



Registration of a Charge

Company Name: **W. STEVENSON & SONS LIMITED**

Company Number: **03569268**



Received for filing in Electronic Format on the: **27/02/2023**

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Details of Charge

Date of creation: **10/02/2023**

Charge code: **0356 9268 0062**

Persons entitled: **HSBC EQUIPMENT FINANCE (UK) LIMITED**

Brief description: **ALL THE MORTGAGOR'S RIGHTS, TITLE AND INTEREST PRESENT AND FUTURE IN; (1) MFV "ST GEORGES" REGISTERED IN THE NAME OF THE COMPANY UNDER THE BRITISH FLAG WITH OFFICIAL NUMBER A18835 (2) EARNINGS, INSURANCES AND REQUISITION COMPENSATION (3) FISHING LICENCE**

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **ANDREW JACKSON SOLICITORS LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 3569268

Charge code: 0356 9268 0062

The Registrar of Companies for England and Wales hereby certifies that a charge dated 10th February 2023 and created by W. STEVENSON & SONS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 27th February 2023 .

Given at Companies House, Cardiff on 28th February 2023

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



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

DATED

10 February

2023

W Stevenson & Sons Ltd

and

HSBC Equipment Finance (UK) Limited

DEED OF COVENANT

Relating to M.F.V ST GEORGES

(RSS No. A18835)

Andrew Jackson Solicitors LLP

THIS IS AN IMPORTANT DOCUMENT. YOU SHOULD TAKE INDEPENDENT LEGAL ADVICE BEFORE SIGNING AND SIGN ONLY IF YOU WANT TO BE LEGALLY BOUND. IF YOU SIGN AND THE BANK IS NOT PAID YOU MAY LOSE THE ASSET(S) CHARGED
THIS DEED OF COVENANT is made the 10th day of February 2023

BETWEEN

- (1) W Stevenson & Sons Ltd whose registered office is situated at Harbour Offices Newlyn Penzance TR18 5HB (the **Mortgagor**)
- (2) HSBC Equipment Finance (UK) Limited whose registered office is situated at 1 Centenary Square Birmingham B1 1HQ (the **Bank**)

BACKGROUND

- (A) The Mortgagor is the sole absolute owner of 64 shares in the motor fishing vessel ST GEORGES registered under the British flag with the Registrar General of Shipping & Seamen at Cardiff with RSS No: A18835 (the **Ship**) which expression means the motor fishing vessel ST GEORGES and includes any share or interest therein, and the engines, machinery, boats, tackle, outfits, gear, fishing gear and nets, instruments, parts, spare parts, fuel, consumable and other stores, belongings, appurtenances, accessories, furnishings, and all other equipment of whatever kind, whether on board or ashore or elsewhere, whether now belonging to the Ship or hereafter acquired and all additions, improvements or replacements thereto.
- (B) The Ship is at the date hereof free of all mortgages, pledges or encumbrances of any kind.
- (C) This Deed is supplemental to and bears the same date as a Statutory Mortgage (the **Mortgage**) executed by the Mortgagor in favour of the Bank and constituting a first priority mortgage over sixty four/sixty fourth shares in the Ship.

NOW THIS DEED WITNESSETH as follows:-

1. Definitions and Construction

1.1. Definitions

Act

means the Merchant Shipping Act 1995 and the Regulations made thereunder or any addition, modification, re-enactment or consolidation of all or any of them from time to time.

Earnings	means all freight, hire, passage monies, passenger fares, demurrage, despatch and detention monies, compensation payable in the event of requisition of the Ship for hire, remuneration for salvage or towage services and any other earnings whatsoever due or to become due to the Mortgagor during the security period
Insurances	means all contracts and policies of insurance from time to time effected or maintained in respect of the Ship and her earnings, or otherwise howsoever in connection with the Ship including all entries in any mutual assurance association of whatsoever nature
Licence	means the Licence Number 702/11/2/13042 and all other fishing licences now attaching to the ship and any additional or replacement licenses and all other quota, allocations, track records or rights attaching there to.
Loan Agreement	means the Loan Agreement/Facility Letter entered into by the Mortgagor with the Bank dated .10 February 2023
Mortgaged Property	means the Ship, the Earnings, the Insurances, any Requisition Compensation and all other rights, assets, interests or property from time to time mortgaged, charged or assigned to the Bank pursuant to clause 3, including each and every part thereof
Outstanding Indebtedness	means the aggregate of all money from time to time owing by the Mortgagor to the Bank under the Security Documents
Security Documents	means the Loan Agreement, this Deed, the Mortgage, the Assignment of Earnings and Insurances and any other documents as may be executed by the Mortgagor to secure the Outstanding Indebtedness
Total Loss	(a) actual, constructive, compromised or arranged total loss of the Ship (b) requisition of title or other compulsory acquisition of the Ship

