4.5.4 it (and any Administrator or Receiver) will hold any Realisations from its fixed charge on trust for the Creditors to be applied in the order set out in Clause 4.1.
- 4.6 No Creditor shall be entitled to the proceeds of realisation from any assets over which it does not hold effective security.

5. UNDERTAKINGS

- 5.1 During the Security Period, no Group Company will (and the Subordinated Creditors will not require any Group Company to):-
- 5.1.1 create or permit to subsist any security over any of its assets for all or part of the Subordinated Debt or any guarantee (or other assurance against financial loss) for or in respect of all or any part of the Subordinated Debt, in either case other than by the security or guarantees conferred by the Subordinated Security Documents entered into on or before the date of this Agreement;
- 5.1.2 pay, repay, prepay, redeem, purchase or otherwise discharge or release any of the Subordinated Debt, other than in respect of any Permitted Payments in accordance with the terms of Clause 6;
- 5.1.3 amend any of the terms of the Subordinated Documents, save with the prior written consent of Senior Lenders;
- 5.1.4 discharge any of the Subordinated Debt by set-off or any right of combination of accounts save only to the extent it may be required to do so or if the same occurs automatically by operation of law (but not, in either case, by reason of any contract or agreement);
- 5.1.5 give any financial support to any person to enable it to do any of the things referred to in Clause 5.1.1 to 5.1.4 (inclusive) above; or
- 5.1.6 take or omit to take any action whereby the ranking and/or subordination arrangements provided for herein in relation to the Subordinated Debt or any part thereof may be impaired or adversely affected.
- 5.2 During the Security Period, no Subordinated Creditor will:-
- 5.2.1 demand or (except in respect of any Permitted Payment in accordance with the terms of Clause 6) accept payment, repayment, prepayment or any

distribution in respect of, or on account of, any Subordinated Debt in cash or in kind or accelerate, declare payable on demand or enforce by execution or otherwise any principal, interest, cost or other sums in respect of the Subordinated Debt or part thereof;

- 5.2.2 exercise any right of set-off, combination of accounts or lien or exercise or accept any transfer of rights, property or assets from any of the Group Companies (or any other source) in satisfaction of the Subordinated Debt or part thereof;
 - 5.2.3 claim or rank as a creditor in the insolvency, winding-up, bankruptcy or liquidation of any of the Group Companies, other than in accordance with Clause 9;
 - 5.2.4 take, receive or permit to subsist any security right or any guarantee (or other assurance against financial loss) for, or in respect of, any Subordinated Debt, other than in terms of the Subordinated Security Documents entered into on or before the date of this Agreement;
 - 5.2.5 amend, vary, waive or release any provision of the Subordinated Documents in any way which (i) in the opinion of RBS, is likely to have an adverse effect upon the interests of RBS in relation to the RBS Debt; or (ii) in the opinion of RBSIF, is likely to have an adverse effect upon the interests of RBSIF in relation to the RBSIF Debt;
 - 5.2.6 sell, transfer or otherwise dispose of any of the Subordinated Debt;
 - 5.2.7 take any Enforcement Action involving any Group Company, other than in terms of Clause 8;
 - 5.2.8 take or omit to take any action whereby the ranking and/or subordination arrangements provided for herein in relation to the Subordinated Debt or any part thereof may be impaired or adversely affected.
- 5.3 During the Security Period, each Subordinated Creditor undertakes to the Senior Lenders that it shall comply with its obligations under this Agreement and (subject to such obligations) the Subordinated Documents.

6. PERMITTED PAYMENTS

- 6.1 Prior to the RBS Discharge Date, the Parent may make Permitted Payments when the same are due and payable provided that as at the date on which payment is to be made:-
- 6.1.1 all financial information required to be delivered in terms of the RBS Facility Agreement has been received by RBS;
 - 6.1.2 no breach of the Financial Covenants or any terms of the RBS Facility Agreement has occurred or is likely to occur as a result of such payment being made;
 - 6.1.3 RBS has received a certificate signed by a director of the Parent certifying that in the opinion of the directors of the Parent (after due and diligent enquiries having regard to all information available to the Parent) the proposed payment pursuant to the UK Steel Loan Agreement or article 13 of the Articles of Association (as appropriate) will not result in the occurrence of a breach of the Financial Covenants or any terms of the RBS Facility Agreement on any date on which compliance with those obligations is to be tested within 12 months of the proposed date of such payment or repayment; and

- 6.1.4 RBS is satisfied that the proposed payment pursuant to the UK Steel Loan Agreement or article 13 of the Articles of Association (as appropriate) will not result in the occurrence of a breach of the Financial Covenants or any terms of the RBS Facility Agreement on any date on which compliance with those obligations is to be tested within 12 months of the proposed date of such payment or repayment.
- 6.2 On and following the RBS Discharge Date, the Parent may make Permitted Payments when the same are due and payable provided that as at the date on which payment is to be made:-
- 6.2.1 all financial information required to be delivered in terms of the RBSIF Facility Agreement has been received by RBSIF; and
- 6.2.2 no breach of any terms of the RBSIF Facility Agreement has occurred or is likely to occur as a result of such payment being made.

