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23/5178

AT EDINBURGH the Tenth day of February Two thousand and twenty three the Deed hereinafter reproduced was presented for registration in the Books of the Lords of Council and Session for preservation and execution and is registered in the said Books as follows:-

The CES Salmon and Trout Lease Standard Terms and Conditions 2022

CROWN ESTATE SCOTLAND, (in Gaelic, Oighreachd a' Chrùin Alba), established as a body corporate in terms of the Crown Estate Scotland Order 2017, previously carrying on business under the name of "Crown Estate Scotland (Interim Management)" (in Gaelic, Oighreachd a' Chrùin Alba (Stiùireadh Eadar-amail)) and renamed in terms of the Scottish Crown Estate Act 2019 ("the Act"), having its principal office formerly at 6 Bells Brae, Edinburgh, EH4 3BJ and duties conferred on it by the Act, on behalf of His Majesty the King (who and whose successors are hereinafter referred to as "the Landlord") hereby provide as follows:

In these Salmon and Trout Lease Standard Terms and Conditions the following expressions shall have the meanings ascribed to them as follows:-

"Ancillaries" - such works, facilities or equipment as have been approved in writing by the Landlord, for installation on or over or adjacent to the Subjects or part thereof, being ancillary and in addition to the Equipment (the Ancillaries (if any) at the Date of Entry being as described in the Lease).

"Change of Control" - a change in the direct or indirect legal or beneficial ownership of the Tenant.

"Date of Entry" - the date of entry under the Lease;

"Declaration" - the declaration by the Tenant in accordance with the terms set out in clause 4.21

"Duration" - the period specified in the Lease.

"Equipment" - the primary equipment, approved in writing by the Landlord for anchoring to the Subjects in or on which the Species are to be reared or cultivated or stocked, (the Equipment at the Date of Entry being as described in the Lease).

"Lease" - any Lease and any variation thereof which refers to these Salmon and Trout Lease Standard Terms and Conditions 2022.

"Management Agreement" - any agreement, the terms of which can be seen to be reasonable, either between or with other fish farm operators who have fish farming operations in the vicinity of the Subjects which is intended to assist in the co-ordination

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of husbandry to sustain the production capacity of the sea in the said vicinity and the efficiency of the operators.

"Other Fish" – as defined in the Lease.

"Reporting Matters" – the reporting matters set out in the Lease.

"Rent" – the rent set out in the Lease.

"Rent Assessment Period" – as defined in the Lease.

"Rent Payment Date" – as defined in the Lease.

"Reporting Period" – either the period 1st day of January to 30th day June and/or the period 1st day of August to 31st day of December

"Site" – each or any of the fish farm sites comprised or included in the Subjects and "Site" and "Sites" shall be interpreted accordingly.

"Species" – as defined in the Lease.

"Subjects" – as defined in the Lease.

"Tenant" – any tenant under a Lease.

"Total Production" – means the weight in kilograms of the Species as farmed by the Tenant on the Subjects,

- (a) sold during the Rent Assessment Period by the Tenant as the Tenant's own,
- (b) not being the Tenant's own, sold by the Tenant during the Rent Assessment Period on behalf of a third party or delivered during the Rent Assessment Period to, or to any nominee of, a third party, or
- (c) lost, (including loss from death) damaged or destroyed (including damage from or destruction because of or necessitated by disease) during the Rent Assessment Period (and whether or not being the Tenant's own) as a consequence of the acts or omissions of any third party or parties but only when compensation in respect of such consequential loss, damage or destruction is or becomes recoverable by the Tenant or by the owner of the Species from any such third party

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or parties and irrespective of the fact that such compensation for loss, howsoever occasioned, sustained may not be received by the Tenant in the Rent Assessment Period, (and whether or not the Tenant or owner is able to sell any fish damaged or destroyed at less than normal market price);

Provided that the "weight" in this definition means the natural gutted fish weight of the Species subject only to any blood loss.

Declaring that:-

- (1) sales or deliveries of the Species as mentioned at (a) and (b) above are sales or deliveries thereof in a normal marketable condition (and not in a damaged diseased or other less than normal marketable condition), whether fully grown, or of plate size or of another partly grown size specially produced for the market whether alive or dead, and
- (2) any estimation or calculation of weight for the purposes of assessing the Total Production will be carried out fairly and reasonably and, if appropriate, in accordance with any formula for or method of estimating or calculating agreed between the parties, or, failing such agreement, as determined by an arbitrator appointed in terms of Clause 7 hereof.

