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CHWP000

COMPANIES FORM No. 466(Scot)

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

466

Please do not write in this margin

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

** insert full name of company*

Pursuant to section 410 and 466 of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 5)

Name of company

* MIDTON ACRYLICS LIMITED

Date of creation of the charge (note 1)

19 NOVEMBER 2015

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

FLOATING CHARGE

Names of the persons entitled to the charge

HSBC Invoice Finance (UK) LTD

Short particulars of all the property charged

The whole of the property (including uncalled capital) which is or may be from time to time comprised in the property and undertaking of the Company.

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

MacRoberts LLP
30 Semple Street
Edinburgh
EH3 8BL

For official use (02/06)

Charges Section

Post room

COMPANIES HOUSE
EDINBURGH

08 JAN 2020

FRONT DESK

WEDNESDAY



S8W7MDMZ

SCT

08/01/2020

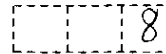
#458

COMPANIES HOUSE

Company number

SC281107

For official use



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

Please see Paper Apart.

*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

Please see Paper Apart.

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

Please see Paper Apart.

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***

Please see Paper Apart.

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

Signed  Date 8 January 2020

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. ☐ delete as appropriate
For the date of creation of a charge see section 410(5) of the Companies Act.
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. The address of the Registrar of Companies is: Companies Registration Office, 139 Fountainbridge, Edinburgh EH3 9FF DX 235 Edinburgh

This is a Paper Apart relating to the Form 466 submitted in respect of the Floating Charge granted by Midton Acrylics Limited in favour of HSBC Invoice Finance (UK) LTD dated 19 November 2015 as amended by an instrument of alteration dated 19 December 2019

Names, and addresses of the persons who have executed this instrument of alteration

NAME	ADDRESS
HSBC UK BANK PLC (09928412) (the " Bank ")	1 Centenary Square, Birmingham, United Kingdom, B1 1HQ
HSBC INVOICE FINANCE (UK) LIMITED (759657) (" HIF ")	21 Farncombe Road, Worthing, West Sussex BN11 2BW
BRIAN WILLIAM JOHNSTON	32 Dun Mor Avenue, Lochgilphead, Argyll, PA31 8TP
EWEN CAMERON (Brian William Johnston and Ewen Cameron together are the " Noteholders ")	Caledon, Tayvallich, Argyll, PA31 8PN
DAVID GILLEN	6 Thistle Way, Lochgilphead, Argyll PA31 8WD
GRAHAM STUART RAMSAY	Eas Dubh, Lochgair, Lochgilphead, Argyll, PA31 8SD
CRAIG CAMERON	Woodneuk, Inverneill Farm Road, Lochgilphead, Argyll, PA30 8ES
LEWIS MARTIN ANDERSON (David Gillen, Graham Stuart Ramsay, Craig Cameron and Lewis Martin Anderson together are the " Shareholders ")	7 Creag Ghlas, Cairnbaan, Lochgilphead, Argyll, PA30 8UE
MIDTON GROUP LIMITED (SC648815) (" Group ")	C/O Bannatyne Kirkwood France & Co, 16 Royal Exchange Square, Glasgow, Scotland, G1 3AG
MIDTON HOLDINGS LIMITED (SC508905) (" Holdings ")	C/o Bannatyne Kirkwood France & Co., 16 Royal Exchange Square, Glasgow, Scotland, G1 3AG
MIDTON ACRYLICS LIMITED (SC281107) (" Acrylics ")	Unit 11a, Kilmory Industrial Estate, Lochgilphead, Argyll, PA31 8RR

This is a Paper Apart relating to the Form 466 submitted in respect of the Floating Charge granted by Midton Acrylics Limited in favour of HSBC Invoice Finance (UK) LTD dated 19 November 2015 as amended by an instrument of alteration dated 19 December 2019

Date(s) of execution of the instrument of alteration

DATE OF DELIVERY – 19 December 2019

HSBC UK BANK PLC - 19 December 2019
HSBC INVOICE FINANCE (UK) LIMITED - 18 December 2019
BRIAN WILLIAM JOHNSTON - 19 December 2019
EWEN CAMERON - 19 December 2019
DAVID GILLEN - 19 December 2019
GRAHAM STUART RAMSAY - 19 December 2019
CRAIG CAMERON - 19 December 2019
LEWIS MARTIN ANDERSON - 19 December 2019
MIDTON GROUP LIMITED - 19 December 2019
MIDTON HOLDINGS LIMITED - 19 December 2019
MIDTON ACRYLICS LIMITED - 19 December 2019

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

Clause 7 NEGATIVE PLEDGE

No Debtor shall grant any further fixed or floating charges over all or any of its Assets including its heritable, real or leasehold property without the prior written consent of the Bank and HIF.