(c) hijack, theft, capture, seizure, arrest, detention, condemnation, confiscation or loss of possession of the Ship unless the Ship be released and returned within 30 days

1.2. Construction

In this Deed and the Schedules hereto, unless the context otherwise requires:

- 1.2.1. references to the Mortgagor and the Bank shall include their respective successors or assigns;
- 1.2.2. references to the singular shall include the plural and vice versa;
- 1.2.3. references to the masculine shall include the feminine and neuter and vice versa;
- 1.2.4. references to persons include any individual or body corporate or unincorporated, partnership, states, governmental and administrative entities, whether or not a separate legal entity;
- 1.2.5. references to schedules, clauses, sub-clauses, paragraphs, sub-paragraphs are to the schedules, clauses, sub-clauses, paragraphs, sub-paragraphs of this Deed;
- 1.2.6. the index and marginal headings are for ease of reference only and are not to be used in the construction of this Deed;
- 1.2.7. references to any statute, law, decree, or regulation shall be deemed to include references to any re-enactment, extension or amendment thereof from time to time;
- 1.2.8. references to any document including this Deed shall be deemed to include references to any replacement, variation or supplement thereof from time to time

2. Repayment and Interest

The Mortgagor hereby covenants with the Bank that the Mortgagor will pay to the Bank on demand all moneys and other liabilities whether present, future, actual and/or contingent in whatever currency denominated now or hereafter due or owing to the Bank on the account current referred to in the Mortgage and/or due from or

incurred by the Mortgagor to the Bank on any other account whatever whether for the balance then owing to the Bank on any such account or accounts or for cheques, notes or bills drawn, accepted or endorsed by the Mortgagor or for advances made to the Mortgagor or for the accommodation or benefit of the Mortgagor and whether actually or contingently alone or jointly with another or others and whether as principal or surety for any other person or persons, firm or company and in whatever name, style or firm or otherwise howsoever including (but without prejudice to the generality of the foregoing) all costs, charges, expenses and losses which the Bank may pay or incur in the negotiation, preparation and execution of the Mortgage and this Deed or in discharging any stamp duties or registration fees payable thereon or in protecting, maintaining or enforcing the security created by or otherwise exercising the powers vested in it under the Mortgage and this Deed (to the intent that the Bank shall be afforded a full complete and unlimited indemnity in respect thereof notwithstanding any rule of law or equity to the contrary) and whether arising directly or indirectly in respect of the security created by the Mortgage and this Deed or of any other security held by the Bank for the moneys and liabilities described in this clause and including interest with quarterly rests, discount commission and other usual banking charges such interest being computed both before and after such demand at a rate varying from time to time as stipulated by the Bank at any time and notwithstanding that any account intended to be secured by the Mortgage or this Deed may from any cause cease to be carried on as an ordinary banking account and so that interest shall be payable at the rate aforesaid as well after as before any judgement and that after such demand interest shall be payable at the rate aforesaid on the whole sum due for principal and interest or otherwise at the date of such demand.

3. Mortgage and Assignment of Mortgaged Property

- 3.1. As security for payment of the moneys and liabilities described in clause 2 hereof the Mortgagor with full title guarantee hereby mortgages and charges to and in favour of the Bank by way of further assurance all its rights, title and interest present and future in and to the Mortgaged Property and, without prejudice to the generality of the foregoing, hereby assigns and agrees to assign to the Bank all its rights, title and interest in and to the Earnings, the Insurances and any Requisition Compensation, and all its benefits and interests present and future therein **PROVIDED** however that:-