7. CONTINUING SECURITY

- 7.1 The Securities shall be continuing securities for repayment to the Creditors of the money and liabilities thereby secured and the priority arrangements herein contained shall not be affected by the date(s) of any advances made to any Group Company by any of the Creditors, by any fluctuations in the amount from time to time due owing or incurred by any Group Company to any of the Creditors or by the existence at any time of a credit or nil balance on any relevant account of the Company with any Creditor.
- 7.2 The provisions of this Agreement shall apply and the Securities shall be given effect in accordance with the terms of this Agreement notwithstanding (i) the date(s) of their creation, registration or intimation or (ii) the provisions of Sections 464 or 466 of the Companies Act 1985. The Securities are hereby varied to the extent specified in this Agreement and this Agreement shall be construed and receive effect as an instrument of alteration within the meaning of Section 466 of the Companies Act 1985.

8. ENFORCEMENT OF SECURITY

8.1 Enforcement by RBS

- 8.1.1 Subject to the terms of clause 8.1.2 below, RBS may take Enforcement Action at any time in accordance with the provisions of the RBS Finance Documents and shall not be responsible to RBSIF or any Group Company for any Enforcement Action or any failure to take Enforcement Action or to maximise the proceeds of any enforcement of the RBS Security and RBS may cease any such enforcement at any time.
- 8.1.2 RBS may only take Enforcement Action in accordance with clause 8.1.1 above if any RBS Default has occurred and:-
- 8.1.2.1 RBS has given notice to RBSIF in writing of the occurrence of such RBS Default (an "**RBS Enforcement Notice**");
- 8.1.2.2 a period (an "**RBS Standstill Period**") of not less than 5 Business Days has elapsed from the date RBSIF received the RBS Enforcement Notice; and
- 8.1.2.3 the RBS Default in question is continuing and has not been remedied or waived in writing by RBS on or prior to the end of the RBS Standstill Period.

8.2 Enforcement by RBSIF

8.2.1 RBSIF may only take any Enforcement Action at any time prior to the RBS Discharge Date if:-

8.2.1.1 the prior written consent of RBS is obtained;

8.2.1.2 RBS has taken any steps to enforce the RBS Security Documents; or

8.2.1.3 the following has taken place:-

- (i) an RBSIF Default has occurred;
- (ii) RBSIF has given notice to RBS (an "**RBSIF Enforcement Notice**") of the occurrence of such RBSIF Default;
- (iii) a period (an "**RBSIF Standstill Period**") of not less than 5 Business Days has elapsed from the date RBS received the RBSIF Enforcement Notice; and
- (iv) the RBSIF Default in question is continuing and has not been remedied or waived in writing by RBSIF on or prior to the end of the RBSIF Standstill Period.

8.3 **Benefit of RBS and RBSIF Enforcement Provisions**

The obligations and rights of the Senior Lenders pursuant to Clauses 8.1 and 8.2 are given to and for the benefit of the Senior Lenders only and are not enforceable by any other party to this Agreement.

8.4 **Enforcement by Subordinated Creditors**

8.4.1 Subject to Clause 8.4.2 below, the Subordinated Creditors shall not take any Enforcement Action prior to the expiry of the Security Period without the prior written consent of the Senior Lenders.

8.4.2 The restriction in Clause 8.4.1 above, shall not apply to the relevant Subordinated Creditors in respect of a Group Company if:-

8.4.2.1 a court makes a winding-up order or an order for the dissolution or liquidation of such Group Company or a liquidator or an Administrator or equivalent is appointed to such Group Company, other than in any such case as a result of action taken by (or on behalf of) all or any of the Subordinated Creditors; and

8.4.2.2 either of the Senior Lenders has enforced the security conferred by the Senior Security Documents (or any of them) granted by such Group Company other than by the exercise by either of the Senior Lenders of any set-off or similar rights.