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

Clause 2 RANKING AND PROCEEDS OF CHARGES

2.1 The Creditors hereby agree that the Charges shall rank in the following order of priority so as to ensure that all the proceeds received by any Creditor or a receiver after the Enforcement Date from the realisation of their respective Charges shall (after payment of costs of realisation but excluding any sums paid to any Creditor for preferential debts as defined in the Insolvency Act 1986) be applied as follows:

Group

2.1.1 In relation to Group, first and only the Group Floating Charge to the extent of the Bank Debt.

Holdings

2.1.2 In relation to Holdings:

- (a) first, the Holdings Floating Charge to the extent of the Bank Debt;
- (b) second, the Noteholders Holdings Floating Charge to the extent of the Noteholders Debt;
- (c) any surplus thereafter shall be paid to such person or persons as may be entitled to it.

Acrylics

2.1.3 In relation to Acrylics:

- (a) in respect of the Security Subjects, the Bank Standard Security for the Bank Debt;
- (b) in respect of the Debts:
 - i. first, the HIF Security to the extent of the HIF Debt; then
 - ii. second, Acrylics Floating Charge to the extent of the Bank Debt;
- (c) in respect of the remainder of the Assets:
 - i. first, any fixed charge granted in favour of the Bank from time to time to the extent of the Bank Debt;
 - ii. second, Acrylics Floating Charge for the Bank Debt;
 - iii. third, the HIF Security for the HIF Debt;

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- iv. fourth, the Noteholders Acrylics Floating Charge to the extent of the Noteholders Debt;
- v. any surplus thereafter shall be paid to such person or persons as may be entitled to it.

Clause 1 INTERPRETATION

Acrylics Floating Charge means the floating charge dated 11 September 2015 granted by Acrylics in favour of HSBC Bank plc;

Assets means the whole of the property, (including uncalled capital) which is or may be from time to time comprised in the property and the undertaking of the Debtors;

Bank Debt means the aggregate amount from time to time outstanding of all monies, obligations and liabilities (whether actual or contingent) due, owing or incurred by the Debtors to the Bank together with interest thereon and all costs, charges and expenses due, owing or incurred;

Bank Floating Charges means the Group Floating Charge, the Holdings Floating Charge and the Acrylics Floating Charge;

Charges means the Bank Security, the HIF Security and the Noteholders Security;

Creditors means the Bank, HIF, the Noteholders and the Shareholders (each a **Creditor**);

Debt has the meaning ascribed to it in the HIF Document;

Enforcement Date means the earliest of (i) an Insolvency Event occurring in respect of any one or more of the Debtors, and (ii) the date on which a Creditor shall give notice to the other Creditors that it has made demand for any moneys then owing to it and secured by the Charges or any part thereof;

Group Floating Charge means the floating charge dated on or about the date hereof granted by Group in favour of the Bank;

HIF Debt means all monies and liabilities which now are or shall at any time hereafter be due, owing or incurred in whatsoever manner to HIF by Acrylics, whether actually or contingently solely or jointly and whether as principal or surety including (as well after as before any demand made or decree or judgement obtained) interest, discount, commission and other lawful charges and expenses computed and compounded from time to time in accordance with the terms agreed between Acrylics and HIF relating thereto (if any) and in the absence of any such agreed terms computed and compounded from time to time according to the then current practice of HIF;

HIF Document means the agreement for the purchase of debts dated on or about 11 September 2015 and made between (1) Acrylics and (2) HIF pursuant to which HIF has agreed to make certain receivables purchase facilities available to Acrylics;

HIF Security means the floating charge dated 19 November 2015 granted by Acrylics in favour of HIF;

Holdings Floating Charge means the floating charge dated 11 September 2015 granted by Holdings in favour of HSBC Bank plc;

Insolvency Event means (i) any resolution is passed or order made or any steps are taken towards the winding-up, liquidation, dissolution, administration or reorganisation of the Debtors (save in connection with an amalgamation or reconstruction with the prior consent in writing of the Bank); (ii) the Debtors become subject to any insolvency, bankruptcy, reorganisation, receivership, liquidation, dissolution or other similar proceedings, whether voluntary or involuntary (and whether or not involving insolvency) (save in connection with an amalgamation or

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reconstruction with the prior consent in writing of the Bank); (iii) the Debtors assign their assets, or enter into any arrangement, for the benefit of its creditors generally (other than a solvent reorganisation with the prior consent of the Bank); (iv) the Debtors become subject to any distribution of their assets, or if any analogous event occurs in any jurisdiction; or (v) where a Debtor is a company, the directors of it take any formal step in relation to obtaining a moratorium or making a proposal for a voluntary arrangement under part 1 of the Insolvency Act 1986;