- 3.1.1. the Earnings shall be payable to the Mortgagor until such time as the Bank shall direct to the contrary whereupon the Mortgagor shall forthwith, and the Bank may at any time thereafter, instruct the persons from whom the Earnings are then payable to pay the same to the Bank or as it may direct and any Earnings then in the hands of the Mortgagor's brokers or other agents shall be deemed to have been received by them for the use and on behalf of the Bank;
- 3.1.2. unless and until any event specified in clause 9 hereof shall occur (whereupon all insurance recoveries shall be receivable by the Bank and applied in accordance with clause 12):
- (a) any moneys payable under the Insurances shall be payable in accordance with the terms of the relevant Loss Payable Clause and the Bank will not in the meantime give any notification to the contrary to the insurers as contemplated by the Loss Payable Clause;
 - (b) any insurance moneys received by the Bank in respect of any major casualty (as specified in the relevant Loss Payable Clause) shall be paid over to the Mortgagor upon the Mortgagor furnishing evidence satisfactory to the Bank that all loss and damage resulting from such casualty has been properly made good and repaired, and that all repair accounts and other liabilities whatsoever in connection with the casualty have been fully paid and discharged by the Mortgagor **PROVIDED ALWAYS** however that the insurers with whom the fire and usual marine risks insurances are effected may, in the case of a major casualty, and with the previous consent in writing of the Bank, make payment on account of repairs in the course of being effected; and
- 3.1.3. upon payment and discharge in full to the satisfaction of the Bank of the Outstanding Indebtedness the Bank shall, at the request and cost of the Mortgagor, re-assign the Earnings, the Insurances and any Requisition Compensation to the Mortgagor or as it may direct

4. Continuing Security etc

IT IS HEREBY AGREED AND DECLARED that:

- 4.1. the security created by the Mortgage and by this Deed shall be a continuing security in the hands of the Bank and shall not be satisfied by an intermediate payment or satisfaction of any part of the amount secured or discharge of the Mortgage and that the security so created shall be in addition to and shall not in any way be prejudiced or affected by any collateral or other security now or hereafter held by the Bank, by whomsoever granted, for all or part of the amount secured and that every power and remedy given to the Bank hereunder shall be in addition to and not in limitation of any and every other power or remedy vested in the Bank and that all the powers and remedies so vested in the Bank may be exercised from time to time and as often and in such manner as the Bank shall in its absolute discretion deem expedient
- 4.2. no failure or delay on the part of the Bank to exercise any right, power or remedy vested in it under the Security Documents or any of them shall operate as a waiver thereof, nor shall any single or partial exercise by the Bank of any right, power or remedy nor the continuance, abandonment or adverse determination of any proceedings taken by the Bank to enforce any right, power or remedy preclude any other or further exercise thereof or proceedings to enforce the same or the exercise of any other right, power or remedy nor shall the giving by the Bank of any consent to any act which by the terms of this Deed requires such consent prejudice the right of the Bank to withhold or give consent to the doing of any other similar act. The remedies provided in the Security Documents are cumulative and are not exclusive of any remedies provided by law

5. Consolidation

The provisions of Sections 93 and 103 of the Law of Property Act 1925 and any re-enactment thereof shall not apply and the Bank shall have the right to consolidate

6. Rule in Clayton's Case

Upon discovering that the Mortgagor has encumbered or disposed of the Mortgaged Property or any part thereof or any interest therein the Bank shall be entitled to rule off the Mortgagor's liabilities and to open a new account or accounts for the Mortgagor and no amount credited to the Mortgagor in any such new account shall be appropriated towards or have the effect of discharging any part of the liabilities due to the Bank incurred prior to such ruling off

7. Mortgagor's Covenants

THE MORTGAGOR FURTHER COVENANTS with the **BANK** and **UNDERTAKES** as follows:

7.1. Ship's Name and Registration

To keep the Ship registered with full registration as a British fishing vessel in the United Kingdom under the Act in the name of the Mortgagor and not do or suffer to be done anything, or omit to do anything the doing or omission of which could or might result in the Ship being required to be registered otherwise than as a British ship in the United Kingdom and not to do or suffer to be done anything, or omit to do anything, the doing or omission of which could or might result in such registration under the Act being forfeited, terminated or imperilled and not to register the Ship or permit its registration under any other name flag or at any other port or with any other numbers without the prior written consent of the Bank and to procure the renewal of such registration of the Ship as a British fishing vessel with full registration at least one month before the same shall expire and to procure that at all times the Ship is managed, and its operations are directed and controlled, from within the United Kingdom;

