



**Registration of a Charge**

Company Name: **MANOR RENEWABLE ENERGY LIMITED**

Company Number: **08753840**



Received for filing in Electronic Format on the: **16/06/2023**

XC5RVIQO

**Details of Charge**

Date of creation: **14/06/2023**

Charge code: **0875 3840 0035**

Persons entitled: **LOMBARD NORTH CENTRAL PLC**

Brief description: **VESSEL "MANOR VULCAN" WITH OFFICIAL NUMBER 187467**

**Contains fixed charge(s).**

**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: **STEPHENSON HARWOOD LLP**



## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 8753840

Charge code: 0875 3840 0035

The Registrar of Companies for England and Wales hereby certifies that a charge dated 14th June 2023 and created by MANOR RENEWABLE ENERGY LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 16th June 2023 .

Given at Companies House, Cardiff on 19th June 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**

# Deed of Covenants



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

The following terms have the following meanings:

Date:

14 June 2023

## Owner

Name:

Manor Renewable Energy Limited

Registration number:

08753840

Jurisdiction of Incorporation:

England and Wales

Address:

Manor Offices Portland Port Business Centre, Castletown, Portland, Dorset, DT5 1PB

Address for Service:

(must be in England and Wales and include name)

Manor Offices Portland Port Business Centre, Castletown, Portland, Dorset, DT5 1PB

## Lombard

Lombard North Central plc, a company registered in England and Wales (registered number: 00337004) whose address for service is PO Box 520, Rotherham, S63 3BR

## Customer

Name:

Manor Renewable Energy Limited

Registration number:

08753840

## Vessel

Vessel Type:

Offshore Support Vessel

Vessel Name:

"MANOR VULCAN"

Year of Manufacture:

2022

Hull Identification Number:

H775

Official Number:

187467

Classification (if any) /  
Classification Society:

Bureau Veritas

Port of Registration:

Portland

Location of Vessel when  
not in use:

Portland

Permitted Waters

Worldwide, excluding those areas listed in the memorandum JWLA024 (as the same may be amended, replaced and updated from time to time) and as set out in the LMA Lloyds website, and whilst always ensuring that such waters are within the territorial limits imposed by the Insurances.

Major Casualty Sum:

£100,000.00

Warranty Sum:

£100,000.00

Chartering is Permitted?

Yes, under Permitted Charters only

## 1 Definitions and interpretation

1.1 In this Deed the following words will have the meanings given alongside them:

- |        |                                       |  |
|--------|---------------------------------------|--|
| 1.1.1  | <b>Customer's Obligations</b>         | has the meaning given to it in clause 2 ( <i>Customer's Obligations</i> );   |
| 1.1.2  | <b>Charter Guarantee</b>              | any guarantee, bond, letter of credit or any other form of security supporting a Charter;  |
| 1.1.3  | <b>Insurances</b>                     | all policies or contracts of insurance (including where applicable, all entries in protection and indemnity or war risks associations) relating to the Vessel;   |
| 1.1.4  | <b>Interest</b>                       | has the meaning given to it in clause 2.1;   |
| 1.1.5  | <b>Loan Agreement</b>                 | the loan agreement entered into between the Customer and Lombard in relation to the financing of the Vessel inclusive of the Marine Loan Terms;  |
| 1.1.6  | <b>Maintenance Contracts</b>          | all contracts for the maintenance of the Vessel to which the Owner is a party or such contracts made in favour of the Owner;   |
| 1.1.7  | <b>Major Casualty</b>                 | has the meaning given to it in clause 5.2.2;   |
| 1.1.8  | <b>Protection and Indemnity Risks</b> | the usual risks covered by a protection and indemnity association, liability to third parties and pollution liability and, to the extent not covered under the hull and machinery policies, collision; |
| 1.1.9  | <b>Requisition Compensation</b>       | all sums payable by reason of a Requisition of the Vessel;   |
| 1.1.10 | <b>Security Assets</b>                | the Vessel and all assets which from time to time are subject to the security created or expressed to be created by this Deed;   |
| 1.1.11 | <b>Security Period</b>                | from the date of this Deed for so long as any amount is outstanding from an Obligor to Lombard in connection with the Loan Agreement or Lombard is under any commitment to lend to the Customer;       |
| 1.1.12 | <b>Statutory Mortgage</b>             | has the meaning given to it in clause 3 ( <i>Charge</i> ); and   |
| 1.1.13 | <b>Warranties</b>                     | any agreement under which warranties are provided in favour of the Owner in relation to the Vessel.  |

1.2 Capitalised terms defined in the Loan Agreement have the same meaning in this Deed unless expressly defined otherwise in this Deed.

1.3 The provisions of clauses 1.2 – 1.6 of the Loan Agreement apply to this Deed as though they were set out in full in this Deed, except that references to the Loan Agreement will be construed as references to this Deed.

1.4 Unless a contrary indication appears:

- 1.4.1 a reference in this Deed to "Customer's Obligations" where the Customer is more than one person, includes such person's joint, several and independent liabilities and references to "Customer" are to them together and separately;
- 1.4.2 references in this Deed to the "Vessel" include (without limitation) any share or interest in that Vessel, its machinery, engines, boats and tenders and the Vessel's current and future documents, certificates, licences, logs, manuals and records and any or all other items over which this Deed creates security;
- 1.4.3 a reference in the Statutory Mortgage to:
- (a) "interest" includes interest covenanted to be paid under this Deed;
  - (b) "principal" means all monies other than interest for the time being included in the Customer's Obligations; and
  - (c) the expression "the sums for the time being owing on this security" and any expression similar to it means the whole of the Customer's Obligations.

1.5 It is intended that this document take effect as a deed notwithstanding that a party may only execute it under hand.

## 2 Customer's Obligations

The Owner agrees to pay to Lombard on demand all the Customer's Obligations. The Customer's Obligations are all the Customer's liabilities to Lombard (present, future, actual or contingent and whether incurred alone or jointly with another) including (without limitation):

- 2.1 interest at the rate charged by Lombard in accordance with the terms of the Loan Agreement, calculated both before and after demand or judgment or decree on a daily basis ("Interest"); and
- 2.2 any expenses, costs or administration charges, Lombard or a receiver incurs (on a full indemnity basis and with Interest from the date of payment) in connection with the Vessel or taking, perfecting, protecting or enforcing this Deed or exercising any power under it. Upon request Lombard will provide details of its costs and expenses to the Owner.

2.3 Interest due and unpaid will be compounded monthly on the days selected by Lombard but will remain immediately due and payable.

2.4 ~~The Owner's obligation to make all payments under this Deed is absolute and unconditional and each payment must be made in full, without set-off or deduction, or withholding unless required by law in which event the Owner shall pay to Lombard such additional amount as is necessary to ensure that the net amount received by Lombard is equal to the amount Lombard would have received in the absence of any requirement to make any such set-off, deduction or withholding.~~

### 3 Charge

3.1 The Owner granted in favour of Lombard a first priority statutory mortgage over all of the Vessel (the "Statutory Mortgage"). In addition, the Owner, as a continuing security for the payment on demand of the Customer's Obligations and with full title guarantee:

3.1.1 mortgages the Vessel to Lombard;

3.1.2 assigns to Lombard absolutely all of its right, title, benefit and interest (in each case present and future, and actual and contingent) in and to:

(a) all Charters, Earnings and any Charter Guarantee;

(b) all Insurances and proceeds of the Insurances;

(c) all Warranties and Maintenance Contracts; and

(d) all Requisition Compensation;

3.1.3 charges to Lombard all of its current and future tackle, spare parts, fuel and stores, whether on board or ashore.

3.2 The assignment under clause 3.1.2 above is subject to a proviso for reassignment on irrevocable discharge in full of the Customer's Obligations. Following the expiry of the Security Period Lombard shall, at the request and cost of the Owner promptly execute and deliver to the Owner a discharge of this Deed together with all further instruments and documents which the Owner may require for the purpose of discharging the security constituted by the Statutory Mortgage and this Deed.

3.3 If any property expressed to be assigned in this clause 3 cannot be assigned, the Owner shall hold that property on trust for Lombard and the assignment shall take effect as an assignment of any damages, compensation, remuneration, profit, rent or income which the Owner may derive from that right or be entitled to in respect of that right.

### 4 Perfection of security

The Owner shall promptly on request by Lombard, give notice of assignment in form and substance satisfactory to Lombard:

4.1 to each party with whom the Owner has entered into a Charter, Charter Guarantee, Warranty or Maintenance Contract or any other agreement under which Earnings are paid; and

4.2 to each insurer with whom the Owner holds the Insurances (in the form set out in Appendix A);  
and the Owner shall use all reasonable endeavours to procure that each addressee of such notice will promptly provide an acknowledgement to Lombard in form and substance satisfactory to Lombard.

4.3 The Owner shall from time to time promptly on request by Lombard give written notice in such form as Lombard shall require of the assignment of the Requisition Compensation contained in this Deed.

### 5 Receipts

5.1 The Earnings and any sums recoverable under any Charter Guarantee or Maintenance Contract shall be payable to the Owner until Lombard directs to the contrary following the occurrence of an Event of Default, on and after which direction:

5.1.1 the Owner shall immediately pay such amounts to Lombard or as it may direct, and Lombard may instruct all persons from whom those sums are due to do the same; and

5.1.2 any such sums then held by the Owner's brokers, bankers or other agents or representatives shall be deemed to have been received by, and to be held by them, on trust for Lombard.