Noteholders Acrylics Floating Charge means the floating charge dated 11 September 2015 granted by Acrylics in favour of the Noteholders;

Noteholders Debt means the aggregate amount from time to time outstanding under the Loan Notes together with interest thereon and all costs, charges and expenses due, owing or incurred in relation thereto and any and all monies and obligations due, owing or incurred by Holdings to the Noteholders in terms of the SPA;

Noteholders Holdings Floating Charge means the floating charge dated 11 September 2015 granted by Holdings in favour of the Noteholders;

Noteholders Security means the Noteholders Holdings Floating Charge, the Noteholders Acrylics Floating Charge, and the guarantee granted by Acrylics in favour of the Noteholders dated on or about 11 September 2015;

Security Subjects means all and whole the subjects known as and forming Unit 11a, Kilmory Industrial Estate, Lochgilphead, Argyll, PA31 8RR, registered in the Land Register of Scotland under Title Number ARG9975; and

SPA means the sale and purchase agreement entered into between (1) the Noteholders and (2) Holdings dated on or about 11 September 2015 in relation to the sale and purchase of the entire issued share capital of Acrylics.



FILE COPY

**CERTIFICATE OF THE REGISTRATION
OF AN ALTERATION TO A FLOATING CHARGE**

COMPANY NO. 281107
CHARGE CODE SC28 1107 0008

I HEREBY CERTIFY THAT PARTICULARS OF AN INSTRUMENT
OF ALTERATION DATED 19 DECEMBER 2019 WERE
DELIVERED PURSUANT TO SECTION 466 OF THE COMPANIES
ACT 1985
ON 8 JANUARY 2020

THE INSTRUMENT RELATES TO A CHARGE CREATED ON 19
NOVEMBER 2015

BY MIDTON ACRYLICS LIMITED

IN FAVOUR OF
HSBC INVOICE FINANCE (UK) LTD

GIVEN AT COMPANIES HOUSE, EDINBURGH 9 JANUARY 2020



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

RANKING AND POSTPONEMENT AGREEMENT

among

HSBC UK BANK PLC

HSBC INVOICE FINANCE (UK) LIMITED

THE NOTEHOLDERS LISTED IN PART 1 OF THE SCHEDULE

THE SHAREHOLDERS LISTED IN PART 2 OF THE SCHEDULE

and

**MIDTON GROUP LIMITED, MIDTON HOLDINGS LIMITED AND MIDTON
ACRYLICS LIMITED**

MACROBANK

LLP

EXCUTION 8/1/20
CERTIFIED A TRUE COPY

[Handwritten Signature]

MACROBANK

LLP

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THIS AGREEMENT IS DELIVERED ON 19 DECEMBER 2019

RANKING AND POSTPONEMENT AGREEMENT AMONG:

- (1) **HSBC UK BANK PLC** a company incorporated and registered under the laws of England and Wales with registered number 09928412 whose registered office is at 1 Centenary Square, Birmingham, United Kingdom, B1 1HQ (the **Bank**);
- (2) **HSBC INVOICE FINANCE (UK) LIMITED** (registered in England number 759657) and having its registered office at 21 Farncombe Road, Worthing, West Sussex BN11 2BW (**HIF**); and
- (3) **THE NOTEHOLDERS**, whose details are listed in Part 1 of the Schedule (the **Noteholders**);
- (4) **THE SHAREHOLDERS**, whose details are listed in Part 2 of the Schedule (the **Shareholders**);
- (5) **MIDTON GROUP LIMITED** (Registered Number SC648815) and having its Registered Office at C/O Bannatyne Kirkwood France & Co, 16 Royal Exchange Square, Glasgow, Scotland, G1 3AG (**Group**) and **MIDTON HOLDINGS LIMITED** (Registered Number SC508905) and having its Registered Office at C/o Bannatyne Kirkwood France & Co., 16 Royal Exchange Square, Glasgow, Scotland, G1 3AG (**Holdings**) and **MIDTON ACRYLICS LIMITED** (Registered Number SC281107) and having its Registered Office at Unit 11a, Kilmory Industrial Estate, Lochgilphead, Argyll, PA31 8RR (**Acrylics**) (each a **Debtor**, together the **Debtors**).

WHEREAS:

- A. The Bank has made available to the Debtors the Bank Debt subject to the Bank Security;
- B. HIF has made available to Acrylics the HIF Debt subject to the HIF Security;
- C. The Noteholders have been issued with the Notes, subject to the Noteholders' Security, towards satisfaction of obligations owed by Holdings to the Noteholders;
- D. The Shareholders have made available to Holdings the Shareholders Debt;
- E. The Parties wish to regulate the respective priorities of the Charges and the rights of the Creditors to take recourse to the assets of the Debtors in satisfaction of the liabilities of the Debtors to the Creditors;
- F. The Debtors have agreed to enter into this Agreement to acknowledge its terms; and
- G. The Parties acknowledge that the Acrylics Floating Charge and the Holdings Floating Charge (as hereinafter defined) were granted in favour of HSBC Bank plc and with effect from 01 July 2018, the Bank assumed the obligations of HSBC Bank plc under the Acrylics Floating Charge and the Holdings Floating Charge and are therefore a party to this Agreement (pursuant to the statutory Ring-Fencing Transfer Scheme under Part VII of the Financial Services and Markets Act 2000).