9. **INSOLVENCY PROCEEDINGS**

9.1 If an Insolvency Event occurs in respect of any Group Company during the Security Period then:-

9.1.1 the Subordinated Debt will be postponed and subordinated to the Senior Debt and (if required by the either RBS or RBSIF but not otherwise) each of the Subordinated Creditors will file any proof or other claim necessary for the recovery of the Subordinated Debt;

9.1.2 any payment or distribution of any kind or character and all and any rights in respect of such payment or distribution, whether in cash, securities or other property, which is payable or deliverable upon or with respect to all or part of the Subordinated Debt by a liquidator, Administrator, or Receiver (or equivalent) of any Group Company or its estate made or paid to or received

by any of the Subordinated Creditors or to which any of the Subordinated Creditors are entitled, will be held in trust by its recipient for the Senior Lenders and will immediately be paid or, transferred or assigned to RBS for application in the order set out in Clause 4 of this Agreement; and

- 9.1.3 if the trust referred to in Clause 9.1.2 above fails or cannot be given effect to, each Subordinated Creditor (and any agent or trustee on their behalf) receiving any such payment or distribution will pay an amount equal to such payment or distribution to RBS for application in the order set out in Clause 4 of this Agreement.

- 9.2 If, prior to the expiry of the Security Period, any Subordinated Creditor receives or recovers any proceeds of Enforcement Action or a payment or distribution in respect of the Subordinated Debt other than a Permitted Payment or in accordance with the ranking set out in Clause 4, it will promptly pay such amount to RBS for application in the order set out in Clause 4 after deducting the costs, liabilities and expenses (if any) reasonably and properly incurred by such Subordinated Creditor in recovering or receiving such payment and, pending such payment, will hold these amounts and distributions on trust (or otherwise separated from its assets) on behalf of the Senior Lenders (and the Senior Lenders acknowledge notice of such trust).

10. COMPLIANCE WITH COVENANTS

Provided that each Group Company observes and performs all the covenants in the Senior Documents then during the Security Period the Group Companies shall be deemed to have complied with all or any corresponding covenants in the Subordinated Documents.

11. WAIVER OF DEFENCES

- 11.1 The subordination effected or intended to be effected by this Agreement and the obligations of the Subordinated Creditors under it shall not be affected by any act, omission or circumstances which but for this provision might operate to release any of the Subordinated Creditors from their obligations or affect such obligations or such subordination including, without limitation and whether or not known to the Subordinated Creditors or any other person:-
- 11.1.1 any time, indulgence or waiver granted to, or composition with any Group Company or any other person;
 - 11.1.2 the taking, variation, compromise, renewal or release of, or refusal or neglect to perfect or enforce, any rights, remedies or securities against or granted by any Group Company or any other person;
 - 11.1.3 any unenforceability, illegality, invalidity or frustration of any obligation of any of the Group Companies under the Senior Documents or of any other person under any other document;
 - 11.1.4 any amendment to or variation of the terms of the Senior Documents or any other document;
 - 11.1.5 any postponement, discharge, reduction, non-provability or other similar circumstance affecting any obligation of any Group Company under any of the Senior Documents resulting from any insolvency, liquidation or dissolution proceedings or from any law or regulation.
- 11.2 This Agreement shall apply in respect of the Senior Debt irrespective of any intermediate payment of any of the Senior Debt and shall apply to the ultimate balance of the Senior Debt.

- 11.3 Notwithstanding any of the provisions of this Agreement postponing, subordinating or delaying the payment of all or any of the Subordinated Debt, such Subordinated Debt shall as between the Parent and the relevant Subordinated Creditor remain owing or due and payable in accordance with the terms of the Subordinated Documents.

12. CREDITS TO GROUP COMPANIES' ACCOUNTS WITH RBS

- 12.1 Notwithstanding (i) the terms of any charge on the Customer Debts contained in the RBSIF Floating Charge and (ii) any covenant in the RBSIF Floating Charge or in the RBSIF Facility Agreement or any other request or instruction, by a Group Company to RBS to pay the proceeds of any Customer Debts into the relevant Group Company's account with RBSIF or with RBS or some other bank, RBSIF and the Group Companies agree that RBS may accept any payment or collect any cheque or other instrument for credit to the relevant Group Company's account with RBS and shall not be obliged to pay any sum to RBSIF unless:-

12.1.1 prior to the receipt of such credit RBS has received notice in writing from RBSIF that a credit represents the proceeds of Purchased Debts; or

12.1.2 RBS has deliberately procured the payment to RBS of a sum which to RBS' knowledge should have been paid to RBSIF.

- 12.2 The notice in writing under clause 12.1 is to be treated as RBSIF's requirement that the whole or the applicable part of such credit shall be held by RBS only to the order of RBSIF and paid to it upon demand and RBS will make no further enquiries of RBSIF or seek any other authorisation from the relevant Group Company to pay RBSIF.