"Year" - the period of 12 months commencing on 1st January and ending on 31st December;

In these presents the clause and sub-clause headings do not form part of the Lease and will not be taken into account in the construction or interpretation of it and words importing the singular include the plural and vice versa and words importing one gender include all other genders and where there are two or more persons included in the expression "the Tenant" the obligations therein or herein expressed or implied to be made by the Tenant are made by such persons jointly and severally and where the Tenant is a firm or partnership the obligations of

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the Tenant hereunder shall be binding jointly and severally on all persons who are or become partners of the firm during the Duration or before any early termination of the Lease and on their respective executors and representatives whomsoever as well as on the firm and its whole stock, funds, assets and estate without the necessity of discussing them in their order and such obligations shall subsist and remain in full force and effect notwithstanding any change or changes which may take place in the firm whether by the assumption of a new partner or partners or by the retirement, bankruptcy or death of any individual partner.

Reservations

1. There is excepted and reserved (a) to His Majesty and His Successors the whole mines, metals, minerals and fossils of every description (other than coal vested in the Coal Authority) including stone, shale, ironstone, limestone, clay, marl, gravel, sand, oil and its relative hydrocarbons and all other gases and substances in or under the Subjects in so far as belonging to His Majesty and His Foresaids, with full power and liberty to His Majesty and His Foresaids and to any person authorised by Him or Them to do everything necessary to search for, work, win, raise, calcine, manufacture and carry away and dispose of the same by any method the said mines and others and to do everything necessary for all or any of these purposes, subject to compensation being made to the Tenant for all loss or damage which the Tenant suffers as a result of the exercise of the said power and the amount of such compensation shall, failing agreement, be ascertained by reference to a single arbitrator appointed in terms of clause 7 hereof; (b) full and free right for His Majesty and His Foresaids and for all persons authorised by His or His Foresaids and for all members of the public to exercise all rights to which they may be entitled and all privileges which they may enjoy from and over the Subjects including without prejudice to the foregoing generality such rights of navigation and fishing as exist, and (c) all wayleaves and servitudes affecting the Subjects, with power to alter the same or grant further wayleaves and servitudes.

Resumption

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2. The Landlord may at any time after the expiry of 3 months' written notice of their intention to do so resume possession of any part or parts or of the whole of the Subjects for any purpose which in the opinion of the Landlord is of sufficient importance to justify such resumption, and which may without prejudice to that generality, include (One) meeting the statutory requirements of any statutory body or Harbour Authority; and (Two) the provision and enhancement or extension of any structures, navigational aids, defence requirements, navigation routes and others, but in no case for the purpose of letting for cultivation of the Species. Subject as hereinafter provided compensation will be made to the Tenant for all loss which the Tenant suffers as a result of such resumption and the amount of such compensation shall, failing agreement between the Landlord and the Tenant or at the option of either of them after the lapse of 1 month following such resumption, be ascertained by reference to a single arbitrator who, failing agreement between the Landlord and the Tenant within 1 month as to who should be appointed, shall be appointed in accordance with clause 7 hereof but provided that such compensation (a) will not exceed the amount of any compensation which the Landlord receives under statute or otherwise as a consequence of being obliged under statute or in law to resume possession as aforesaid and (b) will be ascertained while taking account of the fact that any appropriate reduction in rent consequent upon such resumption has been or will be determined as hereinafter declared.

Rent

3. The Tenant will pay the Rent to the Landlord (if required by such form of direct bank transfer as the Landlord may from time to time specify in writing) on each Rent Payment Date in the amounts stated or calculated as provided, and also subject to review as provided in the Lease within 28 days of demand and will do so free from all deductions with interest thereon at 3% above the Royal Bank of Scotland plc Base Rate as such rate may vary from time to time from the due date or dates until payment is made or, at the option of the Landlord or on any cessation of said Base Rate, at the

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rates prescribed by Treasury Regulations from time to time under the Land Compensation Acts or under any statutory re-enactments or amendments thereof or substitution therefor or at the rates prescribed under any future statute which in the opinion of the Landlord shall apply;

Tenant's Obligations

4. The Tenant hereby undertakes:-

Assignment and Sub-Letting

- 4.1.1 not to assign the Lease in part nor to part with or share possession or occupation of any part of the Subjects;
- 4.1.2 not to assign the Lease of the Subjects as a whole without first obtaining the written consent of the Landlord which consent shall not be unreasonably withheld in the case of a substantial and respectable assignee who is of sound financial standing and is in the reasonable opinion of the Landlord able to perform the Tenant's obligations under the Lease, but which consent, if granted, may be subject to such conditions as the Landlord may impose including the condition that the Landlord may require a guarantee or guarantees in respect of the obligations incumbent upon the Tenant hereunder and in considering any application for consent to assign the Landlord will be entitled to have regard to the Assignee's interest in or intent to enter into a Management Agreement with other parties having an interest in any fish farm in reasonable proximity to the Subjects;
- 4.1.3 not to sub-let the whole or any part of the Subjects
- 4.1.4 nor to permit occupancy of the Subjects, in whole or in part, on any basis by any party other than the Tenant, without first obtaining the prior written consent of the Landlord.