NOW THEREFORE IT IS AGREED AS FOLLOWS:-

1. INTERPRETATION

1.1 In this Agreement the following expressions shall have the meanings set out opposite them:

Acrylics Floating Charge means the floating charge dated 11 September 2015 granted by Acrylics in favour of HSBC Bank plc;

Assets means the whole of the property, (including uncalled capital) which is or may be from time to time comprised in the property and the undertaking of the Debtors;

Bank Debt means the aggregate amount from time to time outstanding of all monies, obligations and liabilities (whether actual or contingent) due, owing or incurred by the Debtors to the Bank together with interest thereon and all costs, charges and expenses due, owing or incurred;

Bank Floating Charges means the Group Floating Charge, the Holdings Floating Charge and the Acrylics Floating Charge;

Bank Security means (i) the standard security dated 17 September 2015 granted by Acrylics in favour of HSBC Bank plc in respect of the Security Subjects and registered in the Land Register of Scotland (the **Bank Standard Security**) and (ii) the Bank Floating Charges;

Charges means the Bank Security, the HIF Security and the Noteholders Security;

Creditors means the Bank, HIF, the Noteholders and the Shareholders (each a **Creditor**);

Debt has the meaning ascribed to it in the HIF Document;

Deferred Consideration has the meaning ascribed to it in the SPA;

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 Postponed Debt;
- b) recover all or any part of the Postponed 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 Postponed Debt (including, without limitation, under any security for the Postponed Debt);
- d) petition for (or take any other steps or action which may lead to) an Insolvency Event in relation to any Debtor;

e) commence legal proceedings against any Debtor;

Enforcement Date means the earliest of (i) an Insolvency Event occurring in respect of any one or more of the Debtors, and (ii) the date on which a Creditor shall give notice to the other Creditors that it has made demand for any moneys then owing to it and secured by the Charges or any part thereof;

Facility Letter means the term loan facility letter dated 11 September 2015 and entered into between HSBC Bank plc and Holdings;

Group Floating Charge means the floating charge dated on or about the date hereof granted by Group in favour of the Bank;

HIF Debt means all monies and liabilities which now are or shall at any time hereafter be due, owing or incurred in whatsoever manner to HIF by Acrylics, whether actually or contingently solely or jointly and whether as principal or surety including (as well after as before any demand made or decree or judgement obtained) interest, discount, commission and other lawful charges and expenses computed and compounded from time to time in accordance with the terms agreed between Acrylics and HIF relating thereto (if any) and in the absence of any such agreed terms computed and compounded from time to time according to the then current practice of HIF;

HIF Document means the agreement for the purchase of debts dated on or about 11 September 2015 and made between (1) Acrylics and (2) HIF pursuant to which HIF has agreed to make certain receivables purchase facilities available to Acrylics;

HIF Security means the floating charge dated 19 November 2015 granted by Acrylics in favour of HIF;

Holdings Floating Charge means the floating charge dated 11 September 2015 granted by Holdings in favour of HSBC Bank plc;

Insolvency Event means (i) any resolution is passed or order made or any steps are taken towards the winding-up, liquidation, dissolution, administration or reorganisation of the Debtors (save in connection with an amalgamation or reconstruction with the prior consent in writing of the Bank); (ii) the Debtors become subject to any insolvency, bankruptcy, reorganisation, receivership, liquidation, dissolution or other similar proceedings, whether voluntary or involuntary (and whether or not involving insolvency) (save in connection with an amalgamation or reconstruction with the prior consent in writing of the Bank); (iii) the Debtors assign their assets, or enter into any arrangement, for the benefit of its creditors generally (other than a solvent reorganisation with the prior consent of the Bank); (iv) the Debtors become subject to any distribution of their assets, or if any analogous event occurs in any jurisdiction; or (v) where a Debtor is a company, the directors of it take any formal step in relation to

obtaining a moratorium or making a proposal for a voluntary arrangement under part 1 of the Insolvency Act 1986;

Instruments means together (i) the A loan note instrument created by Holdings on 11 September 2015 creating certain A loan notes and (ii) the B loan note instrument created by Holdings on 11 September 2015 creating certain B loan notes;