- 12.3 In respect of any credit balance from time to time on any account of a Group Company with RBS to which no claim has been made by RBSIF under clause 12.1 it is agreed that RBS may permit the relevant Group Company to draw upon such credit balance and may at any time apply set-off or permit to be applied set-off against any such credit balance in reduction or discharge of or against the whole of the relevant Group Company's RBS Debt.

- 12.4 At any time RBSIF may advise RBS that the whole or any part of the credit balance referred to in clause 12.3 represents collections due from debtors under Purchased Debts.

- 12.5 Upon receipt of an advice under clause 12.4 RBS' rights under clause 12.3 shall remain unaffected but the relevant Group Company shall not be permitted to draw upon such credit balance until a further notice authorising such withdrawals has been given to RBS by RBSIF.

- 12.6 The rights set out in this Clause 12 shall not affect RBSIF's equitable right of tracing against the Group Companies.

13. TERMINATION

This Agreement shall cease to have effect when all of the Securities of the Creditors shall have been fully discharged.

14. THE COMPANY'S ACKNOWLEDGEMENTS

- 14.1 Each Group Company acknowledges and consents to the ranking of the Securities herein recorded.

- 14.2 Each Group Company acknowledges that this Agreement does not create any rights in its favour and that it shall not be entitled to enforce any of the terms of this Agreement against any of the Creditors.

15. INFORMATION

- 15.1 Whilst this Agreement subsists the Senior Lenders and the Subordinated Creditors may from time to time disclose to the other information concerning a Group Company and its affairs in such manner and to such extent as such Creditor shall from time to time think fit. Each Group Company consents to such disclosure.
- 15.2 Each Creditor acknowledges the right of the other Creditor to the production and delivery of copies of the documents comprising or referred to in its Security.

16. ENTIRE AGREEMENT

- 16.1 This Agreement forms the entire agreement between the parties relating to the priority of their respective Securities and the application of the proceeds thereof and supersedes all previous ranking agreements of any kind between all or any of the Creditors in respect of all or any of the Securities, all earlier meetings, discussions, correspondence, e-mails, facsimile transmissions, telexes, letters and communications, understandings and arrangements of any kind so relating.

17. WAIVERS

- 17.1 No forbearance or failure by any party to exercise or assert or claim any right or entitlement hereunder shall be construed (in the absence of a written agreement to waive or a written confirmation of a past waiver) as a waiver of that right or entitlement.
- 17.2 No waiver of any breach of any term of this Agreement shall (unless expressly agreed in writing by the waiving party) be construed as a waiver of a future breach of the same term or as authorising a continuation of the particular breach.
- 17.3 None of the terms of this Agreement is enforceable by any person other than a Creditor and their respective successors in title. No purchaser dealing with any of the Creditors or any Administrator or Receiver shall be concerned in any way with the provisions of this Agreement and shall assume that the Creditors or any such Administrator or Receiver is acting in accordance with the provisions of this Agreement.

18. VARIATIONS

Any variation of this Agreement shall be binding only if it is recorded in a document signed by or on behalf of each Creditor.

19. SEVERABILITY

The provisions of this Agreement shall be severable and distinct from each other and if at any time any one or more of such provisions is or becomes invalid, illegal or unenforceable, the validity, legality and enforceability of each of the remaining provisions of this Agreement shall not in any way be affected, prejudiced or impaired thereby.

20. FACILITIES

Nothing contained in this Agreement shall bind any Creditor to make any advance or prepayment or to grant any credit or other facilities to any Group Company.

21. TRANSFER AND ACCESSION

- 21.1 The Group Companies shall not be entitled to assign or transfer all or any of their rights, benefits or obligations under this Agreement.

- 21.2 The Subordinated Creditors shall not be entitled to assign or transfer all or any of their rights, benefits or obligations under this Agreement without the prior written consent of the Senior Lenders.
- 21.3 RBS may at any time assign all or any of its respective rights and benefits under this Agreement to any party to whom RBS transfers or assigns all or any part of the RBS Debt.
- 21.4 RBSIF may at any time assign all or any of its respective rights and benefits under this Agreement to any party to whom RBSIF transfers or assigns all or any part of the RBSIF Debt.
- 21.5 Each of the Subordinated Creditors hereby undertakes to the Senior Lenders that it shall not sell, transfer or otherwise dispose of all or any part of its Subordinated Debt to any person other than in accordance with Clause 5.2 and unless such purchaser or transferee of any of the Subordinated Debt enters into a Deed of Accession at or prior to the completion of such sale or transfer.

22. TIME AND INDULGENCE

Each Creditor shall be entitled to grant time or indulgence or to release or compound with a Group Company or otherwise deal with its Security without reference to the other Creditors except to the extent regulated by this Agreement.