5.2 Before an Event of Default occurs, sums recoverable in respect of the Insurances shall be payable as follows:

5.2.1 any sum recoverable in respect of a Total Loss under the Insurances against fire and the usual marine risks and war risks shall be paid to Lombard;

5.2.2 any sum recoverable under the Insurances against fire and the usual marine risks and war risks in respect of a casualty to the Vessel in respect of which the claim or the aggregate of the claims against all insurers (before adjustment for any relevant franchise or deductible) exceeds the Major Casualty Sum (a "Major Casualty") shall be paid to Lombard save that:

- (a) the sum received by **Lombard** shall be paid over to the **Owner** upon the **Owner** providing evidence satisfactory to **Lombard** that all loss and damage resulting from the casualty has been properly made good and repaired and that liabilities connected with the casualty have been paid by the **Owner**; and
  - (b) the insurers with whom the Insurances are effected may in the case of any **Major Casualty**, and with the prior written consent of **Lombard**, make payment to the repairers on account of the repairs which are being carried out;
- 5.2.3 any other sum recoverable under the **Insurances** against fire and the usual marine risks and war risks shall be paid to the **Owner** which shall apply it in making good the loss and fully repairing all damage in respect of which that insurance money was received; and
- 5.2.4 any sum recoverable under the **Insurances** against **Protection and Indemnity Risks** shall be paid directly to the person to whom the **Owner** is liable or to the **Owner** in reimbursement of moneys expended by it to discharge that liability.
- 5.3 On or after the occurrence of an **Event of Default**, any sums recoverable under the **Insurances** shall be payable to **Lombard**.
- 5.4 Before an **Event of Default** occurs, sums recoverable in respect of the **Warranties** shall be payable as follows:
- 5.4.1 sums being in aggregate in excess of the **Warranty Sum** shall be paid to **Lombard** or as it may direct; and
- 5.4.2 sums being in aggregate less than the **Warranty Sum** shall be paid to the **Owner** which shall apply them in remedying any defect in respect of which that sum was received.
- 5.5 On or after the occurrence of an **Event of Default**, any sums recoverable in respect of the **Warranties** shall be payable to **Lombard**.
- 6 Representations and warranties**
- 6.1 The **Owner** represents and warrants to **Lombard** on the date it signs this **Deed** that:
- 6.1.1 it is a limited liability company or a limited liability partnership duly incorporated or established under the laws of the **Jurisdiction of Incorporation** and it has the power to carry on its business and to own its property and other assets;
- 6.1.2 the obligations expressed to be assumed by it in each **Finance Document** to which it is a party are legal, valid, binding and enforceable obligations;
- 6.1.3 it has power to execute and perform its obligations under those **Finance Documents** to which it is a party;
- 6.1.4 the execution and performance by it of the **Finance Documents** to which it is a party does not:
- (a) contravene any applicable law, order or regulation;
  - (b) conflict with, or result in any breach of any of the terms of, or constitute a default under, any agreement or other instrument to which it is a party or any licence or other authorisation to which it is subject or by which it or any of its property is bound unless such conflict, breach or default could not reasonably be expected to have a **Material Adverse Effect**; or
  - (c) contravene or conflict with its memorandum, articles of association or any other constitutional documents relating to it;
- 6.1.5 it has and will maintain all necessary **Authorisations** to perform its obligations under the **Finance Documents**;
- 6.1.6 any **Authorisation** required or desirable to make any **Finance Document** to which it is a party admissible in evidence in each **Relevant Jurisdiction** has been obtained or effected and is in full force and effect;
- 6.1.7 the choice of governing law of any **Finance Document** to which it is a party will be recognised and enforced in each **Relevant Jurisdiction**;
- 6.1.8 any judgment obtained in relation to any **Finance Document** to which it is a party in the jurisdiction of the governing law of that **Finance Document** will be recognised and enforced in each **Relevant Jurisdiction**;
- 6.1.9 any filing, recording or enrolment with any court or other authority of any **Finance Document** to which it is a party necessary under the laws of any **Relevant Jurisdiction** has been completed;
- 6.1.10 any stamp, registration, notarial or similar **Tax** or fee be paid on or in relation to any **Finance Document** to which it is a party or the transactions contemplated by any **Finance Document** to which it is a party under the laws of any **Relevant Jurisdiction** has been paid;
- 6.1.11 it is not necessary under the laws of any **Relevant Jurisdiction**:
- (a) in order to enable **Lombard** to enforce its rights under any **Finance Document** to which the **Owner** is a party; or

- (b) by reason of the execution of any **Finance Document** to which the **Owner** is a party or the performance by **Lombard** of its obligations under any **Finance Document** to which the **Owner** is a party, that **Lombard** should be licensed, qualified or otherwise entitled to carry on business in any **Relevant Jurisdiction**;

~~6.1.12 **Lombard** will not be deemed to be resident, domiciled or carrying on business in any **Relevant Jurisdiction** by reason only of the execution, performance and/or enforcement of any **Finance Document** to which the **Owner** is a party;~~

6.1.13 it has not taken any action nor have any steps been taken or legal proceedings been started or to the best of its knowledge threatened in writing against it for:

- (a) winding-up, dissolution or re-organisation; or
- (b) the enforcement of any **Encumbrance** over its assets; or
- (c) the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of it or of any of its assets;

6.1.14 except as disclosed to **Lombard** in writing before the date of signing this **Deed**, no action, litigation, arbitration or administrative proceeding has been commenced or to the best of its knowledge is pending or threatened against it involving a potential liability which could, individually or in aggregate have a **Material Adverse Effect** nor is there subsisting any unsatisfied judgment or award given against it;

6.1.15 it has not made any representations or warranties, whether express or implied, in connection with the **Finance Documents** which may increase **Lombard's** obligations, which are false or adversely affect **Lombard's** rights;

6.1.16 all information supplied by it or by any person on its behalf to **Lombard** was and remains true and complete in all respects and it is not aware of any material fact or circumstance which has not been disclosed to **Lombard**;

6.1.17 the **Vessel** is not subject to any **Encumbrance** other than any **Permitted Encumbrance**;

6.1.18 the security created by each **Security Document** has or will have the ranking which it is expressed to have in the **Security Document** and it is not subject to any prior ranking or pari passu ranking **Encumbrance** other than as permitted in writing by **Lombard** or as exists by operation of applicable law;

6.1.19 it has a good, valid and marketable title to, or valid leases or licences of, and all appropriate **Authorisations** to use, the assets necessary to carry on its business as presently conducted; and

6.1.20 it is the sole legal and beneficial owner of the assets over which it purports to grant security pursuant to the **Security Documents** to which it is a party including, without limitation, all the shares in the **Vessel**.

6.2 Each of the representations set out above are repeated by the **Owner** on each day of the **Security Period** by reference to the facts and circumstances then existing.

## **7 Vessel undertakings**

The **Owner** will at all times during the **Security Period**:

- 7.1 register and keep the **Vessel** registered under the **Official Number** at the **Port of Registration**;
- 7.2 not change the **Official Number** or identification marks of the **Vessel** and not, without the prior written consent of **Lombard**, change the **Vessel Name**;
- 7.3 if applicable, maintain the **Vessel's Classification** free of outstanding recommendations and qualifications and inform **Lombard** immediately of any requirement imposed by the **Classification Society** with which the **Owner** is unable to comply;
- 7.4 provide to **Lombard** annually, copies of all class and code information, maintenance records, log books and insurance information relating to the **Vessel**;
- 7.5 submit the **Vessel** for periodic or other surveys to maintain its **Classification** and upon request provide to **Lombard** copies of all certificates and survey reports issued in respect of the **Vessel**;
- 7.6 inform **Lombard** immediately of any requirement imposed by any insurer of the **Vessel** or an authority with which the **Owner** is unable to comply;
- 7.7 use the **Vessel** in a safe, careful and proper manner and in accordance with the manufacturer's recommendations;
- 7.8 ensure the **Vessel** is operated in accordance with all applicable laws and regulations, not engage in any unlawful trade or allow the **Vessel** to carry a cargo which will expose the **Vessel** to penalty or forfeiture;
- 7.9 comply with the requirements of any international convention and code applicable to the **Vessel** and deliver to **Lombard** a copy of each report, survey, certificate and any other document of compliance: (i) issued to the **Owner** in respect of any such convention or code; or (ii) requested by **Lombard** to evidence such compliance;

- 7.10 pay when due all licence fees, port fees, mooring fees, taxes, fines, charges or other amounts due and relating to the **Vessel** or its use;
- 7.11 immediately inform **Lombard** of any arrest, proceedings, collision or incident affecting the **Vessel**;
- 7.12 not, without the prior written consent of **Lombard**, change the **Location of Vessel** from that notified to **Lombard** prior to the date of this **Deed**;
- 7.13 permit **Lombard** (and its surveyor or other persons appointed by it) at any time to inspect the **Vessel**, its cargo and papers at the **Customer's** expense and upon **Lombard's** request deliver to **Lombard** for its inspection all contracts relating to the **Vessel**, its use or its cargo whether on board or not;
- 7.14 permit **Lombard** and its agents or other persons appointed by it to undertake a survey and valuation of the **Vessel** and its technical records at the **Customer's** expense: (a) annually; (b) if **Lombard** has reason to believe that the **Market Value** of the **Vessel** has fallen below the amount that is the **Asset Cover** percentage (%) of the **Balance**; and (c) at any time after a **Default** has occurred and is continuing;
- 7.15 not take the **Vessel** outside the **Permitted Waters** without **Lombard's** prior written consent;
- 7.16 not allow the **Vessel** to be used in any part of the world where there are hostilities (whether war is declared or not) or enter a zone which is declared a war zone by any government or by the **Vessel's** insurers;
- 7.17 keep the **Vessel** in good and seaworthy condition and carry out repairs and replace parts as appropriate, in accordance with the manufacturer's recommendations and not, without **Lombard's** consent, make any alterations to the **Vessel** or equipment installed on it which would or might alter the structure, type or performance characteristics of the **Vessel** or reduce its value;
- 7.18 give **Lombard** prior written notice of any proposed dry docking of the **Vessel** allowing **Lombard**, its agents or representatives to be present if it requires;
- 7.19 upon **Lombard's** request provide satisfactory evidence that the wages, allotments, insurance and pension contributions of the master and crew of the **Vessel** are being paid in accordance with the articles of agreement relating to the **Vessel** and the relevant regulations and that all applicable deductions from the remuneration of the master and crew in respect of any tax liability (including PAYE where applicable) and national insurance contributions are being made and accounted for to the relevant authority and that the master has no claim for disbursements other than those properly incurred by him in the ordinary trading of the **Vessel** on the voyage then in progress;
- 7.20 document any commercial use of the **Vessel** on market standard and arm's length terms;
- 7.21 not **Charter** or part with possession of the **Vessel** other than (a) a **Permitted Charter** (if chartering is specified in this **Deed** as permitted) and (b) any parting with possession of the **Vessel** for the purpose of works being completed to it provided that the costs of completing such work do not exceed 15% of the **Market Value** of the **Vessel** (as set out in the most recent valuation);
- 7.22 perform and discharge all duties, liabilities or obligations imposed on the **Owner** under any **Charter**, bill of lading or other contract relating to the **Vessel**;
- 7.23 promptly notify **Lombard** if the **Owner** enters into any **Charter**, **Charter Guarantee** in respect of a **Charter** or any **Maintenance Contract**;
- 7.24 not use or allow the **Vessel** to be used for residential purposes for a period of more than six (6) months at any one time (except for crew);
- 7.25 if required by **Lombard**, deposit with **Lombard** all deeds and documents of title, leases or **Charters** relating to the **Security Assets** other than those documents that by operation of applicable law must remain on the **Vessel**;
- 7.26 not permit or create or allow to subsist any **Encumbrance** over the **Security Assets** other than a **Permitted Encumbrance**;
- 7.27 not assign or purport to assign any **Earnings** or **Insurances**, **Charters**, **Charter Guarantees** or **Maintenance Contracts** in relation to the **Vessel** other than under the **Finance Documents**;
- 7.28 not amend or end, or grant a waiver under, any contract mortgaged, charged, assigned or held on trust under this **Deed** (other than a **Permitted Charter** of a pleasure vessel if chartering is specified in this **Deed** as permitted);
- 7.29 promptly, upon becoming aware of the same, notify **Lombard** of any **Encumbrance** over the **Vessel**;
- 7.30 if **Lombard** so requests, keep attached to the **Vessel** in a prominent position a metal plate stating: "This vessel is mortgaged to Lombard North Central plc";
- 7.31 not dispose of the **Vessel**;
- 7.32 not remove or permit the removal of any part of the **Vessel** or any equipment belonging to the **Vessel** (other than any obsolete equipment or equipment which has been substituted for similar or identical equipment of equal or greater value) nor make or



permit to be made any alteration in the structure, type or speed of the **Vessel** (unless such removal or alteration is required by law or by the **Classification Society**) without **Lombard's** prior written consent;

~~7.33 promptly inform Lombard of any Event of Default or of any casualty, damage or Total Loss or any condition, event or circumstance which with the lapse of time might constitute an Event of Default;~~

7.34 comply with any other requirements which **Lombard** notifies to the **Owner**;

7.35 retain a copy of any "VAT Paid" certificate issued by the relevant tax authorities on board the **Vessel**; and

7.36 if VAT has not been paid in respect of the purchase of the **Vessel** by the **Owner**, ensure that VAT does not become payable in respect of the **Vessel**.