Loan Notes means together (i) the A loan notes and (ii) the B loan notes created pursuant to the Instruments and issued in terms thereof by Holdings to the Noteholders towards satisfaction of the Deferred Consideration due to be paid by Holdings to the Noteholders pursuant to the SPA;

Noteholders Acrylics Floating Charge means the floating charge dated 11 September 2015 granted by Acrylics in favour of the Noteholders;

Noteholders Debt means the aggregate amount from time to time outstanding under the Loan Notes together with interest thereon and all costs, charges and expenses due, owing or incurred in relation thereto and any and all monies and obligations due, owing or incurred by Holdings to the Noteholders in terms of the SPA;

Noteholders Holdings Floating Charge means the floating charge dated 11 September 2015 granted by Holdings in favour of the Noteholders;

Noteholders Security means the Noteholders Holdings Floating Charge, the Noteholders Acrylics Floating Charge, and the guarantee granted by Acrylics in favour of the Noteholders dated on or about 11 September 2015;

Party means a party to this Agreement;

Postponed Creditors means the Noteholders, the Shareholders and Postponed Creditors shall be construed accordingly;

Postponed Debt means the Noteholders Debt and the Shareholders Debt;

Security Subjects means all and whole the subjects known as and forming Unit 11a, Kilmory Industrial Estate, Lochgilphead, Argyll, PA31 8RR, registered in the Land Register of Scotland under Title Number ARG9975;

Shareholders Debt means the aggregate amount from time to time of all monies, obligations and liabilities (whether actual or contingent) due, owing or incurred by Holdings to the Shareholders under the Shareholders Loan Agreements together with interest thereon and all costs, charges and expenses due, owing or incurred in relation thereto;

Shareholders Loan Agreements means the loan agreement each for a maximum amount of £20,000 entered into between Holdings and each of the Shareholders dated on or about 11 September 2015;

SPA means the sale and purchase agreement entered into between (1) the Noteholders and (2) Holdings dated on or about 11 September 2015 in relation to the sale and purchase of the entire issued share capital of Acrylics; and

Termination Event has the meaning ascribed to it in the Facility Letter.

1.2 **Interpretation**

Unless a contrary indication appears, in this Agreement:

- (a) Any reference to any provision of law is a reference to that provision as amended or re-enacted.
- (b) References to the Creditors shall be construed so as to include their respective successors in title, permitted transferees and permitted assigns.
- (c) References to the singular include the plural and vice versa.
- (d) References to clauses, paragraphs and schedules are references to clauses, paragraphs and schedules of this Agreement unless otherwise stated.
- (e) Section, clause and schedule headings are for ease of reference only and shall not affect the construction of this Agreement.
- (f) Any reference to this Agreement or any other agreement or instrument is a reference to this Agreement or other agreement or instrument as amended, supplemented, extended, restated, novated and/or replaced in any manner from time to time (however fundamentally and even if any of the same increases the obligations of the Debtor or provides for further advances).

2. **RANKING AND PROCEEDS OF CHARGES**

- 2.1 The Creditors hereby agree that the Charges shall rank in the following order of priority so as to ensure that all the proceeds received by any Creditor or a receiver after the Enforcement Date from the realisation of their respective Charges shall (after payment of costs of realisation but excluding any sums paid to any Creditor for preferential debts as defined in the Insolvency Act 1986) be applied as follows:

Group

- 2.1.1 In relation to Group, first and only the Group Floating Charge to the extent of the Bank Debt.

Holdings

- 2.1.2 In relation to Holdings:

- (a) first, the Holdings Floating Charge to the extent of the Bank Debt;

- (b) second, the Noteholders Holdings Floating Charge to the extent of the Noteholders Debt;
- (c) any surplus thereafter shall be paid to such person or persons as may be entitled to it.

Acrylics

2.1.3 In relation to Acrylics:

- (a) in respect of the Security Subjects, the Bank Standard Security for the Bank Debt;
- (b) in respect of the Debts:
 - (i) first, the HIF Security to the extent of the HIF Debt; then
 - (ii) second, Acrylics Floating Charge to the extent of the Bank Debt;
- (c) in respect of the remainder of the Assets:
 - (i) first, any fixed charge granted in favour of the Bank from time to time to the extent of the Bank Debt;
 - (ii) second, Acrylics Floating Charge for the Bank Debt;
 - (iii) third, the HIF Security for the HIF Debt;
 - (iv) fourth, the Noteholders Acrylics Floating Charge to the extent of the Noteholders Debt;
 - (v) any surplus thereafter shall be paid to such person or persons as may be entitled to it.