23. COMPENSATION

The Creditors hereby agree that, if this Agreement is regarded by any one or more liquidators, Receivers or Administrators of the Company as failing to bind him or them, any party or parties who will have benefited as a result of any action by any one or more of such liquidators, Receivers or Administrators will forthwith compensate the party or parties who will have been correspondingly prejudiced to the extent of the provisions as to ranking set out in Clause 4.

24. NOTICES

- 24.1 Any notice or other communication given or made under or in connection with the matters contemplated by this Agreement shall be in writing.
- 24.2 Any such notice or other communication shall, subject to Clause 24.4 be addressed to the relevant party at its address stated below in relation to each party:-
- 24.2.1 in the case of RBS:-
address: Level 4 Kirkstane House, 139 St Vincent Street, Glasgow G2 5JF
marked for the attention of: Senga McKenna
- 24.2.2 in the case of RBSIF:-
address: Level 4 Kirkstane House, 139 St Vincent Street, Glasgow G2 5JF
marked for the attention of: Leeann Shanks
- 24.2.3 in the case of the UK Steel:-
address: The Innovation Centre, 217 Portobello, Sheffield, S1 4DP
marked for the attention of: Gordon Jamieson;
- 24.2.4 in the case of each Group Company, its registered office address for the time being marked for the attention of Robert McKnight.
- 24.2.5 in the case of the Managers:-

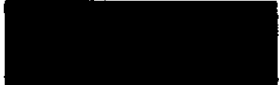
address: Macdonald Henderson, Standard Buildings, 94 Hope Street,
Glasgow, G2 6PH;

- 24.2.6 marked for the attention of: David Beveridge.
- 24.3 Provided a notice is addressed in accordance with Clause 24.2, it shall be deemed to have been duly given or made as follows:-
- 24.3.1 if sent by personal delivery, upon delivery at the address of the relevant party;
- 24.3.2 if sent by first class pre-paid letter post, two clear business days after the date of posting;
- 24.3.3 if sent by facsimile transmission, it shall be deemed to have been received by the addressee as soon as sent, save that if it is sent outside the addressee's normal business hours on a day which is not a working day in the place of receipt it shall be deemed to have been received at 10am on the next following working day.
- 24.4 A party may notify the other parties to this Agreement of a change to its name or address for the purposes of Clause 24.2 provided that such notification shall only be effective on:-
- 24.4.1 the date specified in the notification as the date on which the change is to take place; or
- 24.4.2 if no date is specified or the date specified is less than five clear business days after the date on which notice is given, the date falling five clear business days after notice of any such change has been given.
- 24.5 For the avoidance of doubt, the parties agree that the provisions of this Clause shall not apply in relation to the service of any document by which any legal proceedings are commenced or continued or forming any part of such proceedings.

25. **LAW AND JURISDICTION**

- 25.1 This Agreement is governed by, and shall be construed in accordance with, Scots law.
- 25.2 The parties to this Agreement irrevocably submit to the exclusive jurisdiction of the Scottish courts to settle any disputes which may arise out of or in connection with this Agreement. **IN WITNESS WHEREOF** this and the preceding 15 pages together with the Schedule attached hereto are executed as follows:-

Subscribed for and on behalf of THE ROYAL BANK OF SCOTLAND PLC by
, a duly appointed attorney at MANCHESTER on the 10th day of October
2014 before this witness:-

Witness 

Full Name

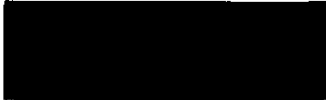
Emily Bamford

Address

Attorney

James Booth

Subscribed for and on behalf of RBS INVOICE FINANCE LIMITED by
, a duly appointed attorney at Feltham on the day of 16th October 2014 before
this witness:-

Witness 

Full Name

Louise Hammond

Director.

Attorney

Subscribed for and on behalf of UK STEEL ENTERPRISE LIMITED
by RICHARD THOMAS and MATTHEW STEWART duly authorised signatories
at SHEFFIELD on the 30th day of SEPTEMBER 2014:-


Authorised Signatory


Authorised Signatory

Subscribed by the said MARTIN ALAN SMITH at GLASGOW
day of OCTOBER 2014 before this witness:-

on the 2ND

Witness

Full Name GAVIN STERLAND BLAIN

Address

Martin Alan Smith

Subscribed by the said GAVIN SMITH at GLASGOW
day of OCTOBER 2014 before this witness:-

on the 2ND

Witness

Full Name GAVIN STERLAND BLAIN

Address

Gavin Smith

Subscribed by the said JOHN GLEN at GLASGOW
day of OCTOBER 2014 before this witness:-

on the 2ND

Witness

Full Name GAVIN STERLAND BLAIN

Address

John Glen

Subscribed for and on behalf of GMSS HOLDINGS LIMITED by ROBERT MCKNIGHT
, Director at GLASGOW on the 2ND day of OCTOBER 2014 before this
witness:-

Witness

Full Name GAVIN STERLAND BLAIN

Address

Attorney.