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- 4.1.5 not to grant fixed securities over the lease of the Subjects as a whole or part without first obtaining the written consent of the Landlord, which consent shall not be unreasonably withheld or delayed.
- 4.1.6 not to enter a Change of Control without the prior written consent of the Landlord (such consent not to be unreasonably withheld or delayed) provided that such consent may be given with conditions attached.

Accounting for Production

- 4.2 to keep fair comprehensive and clearly and properly detailed books of accounts throughout each Year with correct entries, not only of all income, expenditure, assets and liabilities relative to the fish farm for which the Subjects are used, but also of the volume of stocks (including stock losses as mentioned in sub-Clause 4.6.2 hereof) and showing the Total Production of the Species sold off and delivered from said fish farm and (a) at all times when so required on reasonable notice to produce such books of account to the Landlord and to permit them or their agents or any person nominated by them to take extracts therefrom and to give any explanation that may reasonably be required in relation to said books and the entries therein and (b) to deliver to the Landlord a copy of the Tenant's annual (or other periodical) accounts of or relative to or including the accounts of the said fish farm, either in such form or forms as the Tenant is required by statute or otherwise (whether publicly or privately) by law to have them prepared or produced (and in any event in a fair and proper form appropriate to the Tenant's business) or, if the Tenant is under no such requirement, in said fair and proper form and in either case within 30 days of certification thereof by the Tenant's auditor following any audit or auditor's verification or, if the Tenant is under no obligation in law to have such accounts audited or independently verified, then within 6 months of the end of any Year and to give to the Landlord any explanation that may be reasonably required in relation to such accounts.

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Production Returns

- 4.3 to deliver to the Landlord at Quatermile Two, 2nd Floor, 2 Lister Square, Edinburgh (or such other address as the Landlord from time to time notify) on or before the 31st day of January or the 31st day of July whichever date first occurs after the Date of Entry and then on the 31st day of January and 31st day of July in each succeeding Year and at such other time or times as the Landlord shall by notice in writing reasonably require a true and fair account in writing in such form as the Landlord may from time to time direct containing full particulars of the Total Production of the Species and the total production of Other Fish (calculated on the same basis as the Total Production but substituting for the word "Species" the words "Other Fish") (including *inter alia* particulars of all relevant loss damage or destruction so that the Total Production may be calculated and also a record of stock input and output figures for each Year Class or Generation of fish on each and every Site) as well as whether the Site is being used as a Nursery Site during and for the Reporting Period (or part Reporting Period during the first year of this Lease) ending on the immediately preceding 30th day of June or 31st day of December, as appropriate, such particulars being from time to time if required by the Landlord verified in the Landlord's option by either a statutory declaration by the Tenant or by a certificate granted by the Tenant's auditor in such form as shall be satisfactory to the Landlord; declaring that, in their discretion and upon the Landlord stating in writing to the Tenant the reason for so doing, which in all circumstances shall be reasonable, the Landlord may seek also to verify such particulars, independently of or supplemental to such declaration or certificate, with or through the Tenant's customers and others who have taken delivery of such production by requesting (directly or indirectly through the Landlord's agents or nominees or through the Tenant's auditor) from them relevant information about the value and/or volume of such delivery and that

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the Tenant hereby agrees that the Landlord may arrange to have such requests made and, subject as hereinafter provided, agrees to use all reasonable endeavours to ensure that such requests are fully met, and in no case to refuse consent to or in any way to discourage the meeting of such request; provided that the strength and extent (if any) of the Tenant's obligation to use all reasonable endeavours as aforesaid in any particular case will depend on the nature of the personal, business and legal relationships between the Tenant and the particular customer or other so that (by way of examples only and without prejudice to the foregoing generality) the Tenant would be expected to use all such endeavours if the particular customer or other is a subsidiary company or otherwise owned or controlled by the Tenant but might not be expected to use such endeavours to the same extent if the particular customer is a third party at arm's length from the Tenant;

Pay Taxes etc

- 4.4 to pay all present and future rates, taxes and assessments and outgoings whatsoever payable in respect of the Subjects, by whatever party or authority leviable and whether related to the landlord's interest or the Tenant's interest herein.