7.2. Licence

Promptly to supply the Bank with certified true copies of the Licence and quota allocation documents relating to the Ship as the same may be issued from time to time and to notify the Bank forthwith by letter of any material variation to the terms or cancellation of any of the same and not to apply to have the Licence issued to any other vessel nor to take or omit to take any action whereby the master owner or charterer may be in breach of the rules of any producers organisation of which it is a member or may be guilty of any offence under UK, EU or any other applicable Fisheries legislation whereby the Mortgagor or Ship is or may be denied the benefit of the Licence nor to employ the Ship or permit her employment in any manner trade or business which may lead to the forfeiture revocation or non-renewal of the Licence or any other licences quotas or authorities necessary for the Ship to continue to fish for profit in EU waters or any other waters for which licences are required

7.3. Operator

To procure that any company or person who is the operator of the Ship is a qualified person within the meaning of the Act

7.4. Condition

To keep the Ship at all times in a good and seaworthy state of repair and in all respects in good operating condition, and to maintain, service, repair and overhaul the Ship and make such alterations, modifications and improvements as may be required so as to maintain her present class and so as to comply with the provisions of the Act and the Regulations made thereunder and all other regulations and requirements (statutory or otherwise) from time to time applicable to the Ship under English law or of any other jurisdiction into which the Ship may come and to ensure that there is in force in respect of the Ship a U.K. Fishing Vessel Safety Certificate pursuant to the Fishing Vessels (Safety Provisions) Rules 1975 and not without the prior written consent of the Bank to install on the Ship any equipment owned by a third party which cannot be removed without causing material damage in the structure or fabric of the Ship and so as not to diminish the value of the Ship other than in the normal course of operation and not to alter or allow to be altered the structure, type or performance characteristics of the Ship

7.5. Insurance

- 7.5.1. To insure and keep the Ship and her earnings insured at all times to the extent of no less than her full market value against fire and usual marine risks (including excess risks) war risks and protection and indemnity risks in such amounts upon such terms with such Insurance Companies, Underwriters, War Risks and/or other Mutual Insurance Associations and through such Brokers as the Bank shall from time to time approve in writing, such approval not to be unreasonably withheld or delayed
- 7.5.2. To enter and keep the Ship at all times entered in respect of her full value and tonnage in a Protection and Indemnity Association in the United Kingdom or elsewhere as the Bank shall approve for all risks and liabilities for the time being usually covered therein and to arrange for guarantees (if required) to be given to the satisfaction of the Bank by such Association
- 7.5.3. To take steps to renew all such insurances on the due date at least 14 days before the expiry of cover and to procure that the brokers shall promptly confirm in writing to the Bank as and when such renewal is effected

- 7.5.4. Punctually to pay all premiums, calls, contributions or other sums payable in respect of such insurances and if so required by the Bank, to produce all receipts in respect thereof
- 7.5.5. To arrange for the execution of such guarantees or other documents as may from time to time be required by any underwriters or insurers for or for the continuance of cover
- 7.5.6. To procure that the interest of the Bank shall be duly endorsed or noted upon all slips, cover notes, policies, certificates of entry or other instruments of insurance issued in connection with such insurances or entry and that each and every policy covered by these provisions shall contain or have attached thereto a Loss Payable Clause and/or a Notice of Assignment in such form as shall from time to time be approved by the Bank
- 7.5.7. To procure that the protection and indemnity and/or war risk insurers shall (if so required by the Bank) provide to the Bank a letter or letters of undertaking in such form as may be required by the Bank
- 7.5.8. If so requested by the Bank, but at the cost of the Mortgagor, to furnish the Bank from time to time with a detailed report signed by an independent firm of marine insurance brokers appointed by the Bank dealing with the insurances maintained on the Ship and stating the opinion of such firm as to the adequacy thereof
- 7.5.9. Not to employ the Ship or suffer the Ship to be employed otherwise than in conformity with the terms of the instruments of insurance (including any express or implied warranties therein) nor do or fail to do anything in connection with the Ship whereby cover may be withdrawn, cancelled, imperilled or prejudiced in any way whatsoever unless the consent of the insurer has first been obtained and any requirements as to extra premium or otherwise as the insurers may require have been complied with
- 7.5.10. To apply all such sums as are paid to the Mortgagor in accordance with the provisions of the Mortgage and of this Deed for the purpose of making good the loss and fully repairing all damage in respect of which such sums have been received