2.2 The Charges shall rank in priority as provided in Clause 2.1 notwithstanding

- 2.2.1 the nature of the Charges and the respective dates or times of their execution and registration;
- 2.2.2 any provision contained in the Charges;
- 2.2.3 the date or dates on which monies have been or may be advanced or become due, owing or payable to the Creditors;
- 2.2.4 any fluctuation from time to time in the amounts secured by the Charges including any reduction of those amounts to nil;
- 2.2.5 the existence of any credit balance on any current or other account of any Debtor with the Bank;
- 2.2.6 the appointment of a liquidator, administrative receiver, receiver, administrator or other similar officer in respect of any Debtor or over all or any part of the Assets;

- 2.2.7 the granting of time or any other indulgence to any Debtor or any other person or the release, compounding or otherwise dealing with any Debtor or any other person;
 - 2.2.8 the taking, variation, compromise, renewal or release of, or refusal or neglect to perfect or enforce any rights or remedies against any Debtor or any other person by any Creditor; or
 - 2.2.9 the provisions of Sections 464 and 466 of the Companies Act 1985 or any other rule of law which might operate to the contrary.
- 2.3 Any claim by a preferential creditor or creditors shall be met firstly out of the Assets (other than the Debts) and only if such Assets are insufficient to cover such preferential claims shall the same be met out of the Debts.
- 2.4 For the avoidance of doubt, this Agreement supersedes any previous agreement, whether written or oral, express or implied, between the parties to it (or any of them) in relation to the subject matter of this Agreement.

3. **POSTPONEMENT**

- 3.1 Subject to Clause 3.3, each Postponed Creditor hereby undertakes with the Bank so long as there is any indebtedness or liability of the Debtors from time to time to the Bank that:
- 3.1.1 no Postponed Creditor will, directly or indirectly, apply for or demand payment of the Postponed Debt or any part thereof due, owing or payable to any Postponed Creditors or sue for or take any proceeding against any Debtor for the recovery of the same or assign, charge or deal with the same, exercise any right of set-off, compensation, retainer or lien in respect of the same or take any security therefor so as to diminish the assets of any Debtor available for its creditors;
 - 3.1.2 in the event of any Debtor repaying to any Postponed Creditor the whole of the relevant Postponed Debt or making a payment to any Postponed Creditor on account the relevant Postponed Creditor will pay the Bank in or towards satisfaction of the relevant Debtor's indebtedness and liability to the Bank the total aggregate amounts received by that Postponed Creditor at any time in repayment of the Postponed Debt or such proportion of the said total aggregate amounts as may be necessary to repay the relevant Debtor's indebtedness and liability to the Bank;
 - 3.1.3 in the event of the liquidation or insolvency of any Debtor the Postponed Creditors will at the Bank's request prove in such liquidation or insolvency and pay to the Bank forthwith all dividends received by the Postponed Creditors in respect of the Postponed Debt or the balance that may be owing to the Postponed Creditors and interest thereon. Any such dividend or dividends shall, for the purpose of ascertaining the amount of the Postponed Creditor's liability to the Bank under this clause be

treated as payments received by the Postponed Creditor on account of the Postponed Debt;

- 3.1.4 they shall not take, receive or permit to subsist any security right or any guarantee (or other assurance against financial loss) for, or in respect of, any Postponed Debt, other than in terms of the Noteholders Security or Shareholders Security;
 - 3.1.5 amend, vary, waive or release any provision of the Loan Notes, Shareholders Loan Agreement, Noteholders Security or Shareholders Security in any way which, in the opinion of the Bank, is likely to have an adverse effect upon the interests of the Bank;
 - 3.1.6 sell, transfer or otherwise dispose of any of the Postponed Debt, other than in accordance with clause 11.4;
 - 3.1.7 take any Enforcement Action involving any Debtor; and
 - 3.1.8 take or omit to take any action whereby the ranking and/or subordination arrangements provided for herein in relation to the Postponed Debt or any part thereof may be impaired or adversely affected.
- 3.2 Subject to Clause 3.3, each Debtor hereby undertakes with the Bank that it will not, without the Bank's prior written consent, repay the Postponed Debt while any indebtedness on any of its accounts whatsoever is outstanding and due.
- 3.3 The Bank consents and agrees, provided no Termination Event is continuing, to (1) the payment by Holdings to the Noteholders of the Noteholders Debt in accordance with the redemption profiles set out in the relevant Instrument and (2) the payment by Group of the Gillen Deferred Cash Consideration as defined in the Agreement entered into on or around the date of this Agreement between (a) Neil Alexander Macdonald and others and (b) Group in accordance with the payment profile set out in the said Agreement.

4. **SECURITY CONTINUING**

The Charges shall rank as provided in this Agreement as continuing securities for repayment, payment or performance (as the case may be) of the Bank Debt, the HIF Debt, and the Noteholders Debt (as appropriate).