VAT

- 4.5.1 to pay to the Landlord such amount of Value Added Tax at the rate for the time being in force as shall be legally payable in respect of all monies undertaken to be paid by the Tenant under the Lease and in every case in the Lease where the Tenant undertakes to pay an amount of money such amount shall be regarded as being exclusive of all Value Added Tax which may from time to time be legally payable thereon.
- 4.5.2 not to use or permit to be used the Subjects for any use or act or fail to act in any manner or do or fail to do or permit to be done anything which has the effect that a supply of the Subjects by the Landlord to the Tenant is not a

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taxable supply notwithstanding that the Landlord may have made an election to waive exemption from Value Added Tax and to indemnify and keep indemnified the Landlord from and against any failure or inability on the part of the Landlord to recover input Value Added Tax and against all other claims, costs, demands, expenses, proceedings, actions, value added tax liabilities, other liabilities and losses (whether arising before or after the Date of Entry) of whatever nature but only insofar as any of the foregoing arise in any way directly or indirectly out of a breach or breaches of this provision.

Cultivation Method and Reports on Losses

- 4.6.1 to carry out all operations in accordance with the best and most up to date method of marine farming and to use best endeavours to keep the stock in good health and free of disease at all times.
- 4.6.2 to report to the Landlord in writing, within 1 month of the event, any stock losses being either a single event as a result of which 25% or more, or at any time when the aggregate of 25% or more of a single generation of the Species is lost, such report to include the quantity, cause or causes, the nature of which could include natural and other disasters (including any form of third party negligence) as well as predators, theft, disease or algal or other blooms.

Environmental Care

- 4.7 to use best endeavours to avoid any unnecessary damage to, interference with, or destruction of wildlife, flora and fauna and their natural habitat whether on land or at sea; including without prejudice to the foregoing generality to refrain from the use of any chemical, substance, commodity, liquid, treatment, or otherwise which may be proscribed by any regulatory, statutory or other competent authority and not to do or omit to do or permit any substance to be used or discharged which may under statute or common law or by reason of any matter affecting the Subjects or any other property of the Landlord (whether

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before or after the expiry of the Duration) cause the Landlord or any other party to become liable to pay any penalty, fine, damages, compensation, costs, charges or expenses or incur expenditure; declaring further that in the event that the Tenant or anyone acting as their employee or agent shall be convicted of any offence or commit any act which in the sole opinion of the Landlord constitutes a breach of the obligations imposed by this clause the Landlord shall be entitled by notice in writing given to the Tenant, to terminate the Lease but reserving all rights to the Landlord in respect of any antecedent breach by the Tenant.

Oysters and Mussels

- 4.8 if oyster beds or mussel scalps naturally exist or form on the Subjects or any part thereof, not to crop the same and to preserve the oysters and mussels.

Approval of Equipment

- 4.9 to submit to the Landlord for the Landlord's approval before installing the Equipment or the Ancillaries or any other equipment and others which are to be installed, fixed or anchored permanently or semi-permanently whether directly or indirectly (such Equipment and others being hereinafter called "the Equipment") on the Subjects such plans and/or specifications thereof as the Landlord may require and once approved by the Landlord, not to materially alter the Equipment or the Ancillaries nor to install or use any additional works or others without the previous written consent of the Landlord.

Maintenance

- 4.10 to maintain and keep the Equipment, the Ancillaries in good, safe and substantial repair, order and condition.

Litter etc

- 4.11.1 to keep the Subjects in a clean and tidy condition and to take all reasonable steps to prevent any litter or detritus of any kind arising directly or indirectly from the Tenant's operations to be deposited on any neighbouring subjects by whomsoever

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owned including without prejudice to the foregoing generality the complete removal of any redundant equipment (and associated moorings) and not to do or permit any other act whether or not sui generis with the foregoing on the Subjects which may in the sole opinion of the Landlord be or become a nuisance, annoyance or disturbance.

4.11.2 Without prejudice to the terms of Clause 4.11.1 hereof the Tenant shall, at their sole cost and expense, at all times during the currency of the lease, to prevent injury or damage to any person or property, take all reasonable steps to prevent any debris, litter or equipment of any description being deposited or remaining on the Subjects (including for the avoidance of doubt any litter, debris or equipment as may have been present at the date of entry under this Lease as to which the Landlord grant no warranty, the Tenant being deemed to have made all relevant enquiry); the Tenant shall not permit anything which is or may be or become a danger to the general public, to remain upon or near the Subjects and the Tenant shall ensure that the Subjects are maintained in a clean and safe condition at all times and clear of all rubbish or old or abandoned equipment or matter of any description and are returned to the Landlord upon termination of the Lease however effected in such condition.