7.6. Surveys

To submit the Ship to continuous surveys and such periodical or other surveys as may be required for classification or other purposes to enable the Ship to operate as a British fishing vessel and to supply to the Bank copies of all survey reports issued in respect thereof

7.7. Inspection

To permit the Bank or by surveyors or other persons appointed by it to board the Ship at all reasonable times for the purpose of inspecting the condition thereof or for satisfying themselves as regards proposed or executed repairs and to afford all necessary and proper facilities for such inspections provided that such persons go aboard the Ship at their own risk

7.8. Debts etc

Punctually to pay and discharge all debts, damages, and liabilities whatsoever which the Mortgagor shall have been called upon to pay, discharge or secure which have given or may give rise to liens on or claims enforceable against the Mortgaged Property or any part thereof and in the event of the arrest or detention of the Mortgaged Property or any part thereof whether by legal process or in exercise or purported exercise of any such lien or claim to procure the release of the same forthwith upon receiving notice of such arrest or detention

7.9. Information

Promptly to furnish the Bank as and when requested with any information whatsoever regarding the Mortgaged Property or any part thereof as the Bank shall request and to keep proper books of account in respect of the Ship which shall be available for inspection by the Bank at all reasonable times and in any event to submit annually to the Bank not later than four months after the end of the fiscal year of the Mortgagor the balance sheet and the profit and loss account of the Mortgagor

7.10. Notification

To notify the Bank forthwith of the following:

- 7.10.1. any damage to the Ship involving repairs the cost of which will or is likely to exceed £450,000.00 or the equivalent in any other currency;

- 7.10.2. any occurrence in consequence whereof the Ship has become or is likely to become a total loss;
- 7.10.3. any requirement or recommendation made by any insurer, classification society or authority which is not complied with within any time limit specified therefor;
- 7.10.4. any arrest or detention of the Mortgaged Property or any part thereof or the exercise or purported exercise of any lien thereon;
- 7.10.5. the happening of any of the events of default set out in clause 8 hereof

7.11. Outgoings

Promptly to pay all tolls dues and other outgoings whatsoever in respect of the Ship and to keep proper books of account in respect of the Ship and the earnings thereof and when requested by the Bank to furnish satisfactory evidence that the earnings, allotments, insurance and pension contributions in respect of the master and crew have been paid and, are being paid regularly and that they have no claims for earnings beyond the ordinary arrears and that the master has no claim for disbursements other than those incurred by him in the ordinary course of trading on the voyage then in progress

7.12. Bank's expenses in protecting security

To pay to the Bank on demand all monies whatsoever which the Bank shall expend, be put to or become liable for in or about the protection, maintenance or enforcement of the security hereby created or in or about the exercise by the Bank of any of the powers vested in it and to pay interest thereon from the date such expense or liability was incurred until the date of payment at the default rate before and after judgment

7.13. Bank's legal expenses

To pay on demand all the Bank's legal costs, expenses and disbursements of whatsoever nature and any other charges incurred by the Bank in connection with the preparation, completion and registration of the Security Documents

7.14. Employment

Not to employ the Ship or suffer her employment in any trade or business or for any purpose which is not covered by the insurances or which is forbidden by any applicable

law or is otherwise illicit or in carrying illicit or prohibited goods or in any manner whatsoever as may render her or them liable to condemnation in a Prize Court or to destruction, seizure or confiscation or which is contrary to any insurance which is taken out in respect of her or them and not to employ the Ship or suffer her employment in any purpose for which she was not designed or is not reasonably suited nor to permit the Ship to be overloaded or used in contravention of any regulation or requirement (statutory or otherwise) from time to time applicable

7.15. Not to encumber

Not without the prior written consent of the Bank to mortgage, charge or otherwise assign the Mortgaged Property or to suffer the creation of any such mortgage, charge or assignment to or in favour of any person other than the Bank

7.16. Not to sell

Not without the prior written consent of the Bank to sell, transfer or otherwise dispose of the Mortgaged Property or any part thereof or agree to purport to do any such thing

7.17. Chartering

Not without the prior written consent of the Bank to let the Ship on charter for any period

7.18. Sharing of Earnings

Not without the prior written consent of the Bank to enter into any agreement or arrangement whereby the earnings of the Ship may be shared with any other person provided that the engagement of share fishermen to serve on board the Ship shall not constitute a breach of this clause