Subscribed by the said ROBERT MCKNIGHT at GLASGOW on the 2ND day of OCTOBER 2014 before this witness:-

Witness

Full Name ... JOHN STEWART BROWN

Address

Robert McKnight

Subscribed for and on behalf of AYRSHIRE ALUMINIUM CO. LIMITED by ROBERT MCKNIGHT, Director at GLASGOW on the 2ND day of OCTOBER 2014 before this witness:-

Witness

Full Name ... JOHN STEWART BROWN

Address

Director

Subscribed for and on behalf of SCOTIA DOUBLE GLAZING LIMITED by ROBERT MCKNIGHT, Director at GLASGOW on the 2ND day of OCTOBER 2014 before this witness:-

Witness

Full Name ... JOHN STEWART BROWN

Address

Director

This is the Schedule in 3 parts referred to in the foregoing intercreditor agreement among, *inter alia*, The Royal Bank of Scotland plc, RBS Invoice Finance Limited, UK Steel Enterprise Limited, GMSS Holdings Limited, Martin Alan Smith and others dated 2nd October 2014

SCHEDULE

Part 1

The Managers

Martin Alan Smith of [REDACTED];

Gavin Smith of [REDACTED];

John Glen of [REDACTED]; and

Robert McKnight of [REDACTED]

Part 2
Subsidiaries

Ayrshire Aluminium Co. Limited (Company Number SC075647) whose registered office is at c/o Scotia Double Glazing Limited, Block 2, Bonnyton Industrial Estate, Munro Place, Kilmarnock, Ayrshire KA1 2NP; and

Scotia Double Glazing Limited (Company Number SC084590) whose registered office is at Block 2, Bonnyton Industrial Estate, Munro Place, Kilmarnock, Ayrshire KA1 2NP.

Part 3
Deed of Accession

This deed is made

BY: [] of [] (the "**Acceding Party**") in favour of **THE ROYAL BANK OF SCOTLAND PLC and RBS INVOICE FINANCE LIMITED**

and is **SUPPLEMENTAL** to an inter creditor agreement (the "**Inter Creditor Agreement**") dated ● 2014 and made between, among others, The Royal Bank of Scotland plc, RBS Invoice Finance Limited, UK Steel Enterprise Limited, GMSS Holdings Limited, Martin Alan Smith and others.

NOW IT IS AGREED AS FOLLOWS

1. Words and expressions defined in the Inter Creditor Agreement shall have the same meaning in this Agreement.
2. The Acceding Party confirms it has been supplied with a copy of the Inter Creditor Agreement and that [] (the "**Transferor**") has agreed to transfer to it [the Subordinated Debt] detailed in the Schedule to this Agreement.
3. The Acceding Party undertakes to the Senior Lenders for the benefit of the Senior Lenders (including their respective assignees, transferees and successors in title) to be bound by all the terms of the Inter Creditor Agreement capable of applying to [UK Steel]/[a Manager] to the intent and effect that the Acceding Party shall be a party to the Inter Creditor Agreement with effect from the date of this Agreement.
4. This Agreement shall be governed by and construed according to Scots law.

IN WITNESS WHEREOF [Insert wording]

THE SCHEDULE

[Details of Subordinated Debt]

[Insert execution provisions]

M

CHWP000

COMPANIES FORM No. 466(Scot)

Particulars of an instrument of alteration to a floating charge created by a company registered in Scotland

466

A fee of £13 is payable to Companies House in respect of
each register entry for a mortgage or charge.

*Please do not
write in
this margin*

Pursuant to section 410 and 466 of the Companies Act 1985

*Please complete
legibly, preferably
in black type, or
bold block lettering*

** insert full name
of company*

To the Registrar of Companies
(Address overleaf - Note 6)

For official use

Company number

--	--	--

SC075647

Name of company

* AYRSHIRE ALUMINIUM CO. LIMITED (the "Company")

Date of creation of the charge (note 1)

02 OCTOBER 2014

Description of the instrument creating or evidencing the charge or of any ancillary document which has
been altered (note 1)

Floating Charge ("RBS Floating Charge")

Names of the persons entitled to the charge

The Royal Bank of Scotland Plc ("RBS")

Short particulars of all the property charged

All property, undertaking, assets (including uncalled capital) and rights owned now or in the future