## **8 Insurance undertakings**

The **Owner** will at all times during the **Security Period**:

8.1 keep the **Vessel** insured to **Lombard's** reasonable satisfaction against usual marine risks, war risks, fire, **Protection and Indemnity Risks** and any other risks that **Lombard** may specify with insurers or insurance brokers approved by **Lombard** on terms acceptable to **Lombard** and in a currency and amount(s) that **Lombard** notifies to the **Owner**. In default, **Lombard** may arrange insurance at the **Owner's** expense;

8.2 pay all insurance premiums promptly and at **Lombard's** request provide copies of renewal receipts;

8.3 at **Lombard's** request, pay promptly all insurance premiums which **Lombard** pays for mortgagee indemnity insurance in respect of the **Vessel** and its use;

8.4 procure that the brokers / insurers of the **Insurances** each will provide a letter of undertaking in the form **Lombard** requires and in the case of the provider of insurance for **Protection and Indemnity Risks**, a duplicate of the certificate of entry to the association;

8.5 not to allow any person to be co-assured under any of the **Insurances** without the prior written consent of **Lombard** except for those already approved by **Lombard** from time to time and the **Owner** shall procure that any such approved person shall, if so required by **Lombard** enter into a subordination agreement in form and substance satisfactory to **Lombard**;

8.6 not do or permit any act which will invalidate the **Insurances**;

8.7 not cancel or amend the **Insurances** without **Lombard's** prior written consent;

8.8 not settle, compromise or abandon any claim under any **Insurance** for **Total Loss** or a **Major Casualty**;

8.9 ensure any guarantees required by the protection and indemnity association are issued promptly and remain in full force;

8.10 ensure that **Lombard** is named on the **Insurances** (a) as assignee and first loss payee in relation to such amounts and on such terms as **Lombard** specifies, (b) as loss payee in relation to insurance for **Protection and Indemnity Risks**, and (c) as assured in relation to any mortgagee indemnity insurance;

8.11 procure that all amounts payable by insurers are paid in accordance with the loss payable clauses in the relevant policy of insurance;

8.12 deposit with **Lombard** all **Insurances** and related documents (or copies where **Lombard** agrees); and

8.13 if requested by **Lombard**, provide **Lombard** with such information and documentation as it requires to enable it to obtain an insurance report: (i) annually; and (ii) following any renewal of any of the **Insurances** or any change to any of their terms (the cost of such report to be paid by the **Owner** in circumstances where there is a **Default** or a change in the underwriter).

## **9 Requisition**

9.1 The **Owner** will remain fully liable to **Lombard** for all its obligations under this **Deed** should there be a **Requisition** of the **Vessel** (other than those with which it is physically unable to comply owing to the requisition) unless and until **Lombard** is satisfied that the requisition authority has assumed the **Owner's** obligations to **Lombard**, and **Lombard** has so confirmed to the **Owner**.

9.2 The **Owner** agrees that the **Requisition Compensation** will be paid to **Lombard** by way of prepayment of the **Customer's** **Obligations** if **Lombard** requests.

9.3 When any **Requisition** ends the **Owner** will immediately and fully comply with all of its obligations under this **Deed**.

## **10 Indemnity to Lombard**

10.1 The **Owner** will indemnify **Lombard** against any liability or loss (including legal costs) arising from any claims as a result of (a) the **Owner** or **Lombard** entering into this **Deed**; (b) the **Owner** failing to perform any of its obligations under this **Deed**; (c) **Lombard** investigating any event that it believes to be a default under this **Deed**; or (d) **Lombard** relying on any notice, request or instruction delivered under this **Deed**. The **Owner** will pay **Lombard** within three **Business Days** of demand by **Lombard**.

- 10.2 The Owner shall indemnify Lombard against any Taxation or similar charge imposed by any governmental or taxing authority which arises in relation to the Vessel, this Deed or any payments due under this Deed (including for the avoidance of doubt, any amount of value added tax determined by Lombard to be irrecoverable but excluding Taxes on Lombard's overall net profits). The Owner will pay Lombard within three Business Days of demand by Lombard.
- 10.3 Where the Owner indemnifies or reimburses Lombard for any liability, loss or Tax the amount payable by way of indemnity or reimbursement shall take account of the likely Tax treatment in the hands of Lombard (as conclusively determined by Lombard) of (i) the indemnity payment or reimbursement and (ii) the Tax or loss suffered in respect of which that amount is payable. In the event that the assumed Tax treatment of the indemnity payment or any reimbursement proves to be incorrect the Owner agrees to pay, on demand, any additional sum required to ensure that Lombard occupies the same after-Tax position as it would occupy if no such adjustment were necessary.
- 10.4 These indemnities will continue in force notwithstanding any Event of Default or termination of this Deed.
- 11 **When security becomes enforceable**
- Without prejudice to Lombard's other rights under this Deed or by virtue of applicable law, upon the occurrence of an Event of Default, and at any time thereafter, Lombard may, irrespective of whether a notice has been served on the Owner, declare the security constituted by the Security Documents to have become enforceable whereupon the Security Documents will become enforceable and thereafter Lombard shall be entitled, without further notice or further demand, immediately to exercise all the powers and remedies possessed by it according to applicable law as mortgagee of the Vessel and in particular but, without limitation, the powers set out in this Deed.
- 12 **Possession and exercise of powers**
- 12.1 Lombard does not have an immediate right to possession of the Vessel or its income (and will not be considered to be taking possession if it enters to inspect or repair the Vessel). The Owner will continue in possession until Lombard takes possession.
- 12.2 Any purchaser or third party dealing with Lombard or a receiver may assume that Lombard's powers have arisen and are exercisable without proof that demand has been made.
- 12.3 The receipt of Lombard or its delegate or any receiver shall be conclusive discharge to a purchaser in any sale or disposal of any of the Security Assets.
- 13 **Appointment of receiver**
- Following the occurrence of an Event of Default, Lombard may appoint or remove a receiver or receivers of the Vessel. Any restriction imposed by law on the right of a mortgagee to appoint a receiver (including under section 109(1) of the Law of Property Act 1925) that can be excluded does not apply to this Deed. If Lombard appoints a receiver, Lombard may fix and pay the receiver's fees and expenses. The receiver will be the Owner's agent and the Owner (and not Lombard) will be responsible for the acts, defaults and remuneration of the receiver.
- 14 **Powers of Lombard and receivers**
- 14.1 When the security created by this Deed becomes enforceable in accordance with clause 11, Lombard or any receiver may:
- 14.1.1 enter, take possession of, operate and/or generally manage the Vessel;
- 14.1.2 maintain or repair the Vessel;
- 14.1.3 sell, hire, lease, charter or accept surrenders of any hire, lease or charter, charge or deal with the Vessel without restriction (the power of sale shall arise, and the Customer's Obligations shall be deemed due and payable for that purpose, on the execution of this Deed);
- 14.1.4 complete any transactions by executing any deeds or documents in the name of the Owner;
- 14.1.5 take, continue or defend any proceedings and enter into any arrangement or compromise in relation to the Security Assets;
- 14.1.6 insure the Vessel, arrange indemnity and other similar insurance, and obtain bonds and give counter-indemnities and other security in connection with this Deed;
- 14.1.7 employ advisers, consultants, managers, agents, workmen and others;
- 14.1.8 purchase or acquire materials, tools, equipment, furnishing, goods or supplies;
- 14.1.9 collect, recover and give good discharge for any moneys or claims forming part of, or relating to, any Security Assets and to permit any brokers through whom collection or recovery is effected to charge the usual brokerage for such collection or recover; and
- 14.1.10 do any acts which Lombard or a receiver considers to be incidental to the exercise of its powers or generally beneficial to Lombard.
- 14.2 A receiver may borrow and secure the repayment of any money, in priority to the Customer's Obligations.