7.19. Repairer's Liens

Not without the prior written consent of the Bank to put the Ship into the possession of any person for the purpose of work being carried out in an amount which exceeds or which is likely to exceed £450,000.00 unless such person shall have first provided to the Bank a written undertaking, in a form satisfactory to the Bank, not to exercise any lien in respect of such work

7.20. Managers

Not without the prior written consent of the Bank to appoint a manager of the Ship who is not a qualified person or company within the meaning of the Act

7.21. No Representations

Not to represent that the Bank is in any way concerned in the operation of the Ship the carriage of passengers or goods therein, or any other use to which the Ship may be put and not to pledge the credit of the Bank for any purpose whatsoever

7.22. Documentation

To keep a certified copy of this Deed and of the Mortgage on board the Ship and to bring the contents thereof to the notice of the Master for the time being of the Ship and to all parties who may have an interest with regard to the Ship, her crew or cargo

7.23. Conveyance on Default

Where the Ship is (or is to be) sold pursuant to any power conferred by this Deed to execute such form of Bill of Sale, or document of transfer, and documents for transfer of the Licence as the Bank may require

8. Bank's Power to Protect Security

8.1. Without prejudice to any other rights or powers vested in it, the Bank shall be entitled (but not bound) at any time (whether before or after it has demanded payment of any of the Outstanding Indebtedness) and as often as it may deem necessary, to take such action as it shall in its absolute discretion think fit for the purpose of protecting the security created by the Security Documents and each and every expense, cost, payment, disbursement, loss, damage or liability incurred by the Bank in or about taking or attempting to take such action shall be repayable by the Mortgagor on demand together with interest at the default or judicial rate from the date the same was incurred until payment before and after judgment

8.2. Without prejudice to the generality of the foregoing:

8.2.1. in the event of non-compliance with the provisions of clause 7.5 hereof, or any part thereof, the Bank shall be at liberty to effect and thereafter to maintain all such insurances as in its absolute discretion it shall think fit

8.2.2. in the event of non-compliance with any other provision the Bank shall be at liberty to make such payments or to arrange for the carrying out of such work or to take any such measures as it shall in its absolute discretion deem expedient or necessary including direction to the Ship (at the Mortgagor's risk) to remain in, or to proceed to and remain in a port designated by the Bank

9. Events of Default

Upon the happening of any of the following events the Outstanding Indebtedness shall become immediately repayable to the Bank without further demand and the Bank shall be entitled without notice to the Mortgagor to exercise all or any of the powers vested in it:

9.1. Breach of Loan Agreement

Any of the Events of Default set out in the Loan Agreement occurs

9.2. Failure to pay sum

The Mortgagor fails to pay any sum of money payable under the Security Documents on the date specified for payment thereof, or, only in the case of sums payable on demand when first demanded

9.3. Failure to perform or observe covenant

The Mortgagor does not perform or observe any of the covenants or obligations contained in the Security Documents

9.4. Insolvency

- (i) A Petition is filed or an Order is made or an effective resolution is passed for the winding up of the Mortgagor in any jurisdiction whatsoever (otherwise than for the purpose of any reconstruction or amalgamation as shall have previously been approved in writing by the Bank) or an Administrator, Administrative Receiver or a Receiver is appointed over the undertaking or property of the Mortgagor or the Mortgagor suspends payment or ceases to carry on its business or makes special arrangements or composition with its creditors or an effective resolution is passed (except with the Bank's prior written consent) for the reduction in the issued share capital of the Mortgagor or

- (ii) A Petition is filed or an Order is made for the sequestering of the Mortgagor or a Judicial Factor is appointed to administer any of its undertakings or property or becomes apparently insolvent or signs a Trust Deed for the benefit of its creditors or if it suspends payment or ceases to carry on business or makes any special arrangement or composition with its creditors

9.5. Total loss

The Ship becomes a Total Loss

9.6. Failure to pay earnings

Any earnings are paid otherwise than in accordance with the directions of the Bank

9.7. Impossibility or illegality

If it becomes impossible or unlawful for the Mortgagor to perform or observe any of the covenants or obligations contained in the Security Documents or for the Bank to exercise any of the rights or powers vested in it

9.8. Imperilling of security

Anything is done or suffered to be done by the Mortgagor, whether in connection with the Mortgaged Property or otherwise, which in the opinion of the Bank may imperil the security created by the Security Documents

9.9. Transfer of Licence

If the Mortgagor shall or shall endeavour to transfer the Licence to any other Ship or person