Inspections and Repair

4.12 to permit the Landlord and any person duly authorised by them from time to time and at all reasonable times to enter into and upon and inspect the Subjects and the state and condition thereof and if any want of repair or defect shall be found or appear in the Equipment or the Ancillaries, the Landlord shall be entitled to serve notice upon the Tenant detailing such wants of repair or defect and upon receiving notice to that effect the Tenant shall be bound to repair and amend the same within 3 months of the receipt of such notice.

Expenses and Inspections

4.13 in the event that the Landlord serves notice in terms of Clause 4.12, the Tenant shall pay to the Landlord all reasonable expenses incurred by the Landlord or

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their Agents as a result of said notice, including without prejudice to the foregoing generality any costs associated with any further inspections, monitoring and supervising the wants of repair or defects found in the Equipment or the Ancillaries

Exercise of Reserved Rights

- 4.14 not in any way to hinder or obstruct the due exercise and enjoyment of any rights or privileges hereby excepted and reserved.

Concurrent Rights

- 4.15 not to do or knowingly suffer to be done any act or thing whatsoever on the Subjects which shall in the sole opinion of the Landlord interfere with, interrupt, damage or diminish in any way the concurrent rights of the Landlord or other parties having rights as proprietors, tenants or operators of fishings or (without prejudice to the Tenant's obligations in terms of sub-Clause 4.20 hereof) as cultivators or rearers of any other fish existing or to be granted in respect of the Subjects wherever said fishings, cultivation or rearing may be situated.

Effect of Delay in Starting Production

- 4.16 not to delay unreasonably in establishing the said rearing and cultivation and in laying or installing the Equipment and the Ancillaries after the Date of Entry; declaring (a) without prejudice to the Tenant's obligation not to delay as aforesaid that if the Tenant has not established the said rearing and cultivating in a proper and businesslike manner and is not stocking and rearing the Species using the Equipment and any Ancillaries all to the reasonable satisfaction of the Landlord on each of the Sites within 2 years of the Date of Entry (unless the Landlord shall have first agreed in writing that any of the Sites do not require to be established until a date later than 2 years from the Date of Entry such later date to be agreed by the Landlord, the Landlord's agreement to such matters or not as the case may be being at their sole discretion without any requirements to give reasons) or (b) that if at any time the Tenant ceases

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for a period longer than 12 months without the previous written consent of the Landlord to rear and cultivate and stock the Species in a proper and businesslike manner using the Equipment and any Ancillaries all to the reasonable satisfaction of the Landlord on all, some or any of the Sites; then in either such case the Landlord, after giving written notice to the Tenant requiring the Tenant to fulfil his obligations under this sub-clause within such period as may be determined by the Landlord, but being not less than 28 days. In the event of the failure of the Tenant so to fulfil his/their obligations, the Landlord shall be entitled, but not bound, to give further notice to the Tenant to that effect and to hold the rights hereby granted to the Tenant (and the Lease) as terminated ("Termination Notice") but only insofar as relating to the Site or Sites specified in the Termination Notice and shown on a plan to be annexed thereto ("the Terminated Subjects") and the Lease insofar Terminated Subjects shall be terminated with effect from the date of termination stated in the Termination Notice, but without prejudice to the Landlord's rights in respect of any antecedent breach of the Lease by the Tenant relative thereto. For the avoidance of doubt, the Lease insofar as relating to the remainder of the Subjects (if any) in the event of such termination as aforesaid shall continue and the extent of the Subjects which are let by virtue of this Lease with effect from the said date of termination shall be varied to exclude the Terminated Subjects. The Landlord and the Tenant shall thereafter execute a formal minute of variation to record the variation of the Subjects and in respect of which the proper costs of the Landlord (including legal fees and disbursements) shall be paid by the Tenant.