Presenter's name address and
reference (if any):

Peter Smartt
Exchange Tower
19 Canning Street
Edinburgh, EH3 8EH
Our Ref: PS/ROY17.1917

For official use (02/06)

Charges Section

Post room

Names, and addresses of the persons who have executed the instrument of alteration (note 2)

The Company, Block 2, Bonnyton Industrial Estate, Munro Place, Kilmarnock KA1 2NP

RBS, 36 St Andrew Square, Edinburgh, EH2 2YB

RBS Invoice Finance Limited, Smith House, Elmwood Avenue, Feltham, Middlesex, TW13 7QD
("RBSIF")

*Please do not
write in
this margin*

*Please complete
legibly, preferably
in black type, or
bold block lettering*

Date(s) of execution of the instrument of alteration

2 October 2014, 10 October 2014 and 16 October 2014.

A statement of the provisions, if any, imposed by the instrument of alteration prohibiting or restricting the creation by the company of any fixed security or any other floating charge having, priority over, or ranking pari passu with the floating charge

During the Security Period, no Group Company will (and the Subordinated Creditors will not require any Group Company to) create or permit to subsist any security over any of its assets for all or part of the Subordinated Debt or any guarantee (or other assurance against financial loss) for or in respect of all or any part of the Subordinated Debt, in either case other than by the security or guarantees conferred by any subordinated security documents entered into on or before the date of the Agreement.

Please see paper apart for definitions.

Short particulars of any property released from the floating charge

N/A

The amount, if any, by which the amount secured by the floating charge has been increased

N/A

A statement of the provisions, if any, imposed by the instrument of alteration varying or otherwise regulating the order of the ranking of the floating charge in relation to fixed securities or to other floating charges

*Please do not
write in
this margin*

*Please complete
legibly, preferably
in black type, or
bold block lettering*

RBS and RBSIF agree and the Group Companies acknowledge that the charges in the Securities shall rank and all receipts, recoveries and realisations (the "Realisations") pursuant to any enforcement of the Securities shall be applied in satisfying the monies, obligations and liabilities thereby secured as follows:

In respect of Realisations of the Properties, first the RBS Standard Securities in discharging the RBS Debt, secondly the RBS Floating Charges in discharging the RBS Debt and thirdly the RBSIF Floating Charges in discharging the RBSIF Debt;

In respect of Realisations of Non-vesting Debts, first the RBSIF Floating Charges in discharging the RBSIF Debt and secondly the RBS Floating Charges in discharging the RBS Debt; and

In respect of Realisations of all assets of any Group Company other than the Properties and the Non-vesting Debts, first the RBS Floating Charges in discharging the RBS Debt, secondly the RBSIF Floating Charges in discharging the RBSIF Debt and thereafter any remaining Realisations shall be returned to the relevant Group Company.

Please see paper apart for definitions.

Continuation of the statement of the provisions, if any, imposed by the instrument of alteration varying or otherwise regulating the order of the ranking of the floating charge in relation to fixed securities or to other floating charges

*Please do not
write in
this margin*

*Please complete
legibly, preferably
in black type, or
bold block lettering*

*A fee is payable to
Companies House
in respect of each
register entry for a
mortgage or
charge.
(See Note 5)*

Signed Gateley (Scotland) LLP Date 17 October 2014
On behalf of ~~[company]~~ [chargee]

Notes

1. A description of the instrument e.g. "Instrument of Charge" "Debenture" etc as the case may be, should be given. For the date of creation of a charge see section 410(5) of the Companies Act. ☐ delete as appropriate
2. In accordance with section 466(1) the instrument of alteration should be executed by the company, the holder of the charge and the holder of any other charge (including a fixed security) which would be adversely affected by the alteration.
3. A certified copy of the instrument of alteration, together with this form with the prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of execution of that instrument.
4. A certified copy must be signed by or on behalf of the person giving the certification and where this is a body corporate it must be signed by an officer of that body.
5. A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders are to be made payable to **Companies House**.
6. The address of the Registrar of Companies is: Companies Registration Office, 139 Fountainbridge, Edinburgh EH3 9FF
DX 235 Edinburgh or LP - 4 Edinburgh 2

Paper Apart to Form 466 – Ayrshire Aluminium Co. Limited – SC075647

Where:-

"Articles of Association" means the articles of association of the Parent adopted on or around the date of the Agreement;

"Agreement" means the intercreditor agreement entered into between RBS, RBSIF, UK Steel, the Managers, the Parent and the Subsidiaries;

"Customer Debt" means any Debt as such term is defined in the RBSIF Facility Agreement;