- 14.3 In addition to the powers set out in this clause 14, a receiver shall have all the powers conferred on a receiver by the Law of Property Act 1925 and the Insolvency Act 1986 and any other applicable statute. Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Deed.
- ~~14.4 Joint receivers may exercise their powers jointly or separately.~~
- 14.5 A receiver will first apply any money received from the Vessel towards the repayment of all money that the receiver has borrowed and secondly in payment of the receiver's fees and expenses. The receiver will then apply any remaining money received as required by law.
- 14.6 Lombard may exercise any of its powers whether or not a receiver has been appointed.
- 14.7 Each of Lombard and any receiver shall have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Deed on such terms and conditions as it sees fit, which delegation shall not preclude either the subsequent exercise of such power, authority or discretion by the Lombard or the receiver itself or any subsequent delegation or revocation of it.
- 14.8 Any credit balance with Lombard will not be repayable, or capable of being transferred, charged or dealt with by the Owner until the Customer's Obligations have been paid in full.
- 14.9 None of Lombard, its delegate(s), nominee(s) or any receiver shall be liable for any loss by reason of (a) taking any action permitted by this Deed or (b) any neglect or default in connection with the Security Assets or (c) taking possession of or realising all or any part of the Security Assets, except in the case of gross negligence or wilful default upon its part.
- 14.10 Lombard will not be required in any manner to perform or fulfil any obligation of the Owner, make any payment, make any enquiry as to the nature or sufficiency of any payment received by it or present or file any claim or take any action to collect or enforce the payment of any amount.
- 14.11 Lombard shall not be liable either to the Owner or to any other person by reason of the appointment of a receiver or for any other reason.
- 14.12 Neither Lombard nor the receiver will be in any way liable or responsible to the Owner for any loss or liability arising from any act, default, omission or misconduct on the part of any delegate or sub-delegate.
- 15 Application of payments**
- 15.1 Lombard may apply any payments received for the Owner to reduce any of the Customer's Obligations, as Lombard decides.
- 15.2 Until all amounts which may be or become payable by the Owner to Lombard have been irrevocably paid in full, Lombard (or any trustee or agent on its behalf) may without affecting the liability of the Owner under this Deed:
- 15.2.1 refrain from applying or enforcing any other monies, security or rights held or received by Lombard (or any trustee or agent on its behalf) against those accounts or apply and enforce them in such manner and order as it sees fit (whether against those amounts or otherwise); and
- 15.2.2 hold in an interest-bearing suspense account any moneys received from the Owner or on account of the Owner's liability under this Deed.
- 15.3 If Lombard reasonably considers that any amount paid or credited to it is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws, the liability of the Owner under this Deed and the security created under this Deed shall continue and such amount shall not be considered to have been irrevocably paid.
- 15.4 If Lombard receives notice of any Encumbrance affecting the Vessel other than a Permitted Encumbrance, Lombard may suspend the operation of the Owner's account(s) and open a new account or accounts. Regardless of whether Lombard suspends the account(s), any payments received by Lombard after the date of that notice will be applied first to repay any of the Customer's Obligations arising after that date.
- 16 Preservation of other security and rights and further assurance**
- 16.1 This Deed is in addition to any other security for the Customer's Obligations held by Lombard now or in the future. Lombard may consolidate this Deed with any other security so that they have to be redeemed together, but it will not merge with or prejudice any other security or Lombard's other rights.
- 16.2 The security created under this Deed will be a continuing security for the ultimate balance of the Customer's Obligations notwithstanding any intermediate payment or settlement of all or any part of the Customer's Obligations.
- 16.3 The obligations of the Owner under this Deed will not be affected by any act, omission or thing which, but for this provision, would reduce, release or prejudice any of its obligations under this Deed (whether or not known to it or Lombard). This includes:
- 16.3.1 any time or waiver granted to, or composition with, any person;
- 16.3.2 any release of any person under the terms of any composition or arrangement;

- 16.3.3 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce any rights against, or security over assets of, any person;
- 16.3.4 any non-presentation, non-observance of any formality or other requirements in respect of any instrument or any failure to realise the full value of any security;
- 16.3.5 any incapacity, lack of power, authority or legal personality of or dissolution or change in the members or status of any person;
- 16.3.6 any amendment of any document or security;
- 16.3.7 any unenforceability, illegality, invalidity or non-provability of any obligation of any person under any document or security or the failure by any person to enter into or be bound by any document or security; or
- 16.3.8 any insolvency or similar proceedings.

16.4 Without prejudice to the generality of clause 16.2 above, the **Owner** expressly confirms that it intends that the security under this **Deed** shall extend from time to time to any variation, increase, extension or addition (however fundamental) of or to any document creating any of the **Customer's Obligations** and/or any facility or amount made available under such document.

16.5 Unless all amounts which may be or become payable by the **Owner** to **Lombard** have been irrevocably paid in full or as **Lombard** otherwise directs, the **Owner** will not, after a claim has been made or by virtue of any payment or performance by it under this **Deed**:

16.5.1 be subrogated to any rights, security or moneys held, received or receivable by **Lombard** (or any trustee or agent on its behalf); nor

16.5.2 be entitled to any right of contribution or indemnity in respect of any payment made or moneys received on account of the **Owner's** liability under this clause.

16.6 The **Owner** waives any right it may have of first requiring **Lombard** (or any trustee or agent on **Lombard's** behalf) to proceed against or enforce any other right or security or claim payment from any person or file any proof or claim in any insolvency, administration, winding-up or liquidation proceedings relative to any other person before claiming from the **Owner** under this **Deed**.

16.7 On request, the **Owner** will at its own cost promptly execute any deed or document, or take any other action required by **Lombard**, to perfect, protect or enhance **Lombard's** security under the **Security Documents** or which **Lombard** intended to be created by the **Security Documents**.

## 17 Non-compliance by the Owner

If the **Owner** for any reason fails to observe or punctually perform any of its obligations under this **Deed**, **Lombard** shall be entitled, on behalf of or in the name of the **Owner** or otherwise and at the cost of the **Owner**, to perform the obligation and to take any steps which **Lombard** may consider necessary with a view to remedying or mitigating the consequences of the failure.

## 18 Power of attorney

To give effect to this **Deed** and to perfect, protect and enhance the security created by this **Deed** and secure the exercise of any of their powers, the **Owner** irrevocably appoints **Lombard**, and separately any receiver appointed pursuant to the provisions of this **Deed**, to be the **Owner's** attorney (with full power of substitution and delegation), in the **Owner's** name to sign or execute any documents, deeds and other instruments, or take, continue or defend any proceedings in accordance with this **Deed** and the Loan Agreement. The **Owner** ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this clause 18.

## 19 Lombard's rights

If **Lombard** waives or decides not to enforce any of its rights under this **Deed**, **Lombard** may enforce any such right at a later date.

## 20 Set-off

**Lombard** may at any time, and without notice to the **Owner**, combine or consolidate all or any of the **Owner's** then existing accounts with any liabilities to **Lombard** and apply any sum due to the **Owner** in satisfaction of any sum due and unpaid by the **Owner** under any **Finance Document** or any other agreement, or guarantee with or other obligation owed to **Lombard**.

## 21 Currency

21.1 **Lombard** may convert any payment it receives in any other currency in respect of this **Deed** to the **Currency** at its chosen spot rate of exchange for the purchase of the relevant currency in the London foreign exchange market at the relevant time.

21.2 **Lombard** may convert the **Market Value** stated in any valuation supplied to it in connection with this **Deed** from one currency to the **Currency**, at its chosen spot rate of exchange for the purchase of the relevant currency in the London foreign exchange market at the relevant time.

## **22 Severability**

If at any time any provision in connection with this **Deed** becomes illegal, invalid or unenforceable the remaining provisions will not in any way be affected or impaired thereby.

## **23 Variations**

No variation of these terms shall be valid unless it is in writing and signed by or on behalf of each of the **Owner** and **Lombard**.

## **24 Conflict**

In the event of there being any conflict between this **Deed** and the **Loan Agreement** or the **Statutory Mortgage**, the **Loan Agreement** or the **Statutory Mortgage** (as the case may be) shall prevail.

## **25 Notices**

25.1 All consents, notices and demands relating to this **Deed** must be in writing (which shall include, in the case of a notice issued by **Lombard**, by electronic means).

25.2 **Lombard** may deliver a notice or demand to the **Owner** at the contact details last known to **Lombard**, the **Owner's** registered office, or the **Address for Service**, if one is specified.

25.3 A notice or demand by **Lombard** will be deemed given at the time of personal delivery; on the next Business Day after posting; or, if by fax or other electronic means, at the time of sending, if sent before 6.00 pm (London time) on a **Business Day**, or otherwise on the next **Business Day**.

25.4 The **Owner** must deliver a notice to **Lombard** addressed to the address or fax number shown above. Notice by the **Owner** will be effective when received by **Lombard**. For the avoidance of doubt, no notices may be served on **Lombard** by e-mail.

## **26 Transfers**

26.1 **Lombard** may allow any person to take over any of its rights or duties under this **Deed** and may provide information about the **Owner** or any **Finance Document** to which the **Owner** is party to the transferee in connection with any proposed transfer and any person to whom such information is required to be disclosed by any applicable law.

26.2 The **Owner** is not entitled to assign or otherwise transfer its rights or obligations under this **Deed**.

## **27 Counterparts**

This **Deed** may be executed in any number of counterparts and all such counterparts taken together will be deemed to constitute one and the same instrument.

## **28 Contracts (Rights of Third Parties) Act 1999**

No term of this **Deed** will be enforceable solely by virtue of the **Contracts (Rights of Third Parties) Act 1999** by any person who is not a party to this **Deed**.

## **29 Law**

29.1 This **Deed** and any non-contractual obligations arising out of or in connection with it are governed by English law.

29.2 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this **Deed** (including a dispute relating to the existence, validity and termination of this **Deed** or any non-contractual obligation arising out of or in connection with this **Deed** (a "**Dispute**").

29.3 Notwithstanding clause 29.2, **Lombard** shall not be prevented from taking proceedings relating to a **Dispute** in any other courts with jurisdiction. To the extent allowed by law, **Lombard** may take concurrent proceedings in a number of jurisdictions.

29.4 **Lombard** shall in addition have the right to arrest and take action against the **Vessel** and/or any other vessel for the time being belonging to the **Owner** wherever it or they may be, for which purpose the **Owner** irrevocably agrees that any claim form, notice, judgment or other legal process may be served on the **Owner** in the manner set out in clause 29.6 or on the **Vessel** or on the master (or anyone acting as the master) of the **Vessel** or of the vessel against which the action is taken, which shall be deemed good service on the **Owner**, the **Vessel** or such other vessel for all purposes.

29.5 The **Owner** irrevocably waives any objection which it may now or in the future have to the laying of the venue of any proceedings in any court referred to in this clause and any claim that those proceedings have been brought in an inconvenient or inappropriate forum, and irrevocably agrees that a judgment in any proceedings commenced in any such court shall be conclusive and binding on it and may be enforced in the courts of any other jurisdiction.

29.6 The **Address for Service**, if specified, or any other address provided for this purpose, will be an effective address for serving proceedings on the **Owner**.

**IN WITNESS** of which this Deed has been executed as a deed by the Owner and signed by Lombard and delivered by them on the date stated at the beginning of this Deed.

**Executed and Delivered as a deed by Manor Renewable Energy Limited**

Director \_\_\_\_\_

Director/Secretary \_\_\_\_\_

Print name \_\_\_\_\_

Print name \_\_\_\_\_

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

Signed by the Director in the presence of:

Witness' signature \_\_\_\_\_

Witness' name in full \_\_\_\_\_

Address \_\_\_\_\_

Occupation \_\_\_\_\_

Signed by **Lombard North Central plc**

Signature redacted

Print name

*I. S. OLIVER*

Signed in the presence of:

Witness' signature Signature redacted

Witness' name in full \_\_\_\_\_

Address \_\_\_\_\_

Occupation \_\_\_\_\_

**Mark McCagney**  
**Lombard Employee**  
Turnpike House  
123 High Street  
Crawley, Sussex  
RH10 1DD

**Appendix A**

#### Loss Payable Clause – Protection and Indemnity Insurance

It is noted by a deed of covenant dated \_\_\_\_\_ between Lombard North Central plc ("Lombard") and Manor Renewable Energy Limited (the "Member") the Member has assigned to Lombard as first priority mortgagee, right, title and interest in all the insurances in respect of m.v. [●] (the "Vessel") (including this entry). It has nevertheless been agreed between the parties that payment of any recovery the Member is entitled to make out of the funds of the protection and indemnity association (the "Association") in respect of any liability, costs or expenses incurred by it shall be made to the Member or to its order unless and until the Association receives notice from Lombard to the contrary, in which event all recoveries shall after that time be paid to Lombard or to its order provided always that no liability whatsoever shall attach to the Association, its managers, or their agents for failure to comply with the latter obligation until after the expiry of two clear business days from the receipt of such notice.