Statutory Consents

- 4.17 to comply with all obligations imposed by any Act or Acts of Parliament relevant to the purpose for which the Subjects are let and including without prejudice to the foregoing generality all provisions and requirements of all European Union,

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United Kingdom and Scottish statutes and subordinate legislation, regulations and directives and local authority bye-laws or directives of any other relevant public bodies and any Codes of Practice issued by a United Kingdom Minister or a Scottish Minister or their respective government departments or directorates or by any other authorised body issuing the same which applies or at any time may be applied to (i) the Subjects and (ii) the Tenant's undertaking under this Lease, including, for the avoidance of doubt, all relevant Health and Safety regulations; the Tenant will obtain and exhibit a copy to the Landlord of their Marine Licence from the Scottish Government under the Marine (Scotland) Act 2010 and any other statutory or necessary consents including in particular but without prejudice to the foregoing generality (a) any necessary consent (including without prejudice to that generality consent from the relevant planning authority) for farming the Species on the Subjects and for installing the Equipment and Ancillaries and for such associated onshore development before initiating development of the Subjects and (b) any authorisation from the Scottish Environment Protection Agency necessary under the Water Environment (Controlled Activities) (Scotland) Regulation 2011 (as amended) or otherwise and any other consent necessary for the use of the Subjects as permitted under the Lease. The Tenant shall be bound at all times throughout the Duration to comply with all statutory duties and requirements relating to the Subjects and/or the Equipment, any Ancillaries, or the purpose for which the Subjects are let.

Indemnity

4.18.1 to indemnify His Majesty and His Successors and the Landlord, their officers and agents, now and in all time coming and to keep them indemnified from and against all and any actions, proceedings, fines claims, demands, costs and expenses in consequence of the exercise by the Tenant of the rights hereby granted howsoever

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said actions, proceedings, fines, claims, demands, costs and expenses may arise and relate to this Lease or any matter or thing done or purported to be done in pursuance thereof or directly or indirectly out of the Tenant's occupation of the Subjects and whether they arise at statute or common law against His Majesty, His Successors, the Landlord or any third party and whether they are related to the Landlord's interest or the Tenant's interest herein which indemnity shall subsist after the expiry of the Duration; declaring expressly that said right of indemnity hereby conferred upon the Landlord shall not extend to indemnifying the Landlord from the consequences of any negligent act or omission of the Landlord which may give rise to any action, proceeding, claim, demand, costs or expenses whether at statute or common law, but declaring that the Landlord shall have right to contest any such actions, proceedings, claims or demands (howsoever such actions, proceedings, claims or demands may arise) as they in their sole discretion may decide.

4.18.2 To maintain in force Public Liability Insurance in the sum of at least £5,000,000 sterling (which sum shall be increased in each year by the amount by which the General Index of Retail prices published by the Central Statistics Office last published prior to the anniversary of the Date of Entry, has increased over the preceding twelve month period, failing which Index by such increased amount as the Landlord shall determine in their reasonable discretion) to include any liability of the Landlord to pay damages, fines, costs, or other costs of any nature which may be capable of falling directly or indirectly on the Landlord as a result of or in connection with the Tenants' occupation or use of the Subjects or the placing of equipment or the presence of any old or redundant equipment or structures upon or within the Subjects, and to provide the Landlord with evidence of such insurance and of the payment of the premium therefor upon request but no more than once per calendar year.

Removals and Restoration

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- 4.19 at the termination of this Lease to leave the Subjects (or in the case of partial termination of the Lease under Clause 4.16 thereof insofar as that part of the Subjects in respect of which the Lease has been terminated) clean and in good condition and without prejudice to the foregoing generality to remove all forms of detritus arising from the Tenant's operations from the seabed and to remove the Equipment (and associated moorings) and Ancillaries, and any other old or abandoned equipment as debris or rubbish and generally to restore the Subjects (or part thereof as applicable) to a proper safe and clean condition all to the sole satisfaction of the Landlord and also to the satisfaction of any statutory planning or regulating authority.

Management Agreement

- 4.20 to operate in accordance with the principles and procedures set out in any Management Agreement.

Declaration

- 4.21 to deliver to the Landlord on or before the 31st day of January in each year of the Lease, and at such other times as the Landlord shall request in writing on giving no less than 28 days' notice to the Tenant, a true and fair account, in such form as the Landlord may from time to time direct, detailing the Equipment, and if relevant the Ancillaries, installed on the Subjects as at the date no more than 2 months prior to the date of delivery of the said Declaration. Such Declaration will also detail the condition of the Equipment, and if relevant the Ancillaries, along with confirmation as to whether it remains properly installed. The Tenant shall comply with any audit requirements of the Landlord in connection with the Declaration.

Reports

- 4.22 to deliver to the Landlord on or before the 31st day of January in each year of the Lease, and at such other times as the Landlord shall request in writing on giving no less than 28 days' notice to the Tenant, a true and fair account of the

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Reporting Matters, in such form as the Landlord may by way of published guidance, from time to time direct. The Tenant shall comply with any audit requirements of the Landlord in connection with the Reporting Matters.