"Glasgow Property" means the retail premises owned by SDG at 445 Clarkson Road, Glasgow G44 3LL;

"Group Company" means the Parent and each of the Subsidiaries and "Group Company" means each and any of them;

"Kilmarnock Property" means the industrial premises owned by SDG at Block 2, Munro Place, Kilmarnock KA1 2NP;

"Managers" means Martin Alan Smith, Gavin Smith, John Glen and Robert McKnight;

"Manager Debt" means all present and future sums, liabilities and obligations (whether actual and contingent, present or future) payable or owing by the Group Companies or any of them to the Managers under the Manager Documents;

"Manager Documents" means the Manager Loan Agreements, the Articles of Association and the Subscription Agreement;

"Manager Loan Agreements" means the loan agreement dated on or around the date of the Agreement between the Parent and Martin Alan Smith, the loan agreement dated on or around the date of the Agreement between the Parent and Gavin Smith, the loan agreement dated on or around the date of the Agreement between the Parent and John Glen and the loan agreement dated on or around the date of the Agreement between the Parent and Martin Robert McKnight;

"Non-vesting Debts" means any Customer Debts purchased or purported to be purchased by RBSIF pursuant to the RBSIF Facility Agreement which fail to vest absolutely in RBSIF;

"Parent" means GMSS Holdings Limited (registered number SC478614);

"Properties" means the Glasgow Property and the Kilmarnock Property;

"RBS Debt" means all or any monies and liabilities which shall from time to time (and whether on or at any time after demand) be due, owing or incurred in whatsoever manner to RBS by the Group Companies, whether actually or contingently, solely or jointly and whether as principal or surety and whether or not RBS shall have been an original party to the relevant transaction, and including interest, discount, commission and other lawful charges or expenses which RBS may in the course of its business charge or incur in respect of any of those matters or for keeping the Group Companies' accounts, and so that interest shall be computed and compounded according to the usual RBS rates and practice as well after as before any demand made or decree obtained;

"RBS Floating Charges" means each of the floating charges granted by each of the Group Companies in favour of RBS dated on or around the date of the Agreement;

"RBS Security Documents" means the RBS Floating Charges, the RBS Standard Securities and all collateral, additional or substituted securities from time to time being held by RBS and granted by the Group Companies (or any of them) as security for the payment and discharge of any part of the RBS Debt;

"RBS Standard Securities" means (a) the standard security granted by the Company in favour of RBS dated on or around the date hereof in relation to the Glasgow Property; and (b) the standard security granted by SDG in favour of RBS dated on or around the date hereof in relation to the Kilmarnock Property;

"RBSIF Debt" means all or any monies and liabilities which shall from time to time (and whether on or at any time after demand) be due, owing or incurred in whatsoever manner to RBSIF by the Group Companies, whether actually or contingently, solely or jointly and whether as principal or surety and whether or not RBSIF shall have been an original party to the relevant transaction, and including interest, discount, commission and other lawful charges or expenses which RBSIF may in the course of its business charge or incur in respect of any of those matters or for keeping the Group Companies' accounts, and so that interest shall be computed and compounded according to the usual RBSIF rates and practice as well after as before any demand made or decree obtained;

"RBSIF Floating Charges" means each of the floating charges granted by each of the Group Companies in favour of RBSIF dated on or around the date of the Agreement;

"RBSIF Security Documents" means the RBSIF Floating Charges and all collateral, additional or substituted securities from time to time being held by RBSIF and granted by the Group Companies (or any of them) as security for the payment and discharge of any part of the RBSIF Debt;

"SDG" Scotia Double Glazing Limited (registered number SC084590);

"Securities" means the Senior Security Documents;

"Security Period" means the period from the date of the Agreement to the date on which the Senior Debt is repaid in full and no commitment by either of the Senior Lenders to provide facilities to all or any of the Group Companies remains in effect;

"Senior Lenders" means each of RBS and RBSIF;

"Senior Security Documents" means the RBS Security Documents and the RBSIF Security Documents;

"Subordinated Creditors" means UK Steel and the Managers;

"Subordinated Debt" means the Manager Debt and the UK Steel Debt;

"Subscription Agreement" means the subscription agreement dated on or around the date of the Agreement among the Parent, UK Steel and the Managers;

"Subsidiaries" means the Company and SDG and each a "Subsidiary";

"UK Steel Debt" means all present and future sums, liabilities and obligations (whether actual and contingent, present or future) payable or owing by the Group Companies or any of them to UK Steel under the UK Steel Loan Agreement;

"UK Steel" means UK Steel Enterprise Limited;

"UK Steel Loan Agreement" means the unsecured loan agreement dated on or around the date of the Agreement between the Parent and UK Steel.