#### Loss Payable Clause – Hull & Machinery Policies: Marine risks, war risks and fire

It is noted by a deed of covenant dated \_\_\_\_\_ between Lombard North Central plc ("Lombard") and Manor Renewable Energy Limited (the "Owner") the Owner has assigned to Lombard as first priority mortgagee, right, title and interest in all the insurances relating to m.v. [●] (the "Vessel") including this policy.

It has nevertheless been agreed between the parties concerned that unless the underwriters shall have received notice from the Mortgagee to the contrary, in which event all claims payable under the policy of insurance shall be payable direct to the Mortgagee, all claims shall be payable as follows:

1. there shall be paid to the Mortgagee any and every amount receivable in respect of a Total Loss (including an actual or constructive or compromised or arranged Total Loss) or of a Major Casualty (that is to say any casualty (other than a Total Loss) in respect of which the claim or aggregate of the claims exceeds £100,000.00 (inclusive of any deductible)); and
2. every other amount receivable in respect of this policy of insurance shall be paid to the Owner and shall be applied by it for the purpose of the repair of all the damage, the reparation of the loss and the discharge of the liability in respect of which such amount shall have been paid.

## Notice of Assignment

(For attachment by way of endorsement to all policies, contracts and cover notes)

We, **Manor Renewable Energy Limited** of Manor Offices Portland Port Business Centre, Castletown, Portland, Dorset, DT5 1PB (the "Owner"), the owner of m.v. [•] (the "Vessel"), give notice that by an assignment in writing dated \_\_\_\_\_ we assigned to **Lombard North Central plc** acting through its office at PO Box 520, Rotherham, S63 3BR all our right, title and interest in and to all insurances effected or to be effected in respect of the Vessel, including the insurances constituted by the policy on which this notice is endorsed, and including all money payable and to become payable thereunder or in connection therewith (including return of premiums).

Signed:

For and on behalf of  
**Manor Renewable Energy Limited**

Dated:



# Deed of Covenants



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

The following terms have the following meanings:

Date: 14 June 2023

## Owner

Name: Manor Renewable Energy Limited Registration number: 08753840

Jurisdiction of Incorporation: England and Wales

Address: Manor Offices Portland Port Business Centre, Castletown, Portland, Dorset, DT5 1PB

Address for Service:  
(must be in England and Wales and include name) Manor Offices Portland Port Business Centre, Castletown, Portland, Dorset, DT5 1PB

## Lombard

Lombard North Central plc, a company registered in England and Wales (registered number: 00337004) whose address for service is PO Box 520, Rotherham, S63 3BR

## Customer

Name: Manor Renewable Energy Limited Registration number: 08753840

## Vessel

Vessel Type: Offshore Support Vessel

Vessel Name: "MANOR VULCAN"

Year of Manufacture: 2022

Hull Identification Number: H775

Official Number: 187467

Classification (if any) /  
Classification Society: Bureau Veritas

Port of Registration: Portland

Location of Vessel when  
not in use: Portland

Permitted Waters: Worldwide, excluding those areas listed in the memorandum JWLA024 (as the same may be amended, replaced and updated from time to time) and as set out in the LMA Lloyds website, and whilst always ensuring that such waters are within the territorial limits imposed by the Insurances.

Major Casualty Sum: £100,000.00

Warranty Sum: £100,000.00

Chartering is Permitted? Yes, under Permitted Charters only

## 1 Definitions and interpretation

1.1 In this **Deed** the following words will have the meanings given alongside them:

- 1.1.1 **Customer's Obligations** has the meaning given to it in clause 2 (*Customer's Obligations*);
- 1.1.2 **Charter Guarantee** any guarantee, bond, letter of credit or any other form of security supporting a **Charter**;
- 1.1.3 **Insurances** all policies or contracts of insurance (including where applicable, all entries in protection and indemnity or war risks associations) relating to the **Vessel**;
- 1.1.4 **Interest** has the meaning given to it in clause 2.1;
- 1.1.5 **Loan Agreement** the loan agreement entered into between the **Customer** and **Lombard** in relation to the financing of the **Vessel** inclusive of the **Marine Loan Terms**;
- 1.1.6 **Maintenance Contracts** all contracts for the maintenance of the **Vessel** to which the **Owner** is a party or such contracts made in favour of the **Owner**;
- 1.1.7 **Major Casualty** has the meaning given to it in clause 5.2.2;
- 1.1.8 **Protection and Indemnity Risks** the usual risks covered by a protection and indemnity association, liability to third parties and pollution liability and, to the extent not covered under the hull and machinery policies, collision;
- 1.1.9 **Requisition Compensation** all sums payable by reason of a **Requisition** of the **Vessel**;
- 1.1.10 **Security Assets** the **Vessel** and all assets which from time to time are subject to the security created or expressed to be created by this **Deed**;
- 1.1.11 **Security Period** from the date of this **Deed** for so long as any amount is outstanding from an **Obligor** to **Lombard** in connection with the **Loan Agreement** or **Lombard** is under any commitment to lend to the **Customer**;
- 1.1.12 **Statutory Mortgage** has the meaning given to it in clause 3 (*Charge*); and
- 1.1.13 **Warranties** any agreement under which warranties are provided in favour of the **Owner** in relation to the **Vessel**.

1.2 Capitalised terms defined in the **Loan Agreement** have the same meaning in this **Deed** unless expressly defined otherwise in this **Deed**.

1.3 The provisions of clauses 1.2 – 1.6 of the **Loan Agreement** apply to this **Deed** as though they were set out in full in this **Deed**, except that references to the **Loan Agreement** will be construed as references to this **Deed**.

1.4 Unless a contrary indication appears:

- 1.4.1 a reference in this **Deed** to "**Customer's Obligations**" where the **Customer** is more than one person, includes such person's joint, several and independent liabilities and references to "**Customer**" are to them together and separately;
- 1.4.2 references in this **Deed** to the "**Vessel**" include (without limitation) any share or interest in that **Vessel**, its machinery, engines, boats and tenders and the **Vessel's** current and future documents, certificates, licences, logs, manuals and records and any or all other items over which this **Deed** creates security;
- 1.4.3 a reference in the **Statutory Mortgage** to:

- (a) "interest" includes interest covenanted to be paid under this **Deed**;
- (b) "principal" means all monies other than interest for the time being included in the **Customer's Obligations**; and
- (c) the expression "the sums for the time being owing on this security" and any expression similar to it means the whole of the **Customer's Obligations**.

1.5 It is intended that this document take effect as a deed notwithstanding that a party may only execute it under hand.

## 2 Customer's Obligations

The **Owner** agrees to pay to **Lombard** on demand all the **Customer's Obligations**. The **Customer's Obligations** are all the **Customer's** liabilities to **Lombard** (present, future, actual or contingent and whether incurred alone or jointly with another) including (without limitation):

- 2.1 interest at the rate charged by **Lombard** in accordance with the terms of the **Loan Agreement**, calculated both before and after demand or judgment or decree on a daily basis ("**Interest**"); and
- 2.2 any expenses, costs or administration charges, **Lombard** or a receiver incurs (on a full indemnity basis and with **Interest** from the date of payment) in connection with the **Vessel** or taking, perfecting, protecting or enforcing this **Deed** or exercising any power under it. Upon request **Lombard** will provide details of its costs and expenses to the **Owner**.

- 2.3 Interest due and unpaid will be compounded monthly on the days selected by **Lombard** but will remain immediately due and payable.
- 2.4 The **Owner's** obligation to make all payments under this **Deed** is absolute and unconditional and each payment must be made in full, without set-off or deduction, or withholding unless required by law in which event the **Owner** shall pay to **Lombard** such additional amount as is necessary to ensure that the net amount received by **Lombard** is equal to the amount **Lombard** would have received in the absence of any requirement to make any such set-off, deduction or withholding.
- 3 Charge**
- 3.1 The **Owner** granted in favour of **Lombard** a first priority statutory mortgage over all of the **Vessel** (the "**Statutory Mortgage**"). In addition, the **Owner**, as a continuing security for the payment on demand of the **Customer's Obligations** and with full title guarantee:
- 3.1.1 mortgages the **Vessel** to **Lombard**;
- 3.1.2 assigns to **Lombard** absolutely all of its right, title, benefit and interest (in each case present and future, and actual and contingent) in and to:
- (a) all **Charters, Earnings** and any **Charter Guarantee**;
  - (b) all **Insurances** and proceeds of the **Insurances**;
  - (c) all **Warranties** and **Maintenance Contracts**; and
  - (d) all **Requisition Compensation**;
- 3.1.3 charges to **Lombard** all of its current and future tackle, spare parts, fuel and stores, whether on board or ashore.
- 3.2 The assignment under clause 3.1.2 above is subject to a proviso for reassignment on irrevocable discharge in full of the **Customer's Obligations**. Following the expiry of the **Security Period** **Lombard** shall, at the request and cost of the **Owner** promptly execute and deliver to the **Owner** a discharge of this Deed together with all further instruments and documents which the **Owner** may require for the purpose of discharging the security constituted by the **Statutory Mortgage** and this Deed.
- 3.3 If any property expressed to be assigned in this clause 3 cannot be assigned, the **Owner** shall hold that property on trust for **Lombard** and the assignment shall take effect as an assignment of any damages, compensation, remuneration, profit, rent or income which the **Owner** may derive from that right or be entitled to in respect of that right.
- 4 Perfection of security**
- The **Owner** shall promptly on request by **Lombard**, give notice of assignment in form and substance satisfactory to **Lombard**:
- 4.1 to each party with whom the **Owner** has entered into a **Charter, Charter Guarantee, Warranty** or **Maintenance Contract** or any other agreement under which **Earnings** are paid; and
- 4.2 to each insurer with whom the **Owner** holds the **Insurances** (in the form set out in Appendix A);
- and the **Owner** shall use all reasonable endeavours to procure that each addressee of such notice will promptly provide an acknowledgement to **Lombard** in form and substance satisfactory to **Lombard**.
- 4.3 The **Owner** shall from time to time promptly on request by **Lombard** give written notice in such form as **Lombard** shall require of the assignment of the **Requisition Compensation** contained in this Deed.
- 5 Receipts**
- 5.1 The **Earnings** and any sums recoverable under any **Charter Guarantee** or **Maintenance Contract** shall be payable to the **Owner** until **Lombard** directs to the contrary following the occurrence of an **Event of Default**, on and after which direction:
- 5.1.1 the **Owner** shall immediately pay such amounts to **Lombard** or as it may direct, and **Lombard** may instruct all persons from whom those sums are due to do the same; and
- 5.1.2 any such sums then held by the **Owner's** brokers, bankers or other agents or representatives shall be deemed to have been received by, and to be held by them, on trust for **Lombard**.
- 5.2 Before an **Event of Default** occurs, sums recoverable in respect of the **Insurances** shall be payable as follows:
- 5.2.1 any sum recoverable in respect of a **Total Loss** under the **Insurances** against fire and the usual marine risks and war risks shall be paid to **Lombard**;
- 5.2.2 any sum recoverable under the **Insurances** against fire and the usual marine risks and war risks in respect of a casualty to the **Vessel** in respect of which the claim or the aggregate of the claims against all insurers (before adjustment for any relevant franchise or deductible) exceeds the **Major Casualty Sum** (a "**Major Casualty**") shall be paid to **Lombard** save that:

- (a) the sum received by **Lombard** shall be paid over to the **Owner** upon the **Owner** providing evidence satisfactory to **Lombard** that all loss and damage resulting from the casualty has been properly made good and repaired and that liabilities connected with the casualty have been paid by the **Owner**; and
  - (b) the insurers with whom the Insurances are effected may in the case of any **Major Casualty**, and with the prior written consent of **Lombard**, make payment to the repairers on account of the repairs which are being carried out;
- 5.2.3 any other sum recoverable under the **Insurances** against fire and the usual marine risks and war risks shall be paid to the **Owner** which shall apply it in making good the loss and fully repairing all damage in respect of which that insurance money was received; and
- 5.2.4 any sum recoverable under the **Insurances** against **Protection and Indemnity Risks** shall be paid directly to the person to whom the **Owner** is liable or to the **Owner** in reimbursement of moneys expended by it to discharge that liability.
- 5.3 On or after the occurrence of an **Event of Default**, any sums recoverable under the **Insurances** shall be payable to **Lombard**.
- 5.4 Before an **Event of Default** occurs, sums recoverable in respect of the **Warranties** shall be payable as follows:
- 5.4.1 sums being in aggregate in excess of the **Warranty Sum** shall be paid to **Lombard** or as it may direct; and
- 5.4.2 sums being in aggregate less than the **Warranty Sum** shall be paid to the **Owner** which shall apply them in remedying any defect in respect of which that sum was received.
- 5.5 On or after the occurrence of an **Event of Default**, any sums recoverable in respect of the **Warranties** shall be payable to **Lombard**.
- 6 Representations and warranties**
- 6.1 The **Owner** represents and warrants to **Lombard** on the date it signs this **Deed** that:
- 6.1.1 it is a limited liability company or a limited liability partnership duly incorporated or established under the laws of the **Jurisdiction of Incorporation** and it has the power to carry on its business and to own its property and other assets;
- 6.1.2 the obligations expressed to be assumed by it in each **Finance Document** to which it is a party are legal, valid, binding and enforceable obligations;
- 6.1.3 it has power to execute and perform its obligations under those **Finance Documents** to which it is a party;
- 6.1.4 the execution and performance by it of the **Finance Documents** to which it is a party does not:
- (a) contravene any applicable law, order or regulation;
  - (b) conflict with, or result in any breach of any of the terms of, or constitute a default under, any agreement or other instrument to which it is a party or any licence or other authorisation to which it is subject or by which it or any of its property is bound unless such conflict, breach or default could not reasonably be expected to have a **Material Adverse Effect**; or
  - (c) contravene or conflict with its memorandum, articles of association or any other constitutional documents relating to it;
- 6.1.5 it has and will maintain all necessary **Authorisations** to perform its obligations under the **Finance Documents**;
- 6.1.6 any **Authorisation** required or desirable to make any **Finance Document** to which it is a party admissible in evidence in each **Relevant Jurisdiction** has been obtained or effected and is in full force and effect;
- 6.1.7 the choice of governing law of any **Finance Document** to which it is a party will be recognised and enforced in each **Relevant Jurisdiction**;
- 6.1.8 any judgment obtained in relation to any **Finance Document** to which it is a party in the jurisdiction of the governing law of that **Finance Document** will be recognised and enforced in each **Relevant Jurisdiction**;
- 6.1.9 any filing, recording or enrolment with any court or other authority of any **Finance Document** to which it is a party necessary under the laws of any **Relevant Jurisdiction** has been completed;
- 6.1.10 any stamp, registration, notarial or similar **Tax** or fee be paid on or in relation to any **Finance Document** to which it is a party or the transactions contemplated by any **Finance Document** to which it is a party under the laws of any **Relevant Jurisdiction** has been paid;
- 6.1.11 it is not necessary under the laws of any **Relevant Jurisdiction**:
- (a) in order to enable **Lombard** to enforce its rights under any **Finance Document** to which the **Owner** is a party; or

- (b) by reason of the execution of any **Finance Document** to which the **Owner** is a party or the performance by **Lombard** of its obligations under any **Finance Document** to which the **Owner** is a party, that **Lombard** should be licensed, qualified or otherwise entitled to carry on business in any **Relevant Jurisdiction**;
- 6.1.12 **Lombard** will not be deemed to be resident, domiciled or carrying on business in any **Relevant Jurisdiction** by reason only of the execution, performance and/or enforcement of any **Finance Document** to which the **Owner** is a party;
- 6.1.13 It has not taken any action nor have any steps been taken or legal proceedings been started or to the best of its knowledge threatened in writing against it for:
- (a) winding-up, dissolution or re-organisation; or
  - (b) the enforcement of any **Encumbrance** over its assets; or
  - (c) the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of it or of any of its assets;
- 6.1.14 except as disclosed to **Lombard** in writing before the date of signing this **Deed**, no action, litigation, arbitration or administrative proceeding has been commenced or to the best of its knowledge is pending or threatened against it involving a potential liability which could, individually or in aggregate have a **Material Adverse Effect** nor is there subsisting any unsatisfied judgment or award given against it;
- 6.1.15 It has not made any representations or warranties, whether express or implied, in connection with the **Finance Documents** which may increase **Lombard's** obligations, which are false or adversely affect **Lombard's** rights;
- 6.1.16 all information supplied by it or by any person on its behalf to **Lombard** was and remains true and complete in all respects and it is not aware of any material fact or circumstance which has not been disclosed to **Lombard**;
- 6.1.17 the **Vessel** is not subject to any **Encumbrance** other than any **Permitted Encumbrance**;
- 6.1.18 the security created by each **Security Document** has or will have the ranking which it is expressed to have in the **Security Document** and it is not subject to any prior ranking or pari passu ranking **Encumbrance** other than as permitted in writing by **Lombard** or as exists by operation of applicable law;
- 6.1.19 it has a good, valid and marketable title to, or valid leases or licences of, and all appropriate **Authorisations** to use, the assets necessary to carry on its business as presently conducted; and
- 6.1.20 it is the sole legal and beneficial owner of the assets over which it purports to grant security pursuant to the **Security Documents** to which it is a party including, without limitation, all the shares in the **Vessel**;
- 6.2 Each of the representations set out above are repeated by the **Owner** on each day of the **Security Period** by reference to the facts and circumstances then existing.
- 7 Vessel undertakings**
- The **Owner** will at all times during the **Security Period**:
- 7.1 register and keep the **Vessel** registered under the **Official Number** at the **Port of Registration**;
  - 7.2 not change the **Official Number** or identification marks of the **Vessel** and not, without the prior written consent of **Lombard**, change the **Vessel Name**;
  - 7.3 if applicable, maintain the **Vessel's Classification** free of outstanding recommendations and qualifications and inform **Lombard** immediately of any requirement imposed by the **Classification Society** with which the **Owner** is unable to comply;
  - 7.4 provide to **Lombard** annually, copies of all class and code information, maintenance records, log books and insurance information relating to the **Vessel**;
  - 7.5 submit the **Vessel** for periodic or other surveys to maintain its **Classification** and upon request provide to **Lombard** copies of all certificates and survey reports issued in respect of the **Vessel**;
  - 7.6 inform **Lombard** immediately of any requirement imposed by any insurer of the **Vessel** or an authority with which the **Owner** is unable to comply;
  - 7.7 use the **Vessel** in a safe, careful and proper manner and in accordance with the manufacturer's recommendations;
  - 7.8 ensure the **Vessel** is operated in accordance with all applicable laws and regulations, not engage in any unlawful trade or allow the **Vessel** to carry a cargo which will expose the **Vessel** to penalty or forfeiture;
  - 7.9 comply with the requirements of any international convention and code applicable to the **Vessel** and deliver to **Lombard** a copy of each report, survey, certificate and any other document of compliance: (i) issued to the **Owner** in respect of any such convention or code; or (ii) requested by **Lombard** to evidence such compliance;