Suitability of Subjects

5. The Tenant by their execution hereof accepts the Subjects in good and tenantable condition and repair and satisfactory in all respects for the purposes for which the same are let and shall have no claim against His Majesty or His Successors or the Landlord or their successors in respect of any loss or damage sustained by the Tenant as a result of the exercise by others of the public rights including those of navigation and fishing hereby reserved, or by the exercise of the rights by others of fishing for the Species.

Irritancy

6. If the rent herein provided for or any part thereof shall at any time be in arrears after the same shall have become due (whether legally demanded or not) or if there shall be any breach of any of the undertakings on the part of the Tenant contained in the Lease, or if the Tenant shall become apparently insolvent, or shall make any arrangement with creditors, or shall suffer any diligence to be levied on the Subjects, or being a company shall go into liquidation, whether voluntary or compulsory (otherwise than a voluntary liquidation of a solvent company for the purpose of amalgamation or reconstruction on terms approved by the Landlord in writing) or suffer a receiver or an administrator to be appointed, or enter a Change of Control without the prior written consent of the Landlord, then and in any such case it shall be lawful for the Landlord at any time thereafter by notice in writing to bring the Lease to an end forthwith and to enter the Subjects and repossess and enjoy the same as if the Lease had not been granted, but without prejudice to any right of action or remedy of the Landlord in respect of the premature termination of the Lease or of any previous breach

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of any of the undertakings by the Tenant contained in the Lease, which irritancy is hereby declared to be pactional and not penal and shall not be purgeable at the Bar. Provided (a) that in the case of a breach which is capable of being remedied the Landlord shall not be entitled to terminate the Lease as aforesaid unless and until it shall first have given notice of the breach to the Tenant and to every creditor in any then existing standard security or floating charge affecting the Lease (provided always that such creditor, together with any relevant reference number has been notified to the Landlord) prescribing a time which in the reasonable opinion of the Landlord is reasonable in the circumstances (such circumstances not including the financial position of the Tenant) within which such breach must be remedied and the Tenant or any such creditor shall have failed to remedy the breach within the time prescribed in the notice and declaring that where the breach is the failure to pay any sum of money a reasonable time shall be a period of not less than fourteen days and (b) in the case of the Tenant going into liquidation or suffering a receiver or an administrator to be appointed or in the case of any such creditor calling up its security the Landlord shall allow the liquidator, administrator or receiver (as the case may be) and any such creditor as aforesaid a period of one year in which to dispose of the Tenant's interest in the Lease and shall only be entitled to terminate the Lease if the liquidator, administrator or receiver or such creditor as the case may be shall have failed to dispose of the Tenant's interest at the end of the said period provided always that the liquidator, administrator or receiver as the case may be or such creditor shall personally accept in probative writing and implement full responsibility for payment of the rents (whether due in respect of the period occurring before or after the date of liquidation, administration or receivership as the case may be) and for the performance or all other obligations of the Tenant under the Lease from the date of liquidation, administration or receivership as the case may be to the date of disposal or termination of the Lease including settlement of any arrears of the rents and the performance of any outstanding obligations which may subsist at the date of liquidation, administration

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or receivership as the case may be. And it is hereby declared that the Landlord shall deal with any request for consent to assign the Lease made by such liquidator, administrator or receiver or creditor as the case may be in the same manner as if the request had been made by the Tenant.

Arbitration

7. Subject to the Arbitration (Scotland) Act 2010, all questions, disputes and differences of whatever nature arising between the parties in connection with this Lease either during the course of the same or after the termination thereof shall (failing agreement) be submitted to arbitration by an Arbitrator mutually appointed or failing agreement upon the appointment of an Arbitrator then by an Arbitrator nominated by the President for the time being of the Scottish Branch of the Royal Institution of Chartered Surveyors, it being agreed that the award (interim or final) of such Arbitrator including the question of costs in any such arbitration shall be final and binding upon both parties; declaring for the avoidance of doubt that (i) the juridical seat of the arbitration is Scotland and (ii) rule 41 and rule 69 of the Scottish Arbitration Rules contained in Schedule 1 of the Arbitration (Scotland) Act 2010 shall not apply.

Notices

8. All notices hereunder shall be in writing and if sent by post shall be sent by recorded delivery post and shall be deemed to be received at the same time of day 2 business days (Saturday, Sunday and public holidays being excluded) after posting. Notices by or on behalf of the Landlord to either the Tenant or the Guarantor (if applicable) shall be addressed to the registered office in the case of a corporate body and in the case of a Tenant or Guarantor (if applicable) who is not a corporate body to their address as given herein or to the last known private or business (as the case may be) address and if the Tenant or the Guarantor (if applicable) is more than one person to such address of any one of these persons.