9.10. Licence

If the Bank shall not have been supplied with certified true copies of the Licence or if the Licence for any reason whatsoever shall not be issued or allocated or shall be withdrawn or shall be modified or varied in any manner which distinguishes the Licence from other licences of its type and capacity

9.11. Prosecution

If proceedings are commenced against the Mortgagor and/or any skipper of the Ship in any court or tribunal for breach of UK, EU or other applicable Fishery Legislation

9.12. Death

Upon the death of the Mortgagor

10. Bank's Powers upon Default

Upon the happening of any of the events of default specified in clause 9 hereof, the Bank shall become entitled forthwith to exercise all or any of the powers vested in it and in particular:-

10.1. Possession

To take possession of the Mortgaged Property

10.2. Insurances

To require that all policies, contracts and all other documents whatsoever relating to the insurances or outstanding claims thereunder be forthwith delivered to the Bank or as it shall direct and to collect, recover, compromise and give a good discharge in respect of all claims outstanding or arising under the insurances and to take over or to institute (if necessary in the name of the Bank) all proceedings in connection therewith as the Bank shall in its absolute discretion think fit

10.3. Discharge claims etc

To discharge, compound, release or compromise claims against the Mortgagor in respect of the Mortgaged Property or any part thereof which have given or which may give rise to any charge or lien on the Mortgaged Property or which are or may be enforceable by proceedings against the Mortgaged Property or any part thereof

10.4. To Manage

To manage, insure, maintain, repair, employ or lay up the Ship in such manner and for such period as the Bank shall in its absolute discretion think fit and to do all acts and things incidental or conducive thereto as if the Bank were the owner of the Ship without being responsible for any loss incurred thereby and to recover losses thereby incurred from the Mortgagor upon demand together with interest thereon at the default rate from the date when such losses were incurred to the date of payment before and after judgment

10.5. Sale

To sell, scrap, decommission or otherwise dispose of the Ship without prior notice to the Mortgagor and with or without the benefit of any contract entered into in connection with the Ship in such manner and for such consideration and upon such terms as the Bank in its absolute discretion shall think fit with power to postpone any such sale and without being answerable for any loss occasioned by such sale or resulting from the postponement thereof

10.6. Licence Transfer

To require the Mortgagor to deliver to the Bank or as it may direct the original Licence which the Mortgagor may then hold or transfer to itself or will take such other action as the Bank may require including the completion, execution and submission of application or transfer forms to procure that the benefit of the Licence will be made available to the Bank or any purchaser or transferee of the Ship

10.7. Expenses incurred in exercise of powers

To recover from the Mortgagor upon demand all expenses payments disbursements whatsoever incurred by the Bank in or about or incidental to the exercise of any of the powers vested in it together with interest thereon at the default or judicial rate from the date when the same were incurred until the date of payment before and after judgment **PROVIDED ALWAYS** that upon any sale of the Mortgaged Property or any part thereof the purchaser shall not be bound to see or enquire whether the power of sale has arisen and the sale shall be deemed to be within the power of the Bank and the Bank's receipt for the purchase money shall effectively discharge the purchaser who shall not be concerned with the manner of application of the proceeds of sale or be in any way answerable therefor

10.8. Appointment of Receiver

At any time after the Outstanding Indebtedness shall have become due and payable as aforesaid the Bank shall have power in writing to appoint any person or persons to be a receiver or receivers (the **Receiver**) of the Mortgaged Property charged by this Deed and to fix his remuneration and may remove any such Receiver and appoint another in his place. A Receiver so appointed shall be deemed to be the agent of the Mortgagor and the Mortgagor shall be solely responsible for his acts defaults and remuneration and a Receiver shall have the same powers as are conferred upon the

Bank by this clause 10 and the power to take any indemnity from the Mortgagor from and against all actions claims expenses demands and liabilities (whether arising out of contract or of tort or in any other way whatever) incurred for anything done or omitted to be done in the exercise or purported exercise of his powers under this Deed

11. Protection of Purchasers

No person dealing with the Bank or with any Receiver appointed by the Bank hereunder shall be concerned to see or to enquire whether the power which the Bank or Receiver is purporting to exercise has arisen or has become exercisable or whether any money remains due on the security created hereby or otherwise as to the propriety or regularity of any sale or other dealing by the Bank or Receiver with the Mortgaged Property or any part thereof and all the protection afforded to purchasers by Sections 104 and 107 of the Law of Property Act 1925 shall apply to any such person dealing with the Bank or such Receiver