- 7.10 pay when due all licence fees, port fees, mooring fees, taxes, fines, charges or other amounts due and relating to the **Vessel** or its use;
- 7.11 immediately inform **Lombard** of any arrest, proceedings, collision or incident affecting the **Vessel**;
- 7.12 not, without the prior written consent of **Lombard**, change the **Location of Vessel** from that notified to **Lombard** prior to the date of this **Deed**;
- 7.13 permit **Lombard** (and its surveyor or other persons appointed by it) at any time to inspect the **Vessel**, its cargo and papers at the **Customer's** expense and upon **Lombard's** request deliver to **Lombard** for its inspection all contracts relating to the **Vessel**, its use or its cargo whether on board or not;
- 7.14 permit **Lombard** and its agents or other persons appointed by it to undertake a survey and valuation of the **Vessel** and its technical records at the **Customer's** expense: (a) annually; (b) if **Lombard** has reason to believe that the **Market Value** of the **Vessel** has fallen below the amount that is the **Asset Cover** percentage (%) of the **Balance**; and (c) at any time after a **Default** has occurred and is continuing;
- 7.15 not take the **Vessel** outside the **Permitted Waters** without **Lombard's** prior written consent;
- 7.16 not allow the **Vessel** to be used in any part of the world where there are hostilities (whether war is declared or not) or enter a zone which is declared a war zone by any government or by the **Vessel's** insurers;
- 7.17 keep the **Vessel** in good and seaworthy condition and carry out repairs and replace parts as appropriate, in accordance with the manufacturer's recommendations and not, without **Lombard's** consent, make any alterations to the **Vessel** or equipment installed on it which would or might alter the structure, type or performance characteristics of the **Vessel** or reduce its value;
- 7.18 give **Lombard** prior written notice of any proposed dry docking of the **Vessel** allowing **Lombard**, its agents or representatives to be present if it requires;
- 7.19 upon **Lombard's** request provide satisfactory evidence that the wages, allotments, insurance and pension contributions of the master and crew of the **Vessel** are being paid in accordance with the articles of agreement relating to the **Vessel** and the relevant regulations and that all applicable deductions from the remuneration of the master and crew in respect of any tax liability (including PAYE where applicable) and national insurance contributions are being made and accounted for to the relevant authority and that the master has no claim for disbursements other than those properly incurred by him in the ordinary trading of the **Vessel** on the voyage then in progress;
- 7.20 document any commercial use of the **Vessel** on market standard and arm's length terms;
- 7.21 not **Charter** or part with possession of the **Vessel** other than (a) a **Permitted Charter** (if chartering is specified in this **Deed** as permitted) and (b) any parting with possession of the **Vessel** for the purpose of works being completed to it provided that the costs of completing such work do not exceed 15% of the **Market Value** of the **Vessel** (as set out in the most recent valuation);
- 7.22 perform and discharge all duties, liabilities or obligations imposed on the **Owner** under any **Charter**, bill of lading or other contract relating to the **Vessel**;
- 7.23 promptly notify **Lombard** if the **Owner** enters into any **Charter**, **Charter Guarantee** in respect of a **Charter** or any **Maintenance Contract**;
- 7.24 not use or allow the **Vessel** to be used for residential purposes for a period of more than six (6) months at any one time (except for crew);
- 7.25 if required by **Lombard**, deposit with **Lombard** all deeds and documents of title, leases or **Charters** relating to the **Security Assets** other than those documents that by operation of applicable law must remain on the **Vessel**;
- 7.26 not permit or create or allow to subsist any **Encumbrance** over the **Security Assets** other than a **Permitted Encumbrance**;
- 7.27 not assign or purport to assign any **Earnings** or **Insurances**, **Charters**, **Charter Guarantees** or **Maintenance Contracts** in relation to the **Vessel** other than under the **Finance Documents**;
- 7.28 not amend or end, or grant a waiver under, any contract mortgaged, charged, assigned or held on trust under this **Deed** (other than a **Permitted Charter** of a pleasure vessel if chartering is specified in this **Deed** as permitted);
- 7.29 promptly, upon becoming aware of the same, notify **Lombard** of any **Encumbrance** over the **Vessel**;
- 7.30 if **Lombard** so requests, keep attached to the **Vessel** in a prominent position a metal plate stating: "This vessel is mortgaged to Lombard North Central plc";
- 7.31 not dispose of the **Vessel**;
- 7.32 not remove or permit the removal of any part of the **Vessel** or any equipment belonging to the **Vessel** (other than any obsolete equipment or equipment which has been substituted for similar or identical equipment of equal or greater value) nor make or

permit to be made any alteration in the structure, type or speed of the **Vessel** (unless such removal or alteration is required by law or by the **Classification Society**) without **Lombard's** prior written consent;

- 7.33 promptly inform **Lombard** of any **Event of Default** or of any casualty, damage or **Total Loss** or any condition, event or circumstance which with the lapse of time might constitute an **Event of Default**;
- 7.34 comply with any other requirements which **Lombard** notifies to the **Owner**;
- 7.35 retain a copy of any "VAT Paid" certificate issued by the relevant tax authorities on board the **Vessel**; and
- 7.36 if VAT has not been paid in respect of the purchase of the **Vessel** by the **Owner**, ensure that VAT does not become payable in respect of the **Vessel**.

## **8 Insurance undertakings**

The **Owner** will at all times during the **Security Period**:

- 8.1 keep the **Vessel** insured to **Lombard's** reasonable satisfaction against usual marine risks, war risks, fire, **Protection and Indemnity Risks** and any other risks that **Lombard** may specify with insurers or insurance brokers approved by **Lombard** on terms acceptable to **Lombard** and in a currency and amount(s) that **Lombard** notifies to the **Owner**. In default, **Lombard** may arrange insurance at the **Owner's** expense;
- 8.2 pay all insurance premiums promptly and at **Lombard's** request provide copies of renewal receipts;
- 8.3 at **Lombard's** request, pay promptly all insurance premiums which **Lombard** pays for mortgagee indemnity insurance in respect of the **Vessel** and its use;
- 8.4 procure that the brokers / insurers of the **Insurances** each will provide a letter of undertaking in the form **Lombard** requires and in the case of the provider of insurance for **Protection and Indemnity Risks**, a duplicate of the certificate of entry to the association;
- 8.5 not to allow any person to be co-assured under any of the **Insurances** without the prior written consent of **Lombard** except for those already approved by **Lombard** from time to time and the **Owner** shall procure that any such approved person shall, if so required by **Lombard** enter into a subordination agreement in form and substance satisfactory to **Lombard**;
- 8.6 not do or permit any act which will invalidate the **Insurances**;
- 8.7 not cancel or amend the **Insurances** without **Lombard's** prior written consent;
- 8.8 not settle, compromise or abandon any claim under any **Insurance** for **Total Loss** or a **Major Casualty**;
- 8.9 ensure any guarantees required by the protection and indemnity association are issued promptly and remain in full force;
- 8.10 ensure that **Lombard** is named on the **Insurances** (a) as assignee and first loss payee in relation to such amounts and on such terms as **Lombard** specifies, (b) as loss payee in relation to **Insurance** for **Protection and Indemnity Risks**, and (c) as assured in relation to any mortgagee indemnity insurance;
- 8.11 procure that all amounts payable by insurers are paid in accordance with the loss payable clauses in the relevant policy of insurance;
- 8.12 deposit with **Lombard** all **Insurances** and related documents (or copies where **Lombard** agrees); and
- 8.13 if requested by **Lombard**, provide **Lombard** with such information and documentation as it requires to enable it to obtain an insurance report: (i) annually; and (ii) following any renewal of any of the **Insurances** or any change to any of their terms (the cost of such report to be paid by the **Owner** in circumstances where there is a **Default** or a change in the underwriter).

## **9 Requisition**

- 9.1 The **Owner** will remain fully liable to **Lombard** for all its obligations under this **Deed** should there be a **Requisition** of the **Vessel** (other than those with which it is physically unable to comply owing to the requisition) unless and until **Lombard** is satisfied that the requisition authority has assumed the **Owner's** obligations to **Lombard**, and **Lombard** has so confirmed to the **Owner**.
- 9.2 The **Owner** agrees that the **Requisition Compensation** will be paid to **Lombard** by way of prepayment of the **Customer's** **Obligations** if **Lombard** requests.
- 9.3 When any **Requisition** ends the **Owner** will immediately and fully comply with all of its obligations under this **Deed**.

## **10 Indemnity to Lombard**

- 10.1 The **Owner** will indemnify **Lombard** against any liability or loss (including legal costs) arising from any claims as a result of (a) the **Owner** or **Lombard** entering into this **Deed**; (b) the **Owner** failing to perform any of its obligations under this **Deed**; (c) **Lombard** investigating any event that it believes to be a default under this **Deed**; or (d) **Lombard** relying on any notice, request or instruction delivered under this **Deed**. The **Owner** will pay **Lombard** within three **Business Days** of demand by **Lombard**.

10.2 The **Owner** shall indemnify **Lombard** against any **Taxation** or similar charge imposed by any governmental or taxing authority which arises in relation to the **Vessel**, this **Deed** or any payments due under this **Deed** (including for the avoidance of doubt, any amount of value added tax determined by **Lombard** to be irrecoverable but excluding **Taxes** on **Lombard's** overall net profits). The **Owner** will pay **Lombard** within three **Business Days** of demand by **Lombard**.

10.3 Where the **Owner** indemnifies or reimburses **Lombard** for any liability, loss or **Tax** the amount payable by way of indemnity or reimbursement shall take account of the likely **Tax** treatment in the hands of **Lombard** (as conclusively determined by **Lombard**) of (i) the indemnity payment or reimbursement and (ii) the **Tax** or loss suffered in respect of which that amount is payable. In the event that the assumed **Tax** treatment of the indemnity payment or any reimbursement proves to be incorrect the **Owner** agrees to pay, on demand, any additional sum required to ensure that **Lombard** occupies the same after-**Tax** position as it would occupy if no such adjustment were necessary.

10.4 These indemnities will continue in force notwithstanding any **Event of Default** or termination of this **Deed**.

#### 11 When security becomes enforceable

Without prejudice to **Lombard's** other rights under this **Deed** or by virtue of applicable law, upon the occurrence of an **Event of Default**, and at any time thereafter, **Lombard** may, irrespective of whether a notice has been served on the **Owner**, declare the security constituted by the **Security Documents** to have become enforceable whereupon the **Security Documents** will become enforceable and thereafter **Lombard** shall be entitled, without further notice or further demand, immediately to exercise all the powers and remedies possessed by it according to applicable law as mortgagee of the **Vessel** and in particular but, without limitation, the powers set out in this **Deed**.

#### 12 Possession and exercise of powers

12.1 **Lombard** does not have an immediate right to possession of the **Vessel** or its income (and will not be considered to be taking possession if it enters to inspect or repair the **Vessel**). The **Owner** will continue in possession until **Lombard** takes possession.

12.2 Any purchaser or third party dealing with **Lombard** or a receiver may assume that **Lombard's** powers have arisen and are exercisable without proof that demand has been made.

12.3 The receipt of **Lombard** or its delegate or any receiver shall be conclusive discharge to a purchaser in any sale or disposal of any of the **Security Assets**.

#### 13 Appointment of receiver

Following the occurrence of an **Event of Default**, **Lombard** may appoint or remove a receiver or receivers of the **Vessel**. Any restriction imposed by law on the right of a mortgagee to appoint a receiver (including under section 109(1) of the Law of Property Act 1925) that can be excluded does not apply to this **Deed**. If **Lombard** appoints a receiver, **Lombard** may fix and pay the receiver's fees and expenses. The receiver will be the **Owner's** agent and the **Owner** (and not **Lombard**) will be responsible for the acts, defaults and remuneration of the receiver.

#### 14 Powers of Lombard and receivers

14.1 When the security created by this **Deed** becomes enforceable in accordance with clause 11, **Lombard** or any receiver may:

14.1.1 enter, take possession of, operate and/or generally manage the **Vessel**;

14.1.2 maintain or repair the **Vessel**;

14.1.3 sell, hire, lease, charter or accept surrenders of any hire, lease or charter, charge or deal with the **Vessel** without restriction (the power of sale shall arise, and the **Customer's Obligations** shall be deemed due and payable for that purpose, on the execution of this **Deed**);

14.1.4 complete any transactions by executing any deeds or documents in the name of the **Owner**;

14.1.5 take, continue or defend any proceedings and enter into any arrangement or compromise in relation to the **Security Assets**;

14.1.6 insure the **Vessel**, arrange indemnity and other similar insurance, and obtain bonds and give counter-indemnities and other security in connection with this **Deed**;

14.1.7 employ advisers, consultants, managers, agents, workmen and others;

14.1.8 purchase or acquire materials, tools, equipment, furnishing, goods or supplies;

14.1.9 collect, recover and give good discharge for any moneys or claims forming part of, or relating to, any **Security Assets** and to permit any brokers through whom collection or recovery is effected to charge the usual brokerage for such collection or recovery; and

14.1.10 do any acts which **Lombard** or a receiver considers to be incidental to the exercise of its powers or generally beneficial to **Lombard**.