Costs

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9. The Tenant will be responsible for the costs incurred by the Landlord in connection with this Lease, including any legal and surveying costs incurred in negotiating and preparing this Lease, the costs of preparing any plan and any additional costs and expenses arising. The Tenant shall pay or reimburse to the Landlord any charges made by the Valuation Office Agency or costs incurred by the Landlord in respect of any reference made to the Valuation Office Agency for determination of or in relation to the Rent, but only if such reference is made at the request of the Tenant.

Variations of Lease

10. No variations hereof shall be effective unless made in writing executed by the parties.

Law

11. The interpretation and meaning of these presents and of any documentation or agreement supplemental thereto, the rights and obligations of the parties and any questions arising at any time between the parties hereunder or thereunder, shall be determined in accordance with the Law of Scotland, and the parties hereto, if not otherwise subject to the jurisdiction of the Scottish Courts, hereby severally prorogate the jurisdiction of the Scottish Courts hereunder and thereunder.

Land and Buildings Transaction Tax

12. The Tenant shall make any return relating to Land and Buildings Transaction Tax and pay any Land and Buildings Transaction Tax to Revenue Scotland consequent upon this Lease. The Tenant shall deliver to the Landlord a copy of the Land and Buildings Transaction Tax submission receipt issued by Revenue Scotland within 30 days' of the Date of Entry.

Option to Renew

13. Provided that the Tenant has fully complied with the Terms of this Lease, of which the Landlord shall be the sole judge, the Tenant shall have the option to renew the Lease on giving no less than 6 months' prior written notice to the Landlord. If the Tenant

successfully exercises this option to renew then the terms of the lease, including the rent due thereon, will follow the Landlord's standard template at the time. Nothing in this clause will bind the Tenant to enter into the renewed lease in the event that after reviewing the Landlord's standard template and terms they do not wish to proceed further.

Restoration Bond

14. Where the Tenant fails to submit a Declaration to the Landlord in accordance with clause 4.21, or the contents of that Declaration are found by the Landlord to be either (i) not a fair or true account, (ii) lacking in specification or (iii) showing the Equipment and, if relevant, the Ancillaries in contravention of clause 4.10 then the Tenant shall obtain a guarantee in respect of the satisfactory performance by the Tenant of their obligations in terms of Clause 4.19 (*removals and restoration*) ("the Performance Guarantee"). The Tenant ensure that the Performance Guarantee is in place within 28 days of the written request by the Landlord and shall obtain the Performance Guarantee from a reputable Bank or Insurance Company or Guarantee Corporation acceptable to the Landlord (who in determining the question of acceptability shall be bound to act in a reasonable manner), and shall provide the Landlord with a copy of the Performance Guarantee. Such Performance Guarantee shall provide that in the event of (i) the failure of the Tenant to fulfil the obligations contained within Clause 4.19 (*removals and restoration*) or (ii) the Tenant being unable to carry out the obligations contained within Clause 4.19 (*removals and restoration*) or (iii) the Tenant going into liquidation or receivership, then said Bank or Company or Corporation will provide such sum as may be specified in the Performance Guarantee to be used exclusively for the purpose of the restoration of the Subjects, to the reasonable satisfaction of the Landlord and the relevant statutory, planning or regulating authority, and the Performance Guarantee shall be binding on the said Bank or Company or Corporation until such times as the said relevant statutory planning or regulating authority certifies

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that the conditions of any planning permission, marine licence or any restoration scheme have been fully implemented to their satisfaction and the Landlord certifies that the obligations of the Tenant hereunder have been implemented to their satisfaction (acting reasonably).

Registration

15. The parties hereby consent to the registration hereof for preservation and execution: these present consisting of this page and the preceding 22 pages are executed as follows:-

They are in terms of Act of Parliament signed by

COLIN JAMES PALMER.....Print name

Colin J. Palmer.....Signature

Authorised by the Crown Estate Scotland to

act on their behalf

at GLASGOW.....

on the THIRD day of FEBRUARY 2023

before this witness

Signature

MCPalmer.....

Print name

MARIE-CLAIRE PALMER

Address

51 ST VINCENT CRESCENT

GLASGOW

G3 8NQ

21462984_1

And the said Lords grant Warrant for lawful execution hereon.

EXTRACTED by me having commission to that effect from the Keeper of the Registers of Scotland.

EE

23rd