12. Application of Proceeds of Sale etc

All monies arising from the sale or realisation of the Mortgaged Property and all monies received by the Bank or by any Receiver appointed hereunder shall be applied as follows:

FIRST in or towards payment of all costs and expenses and disbursements (including legal fees) of whatsoever nature incurred in connection with such sale or realisation

SECONDLY in or towards payment of the balance of the moneys and liabilities set out in clause 2 hereof

THIRDLY the balance (if any) to the Mortgagor or other person entitled thereto

13. Currency Conversion

If at any time the Bank and/or its Receiver receives any moneys (including any moneys received as a result of the enforcement of the security created by the Mortgage and this Deed or in the exercise of any of the Bank's and/or its Receiver's rights under this Deed) in a currency other than the currency in which the Outstanding Indebtedness is from time to time denominated then the Bank and/or its Receiver may (in accordance with the Bank's usual procedures and practice and after deduction of the costs, commission and expenses incurred in undertaking such a transaction) convert those moneys so received into the currency in which the moneys and liabilities described in clause 2 hereof are so denominated.

14. Delay and Indulgence

No delay or omission of the Bank to exercise any right or power vested in it shall impair such right or power to be construed as a waiver of or acquiescence in any default of the Mortgagor and in the event of the Bank at any time agreeing to waive any such right or power such waiver shall be revocable by the Bank at any time and the right or power shall thenceforth be exercisable again as if there had never been such waiver

15. Delegation

The Bank shall be entitled at any time and as often as it may in its absolute discretion deem expedient to delegate all or any of the powers and discretions vested in it in such manner and upon such terms and to such persons as it may in its absolute discretion think fit

16. Indemnity

The Mortgagor hereby agrees and undertakes to indemnify the Bank against all obligations and liabilities whatsoever arising which the Bank may incur in connection with the Mortgaged Property or otherwise howsoever in relation to or in connection with the Mortgage and this Deed

17. Power of Attorney

The Mortgagor hereby irrevocably appoints the Bank as its attorney for the duration of the security period for the purposes of doing in its name all acts which the Mortgagor could do in relation to the Mortgaged Property including the execution of any documents relating to the sale of the Ship or any share therein which the Bank may consider expedient in the exercise of any of its powers under the terms of this Agreement **PROVIDED** that such power shall not be exercisable until the Outstanding Indebtedness becomes repayable. As regards any person dealing with the Bank, the exercise of the power by or on behalf of the Bank shall be conclusive evidence of its right to exercise the same and such person shall not be put on enquiry as to whether the Outstanding Indebtedness has become repayable nor shall any such person be affected by notice that the Outstanding Indebtedness has not become repayable

18. Further Assurances

The Mortgagor hereby undertakes at its own expense to execute, sign, perfect, do and (if required) register every such further assurance, document, act, or thing as in the opinion of the Bank may be necessary or desirable for the purpose of more effectually

mortgaging charging and registering the Mortgaged Property or perfecting the security created hereby

19. Notices

19.1. Every notice, demand or other communication shall be in writing and shall be given:-

19.1.1. in the case of the Mortgagor to:

W Stevenson & Sons Ltd
Harbour Offices
Newlyn
Penzance
TR18 5HB

19.1.2. in the case of the Bank to:

HSBC Equipment Finance (UK) Limited
1 Centenary Square
Birmingham
B1 1HQ
Reference: Scott Ritchie

or to such other address in England as either the Bank or the Mortgagor may from time to time notify to the other

19.2. Every notice, demand or other communication shall be deemed to have been received by letter when delivered personally or two days after its posting by first class post

20. Law

The provisions of this agreement shall be governed by and construed in accordance with English law and all disputes arising in connection with it shall be determined by the High Court of Justice in England to whose jurisdiction the Mortgagor hereby irrevocably submits.

IN WITNESS whereof the Mortgagor has caused this Deed to be executed and delivered as a Deed the day and year first before written

EXECUTION

Executed as a deed by [LEIGH GENCE]
director on behalf of **W STEVENSON &**
SONS LTD

[REDACTED]

Director

Witnessed by

[REDACTED]

Name JENNIFER WORSLEY

Address.....

[REDACTED]

[REDACTED]