5. **DAMAGES/DESTRUCTION**

In the event of damage or destruction of the Security Subjects or any part thereof by any risk insured against by the Debtor from time to time and in the event that the insurance monies shall not be used to reinstate the Security Subjects or the relevant part thereof, the insurance monies shall be treated as heritable and secured by the Bank Standard Security and the respective rankings set out in Clause 2 hereof shall apply to such monies as if such monies were fully secured by the Bank Standard Security.

6. **AGREEMENT**

If a receiver or liquidator or administrator of any Debtor regards this Agreement as failing to bind him or her in the distribution of the proceeds of sale of any assets of the Debtors (and in as far as the refusal of the receiver or liquidator or administrator to be bound by this Agreement causes prejudice to any of the Creditors), the Creditors will compensate each other to the extent to which any of them has benefited as a result of this refusal.

7. **NEGATIVE PLEDGE**

No Debtor shall grant any further fixed or floating charges over all or any of its Assets including its heritable, real or leasehold property without the prior written consent of the Bank and HIF.

8. **AUTHORITY TO RELEASE INFORMATION**

During the continuance of the Charges, the Bank and HIF may disclose to each other information concerning the Debtors and their affairs in such manner and to such extent as HIF and the Bank may wish and the Debtors consent to such disclosure.

9. **CONSENT**

- 9.1 Each Creditor consents to the grant by Group, Holdings and Acrylics of the relevant Charges.
- 9.2 Each Noteholder and Shareholder consents to the granting of fixed or floating charges by Group, Holdings and/or Acrylics from time to time in favour of the Bank or HIF.

10. **DATE, COUNTERPARTS AND DELIVERY**

- 10.1 Where executed in counterparts:
 - 10.1.1 this Agreement shall not take effect until all of the counterparts have been delivered; and
 - 10.1.2 delivery will take place when the date of delivery is agreed between the parties after execution of this Agreement as evidenced by the date inserted at the start of this Agreement.
- 10.2 Where not executed in counterparts, this Agreement shall take effect after its execution upon the date agreed between the parties as evidenced by the date inserted at the start of this Agreement.

11. **ASSIGNATION AND TRANSFER**

- 11.1 This Agreement shall enure to and be binding on the permitted successors and assignees of the parties to this agreement.

- 11.2 No Debtor may assign, transfer or otherwise dispose of all or any of its rights, obligations or benefits under this Agreement.
- 11.3 The Bank and HIF shall be entitled to assign, transfer, securitise or otherwise dispose of the whole or any part of the benefit of this Agreement to any person in any manner that it sees fit.
- 11.4 Each of the Postponed Creditors hereby undertakes to the Bank that it shall not sell, transfer or otherwise dispose of all or any part of its Postponed Debt to any person unless such purchaser or transferee of any of the Postponed Debt enters into a Ranking Agreement on the same terms as this Agreement.

12. GOVERNING LAW

- 12.1 This Agreement will be governed by and construed in accordance with Scots law and all claims and disputes (including non-contractual claims and disputes) arising out of or in connection with this Agreement, its subject matter, negotiation or formation will be determined in accordance with Scots law.
- 12.2 The Parties submit to the non-exclusive jurisdiction of the Scottish courts in relation to all claims, disputes, differences or other matters (including non-contractual claims, disputes, differences or other matters) arising out of or in connection with this Agreement.

IN WITNESS WHEREOF these presents comprising this and the preceding nine pages are subscribed in counterpart as follows:

SUBSCRIBED for and on behalf of **HSBC UK BANK PLC**

at SHEFFIELD
on 19 DECEMBER 2019 (date of signature)
by:

[Signature], Authorised
(Signature) Signatory

MICHAEL STUART APPLEY
(Print Name)

in the presence of:

[Signature] Witness Signature
JAMES STUART MURRAY Witness Full Name
61 OSWEND HALL Witness Address
1 WELLSINGTON STREET
SHEFFIELD S1 4NB

SUBSCRIBED for and on behalf of **HSBC INVOICE FINANCE (UK) LIMITED**

at PARNCOMBE ROAD, WORTHING, BN11 2BW

on 15/12/2019 2019 (date of signature)

by:



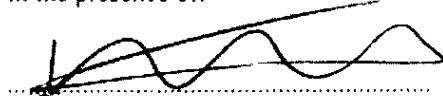
(Signature)

Authorised
Signatory

Tania Lovegrove

(Print Name)

in the presence of:



Witness Signature

RICHARD CORTHINE Witness Full Name

PARNCOMBE ROAD, WORTHING Witness Address

SUBSCRIBED by **BRIAN WILLIAM JOHNSTON**

at

on 2019 (date of signature)

.....
(Signature)

in the presence of:

..... Witness Signature

..... Witness Full Name

..... Witness Address

SUBSCRIBED by **EWEN CAMERON**

at

on 2019 (date of signature)

.....
(Signature)

in the presence of:

..... Witness Signature

..... Witness Full Name

..... Witness Address

SUBSCRIBED for and on behalf of HSBC INVOICE FINANCE (UK) LIMITED

at
 on 2019 (date of signature)
 by:

....., Authorised
 (Signature) Signatory (Print Name)

in the presence of:

..... Witness Signature
 Witness Full Name
 Witness Address

SUBSCRIBED by BRIAN WILLIAM JOHNSTON

at GLASGOW
 on 19th DECEMBER 2019 (date of signature)

B Johnston
 (Signature)

in the presence of:

David William Dene Witness Signature
DAVID WILLIAM DENE Witness Full Name
16 ROYAL EXCHANGE SQUARE Witness Address
GLASGOW

SUBSCRIBED by EWEN CAMERON

at GLASGOW
 on 19th DECEMBER 2019 (date of signature)

Ewen Cameron
 (Signature)

in the presence of:

David William Dene Witness Signature
DAVID WILLIAM DENE Witness Full Name
16 ROYAL EXCHANGE SQUARE Witness Address
GLASGOW

SUBSCRIBED by DAVID GILLEN

at GLASGOW
on 19th DECEMBER 2019 (date of signature)

David Gillen
(Signature)

in the presence of:

David William Deane Witness Signature
DAVID WILLIAM DEANE Witness Full Name
16 ROYAL EXCHANGE SQUARE Witness Address
GLASGOW

SUBSCRIBED by GRAHAM STUART RAMSAY

at GLASGOW
on 19th DECEMBER 2019 (date of signature)

Graham Ramsay
(Signature)

in the presence of:

David William Deane Witness Signature
DAVID WILLIAM DEANE Witness Full Name
16 ROYAL EXCHANGE SQUARE Witness Address
GLASGOW

SUBSCRIBED by CRAIG CAMERON

at GLASGOW
on 19th DECEMBER 2019 (date of signature)

Craig Cameron
(Signature)

in the presence of:

David William Deane Witness Signature
DAVID WILLIAM DEANE Witness Full Name
16 ROYAL EXCHANGE SQUARE Witness Address
GLASGOW

SUBSCRIBED by LEWIS MARTIN ANDERSON

at GLASGOW
 on 1st DECEMBER 2019 (date of signature)

[Signature]
 (Signature)

in the presence of:

[Signature] Witness Signature
DAVID WILLIAM DENNE Witness Full Name
16 ROYAL EXCHANGE SQUARE Witness Address
GLASGOW

SUBSCRIBED for and on behalf of MIDTON GROUP LIMITED

at GLASGOW
 on 1st DECEMBER 2019 (date of signature)
 by:

[Signature], Authorised Signatory CRAIG CAMERON
 (Signature) (Print Name)

in the presence of:

[Signature] Witness Signature
DAVID WILLIAM DENNE Witness Full Name
16 ROYAL EXCHANGE SQUARE Witness Address
GLASGOW

SUBSCRIBED for and on behalf of MIDTON HOLDINGS LIMITED

at GLASGOW
 on 1st DECEMBER 2019 (date of signature)
 by:

[Signature], Authorised Signatory CRAIG CAMERON
 (Signature) (Print Name)

in the presence of:


[Signature] Witness Signature
DAVID WILLIAM DENNE Witness Full Name
16 ROYAL EXCHANGE SQUARE Witness Address
GLASGOW

SUBSCRIBED for and on behalf of **MIDTON ACRYLICS LIMITED**

at GLASGOW


on 14th DECEMBER 2019 (date of signature)

by:

, Authorised
(Signature) Signatory

CRAG CAMERON
(Print Name)

in the presence of:

 Witness Signature
DAVID WILLIAM IRVINE Witness Full Name
16 LYAL EXCHANGE SQUARE Witness Address
GLASGOW

**This is the Schedule referred to in the foregoing Ranking and Postponement Agreement
amongst HSBC UK Bank plc, HSBC Invoice Finance (UK) Limited and certain others dated 19
December 2019**

SCHEDULE

PART 1

NOTEHOLDERS

Brian William Johnston of 32 Dun Mor Avenue, Lochgilphead, Argyll, PA31 8TP

Ewen Cameron of Caledon, Tayvallich, Argyll, PA31 8PN

SCHEDULE

PART 2

SHAREHOLDERS

David Gillen of 6 Thistle Way, Lochgilphead, Argyll PA31 8WD

Graham Stuart Ramsay of Eas Dubh, Lochgair, Lochgilphead, Argyll, PA31 8SD

Craig Cameron of Woodneuk, Inverneill Farm Road, Lochgilphead, Argyll, PA30 8ES

Lewis Martin Anderson of 7 Creag Ghlas, Cairnbaan, Lochgilphead, Argyll, PA30 8UE