14.2 A receiver may borrow and secure the repayment of any money, in priority to the **Customer's Obligations**.



- 14.3 In addition to the powers set out in this clause 14, a receiver shall have all the powers conferred on a receiver by the Law of Property Act 1925 and the Insolvency Act 1986 and any other applicable statute. Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Deed.
- 14.4 Joint receivers may exercise their powers jointly or separately.
- 14.5 A receiver will first apply any money received from the Vessel towards the repayment of all money that the receiver has borrowed and secondly in payment of the receiver's fees and expenses. The receiver will then apply any remaining money received as required by law.
- 14.6 Lombard may exercise any of its powers whether or not a receiver has been appointed.
- 14.7 Each of Lombard and any receiver shall have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Deed on such terms and conditions as it sees fit, which delegation shall not preclude either the subsequent exercise of such power, authority or discretion by the Lombard or the receiver itself or any subsequent delegation or revocation of it.
- 14.8 Any credit balance with Lombard will not be repayable, or capable of being transferred, charged or dealt with by the Owner until the Customer's Obligations have been paid in full.
- 14.9 None of Lombard, its delegate(s), nominee(s) or any receiver shall be liable for any loss by reason of (a) taking any action permitted by this Deed or (b) any neglect or default in connection with the Security Assets or (c) taking possession of or realising all or any part of the Security Assets, except in the case of gross negligence or wilful default upon its part.
- 14.10 Lombard will not be required in any manner to perform or fulfil any obligation of the Owner, make any payment, make any enquiry as to the nature or sufficiency of any payment received by it or present or file any claim or take any action to collect or enforce the payment of any amount.
- 14.11 Lombard shall not be liable either to the Owner or to any other person by reason of the appointment of a receiver or for any other reason.
- 14.12 Neither Lombard nor the receiver will be in any way liable or responsible to the Owner for any loss or liability arising from any act, default, omission or misconduct on the part of any delegate or sub-delegate.
- 15 Application of payments**
- 15.1 Lombard may apply any payments received for the Owner to reduce any of the Customer's Obligations, as Lombard decides.
- 15.2 Until all amounts which may be or become payable by the Owner to Lombard have been irrevocably paid in full, Lombard (or any trustee or agent on its behalf) may without affecting the liability of the Owner under this Deed:
- 15.2.1 refrain from applying or enforcing any other monies, security or rights held or received by Lombard (or any trustee or agent on its behalf) against those accounts or apply and enforce them in such manner and order as it sees fit (whether against those amounts or otherwise); and
- 15.2.2 hold in an interest-bearing suspense account any moneys received from the Owner or on account of the Owner's liability under this Deed.
- 15.3 If Lombard reasonably considers that any amount paid or credited to it is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws, the liability of the Owner under this Deed and the security created under this Deed shall continue and such amount shall not be considered to have been irrevocably paid.
- 15.4 If Lombard receives notice of any Encumbrance affecting the Vessel other than a Permitted Encumbrance, Lombard may suspend the operation of the Owner's account(s) and open a new account or accounts. Regardless of whether Lombard suspends the account(s), any payments received by Lombard after the date of that notice will be applied first to repay any of the Customer's Obligations arising after that date.
- 16 Preservation of other security and rights and further assurance**
- 16.1 This Deed is in addition to any other security for the Customer's Obligations held by Lombard now or in the future. Lombard may consolidate this Deed with any other security so that they have to be redeemed together, but it will not merge with or prejudice any other security or Lombard's other rights.
- 16.2 The security created under this Deed will be a continuing security for the ultimate balance of the Customer's Obligations notwithstanding any intermediate payment or settlement of all or any part of the Customer's Obligations.
- 16.3 The obligations of the Owner under this Deed will not be affected by any act, omission or thing which, but for this provision, would reduce, release or prejudice any of its obligations under this Deed (whether or not known to it or Lombard). This includes:
- 16.3.1 any time or waiver granted to, or composition with, any person;
- 16.3.2 any release of any person under the terms of any composition or arrangement;

- 16.3.3 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce any rights against, or security over assets of, any person;
- 16.3.4 any non-presentation, non-observance of any formality or other requirements in respect of any instrument or any failure to realise the full value of any security;
- 16.3.5 any incapacity, lack of power, authority or legal personality of or dissolution or change in the members or status of any person;
- 16.3.6 any amendment of any document or security;
- 16.3.7 any unenforceability, illegality, invalidity or non-provability of any obligation of any person under any document or security or the failure by any person to enter into or be bound by any document or security; or
- 16.3.8 any insolvency or similar proceedings.
- 16.4 Without prejudice to the generality of clause 16.2 above, the **Owner** expressly confirms that it intends that the security under this **Deed** shall extend from time to time to any variation, increase, extension or addition (however fundamental) of or to any document creating any of the **Customer's Obligations** and/or any facility or amount made available under such document.
- 16.5 Unless all amounts which may be or become payable by the **Owner** to **Lombard** have been irrevocably paid in full or as **Lombard** otherwise directs, the **Owner** will not, after a claim has been made or by virtue of any payment or performance by it under this **Deed**:
  - 16.5.1 be subrogated to any rights, security or moneys held, received or receivable by **Lombard** (or any trustee or agent on its behalf); nor
  - 16.5.2 be entitled to any right of contribution or indemnity in respect of any payment made or moneys received on account of the **Owner's** liability under this clause.
- 16.6 The **Owner** waives any right it may have of first requiring **Lombard** (or any trustee or agent on **Lombard's** behalf) to proceed against or enforce any other right or security or claim payment from any person or file any proof or claim in any insolvency, administration, winding-up or liquidation proceedings relative to any other person before claiming from the **Owner** under this **Deed**.
- 16.7 On request, the **Owner** will at its own cost promptly execute any deed or document, or take any other action required by **Lombard**, to perfect, protect or enhance **Lombard's** security under the **Security Documents** or which **Lombard** intended to be created by the **Security Documents**.

## 17 Non-compliance by the Owner

If the **Owner** for any reason fails to observe or punctually perform any of its obligations under this **Deed**, **Lombard** shall be entitled, on behalf of or in the name of the **Owner** or otherwise and at the cost of the **Owner**, to perform the obligation and to take any steps which **Lombard** may consider necessary with a view to remedying or mitigating the consequences of the failure.

## 18 Power of attorney

To give effect to this **Deed** and to perfect, protect and enhance the security created by this **Deed** and secure the exercise of any of their powers, the **Owner** irrevocably appoints **Lombard**, and separately any receiver appointed pursuant to the provisions of this **Deed**, to be the **Owner's** attorney (with full power of substitution and delegation), in the **Owner's** name to sign or execute any documents, deeds and other instruments, or take, continue or defend any proceedings in accordance with this **Deed** and the Loan Agreement. The **Owner** ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this clause 18.

## 19 Lombard's rights

If **Lombard** waives or decides not to enforce any of its rights under this **Deed**, **Lombard** may enforce any such right at a later date.

## 20 Set-off

**Lombard** may at any time, and without notice to the **Owner**, combine or consolidate all or any of the **Owner's** then existing accounts with any liabilities to **Lombard** and apply any sum due to the **Owner** in satisfaction of any sum due and unpaid by the **Owner** under any **Finance Document** or any other agreement, or guarantee with or other obligation owed to **Lombard**.

## 21 Currency

- 21.1 **Lombard** may convert any payment it receives in any other currency in respect of this **Deed** to the **Currency** at its chosen spot rate of exchange for the purchase of the relevant currency in the London foreign exchange market at the relevant time.
- 21.2 **Lombard** may convert the **Market Value** stated in any valuation supplied to it in connection with this **Deed** from one currency to the **Currency**, at its chosen spot rate of exchange for the purchase of the relevant currency in the London foreign exchange market at the relevant time.

**22 Severability**

If at any time any provision in connection with this **Deed** becomes illegal, invalid or unenforceable the remaining provisions will not in any way be affected or impaired thereby.

**23 Variations**

No variation of these terms shall be valid unless it is in writing and signed by or on behalf of each of the **Owner** and **Lombard**.

**24 Conflict**

In the event of there being any conflict between this **Deed** and the **Loan Agreement** or the **Statutory Mortgage**, the **Loan Agreement** or the **Statutory Mortgage** (as the case may be) shall prevail.

**25 Notices**

25.1 All consents, notices and demands relating to this **Deed** must be in writing (which shall include, in the case of a notice issued by **Lombard**, by electronic means).

25.2 **Lombard** may deliver a notice or demand to the **Owner** at the contact details last known to **Lombard**, the **Owner's** registered office, or the **Address for Service**, if one is specified.

25.3 A notice or demand by **Lombard** will be deemed given at the time of personal delivery; on the next Business Day after posting; or, if by fax or other electronic means, at the time of sending, if sent before 6.00 pm (London time) on a **Business Day**, or otherwise on the next **Business Day**.

25.4 The **Owner** must deliver a notice to **Lombard** addressed to the address or fax number shown above. Notice by the **Owner** will be effective when received by **Lombard**. For the avoidance of doubt, no notices may be served on **Lombard** by e-mail.

**26 Transfers**

26.1 **Lombard** may allow any person to take over any of its rights or duties under this **Deed** and may provide information about the **Owner** or any **Finance Document** to which the **Owner** is party to the transferee in connection with any proposed transfer and any person to whom such information is required to be disclosed by any applicable law.

26.2 The **Owner** is not entitled to assign or otherwise transfer its rights or obligations under this **Deed**.

**27 Counterparts**

This **Deed** may be executed in any number of counterparts and all such counterparts taken together will be deemed to constitute one and the same instrument.

**28 Contracts (Rights of Third Parties) Act 1999**

No term of this **Deed** will be enforceable solely by virtue of the **Contracts (Rights of Third Parties) Act 1999** by any person who is not a party to this **Deed**.

**29 Law**

29.1 This **Deed** and any non-contractual obligations arising out of or in connection with it are governed by English law.

29.2 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this **Deed** (including a dispute relating to the existence, validity and termination of this **Deed** or any non-contractual obligation arising out of or in connection with this **Deed** (a "**Dispute**").

29.3 Notwithstanding clause 29.2, **Lombard** shall not be prevented from taking proceedings relating to a **Dispute** in any other courts with jurisdiction. To the extent allowed by law, **Lombard** may take concurrent proceedings in a number of jurisdictions.

29.4 **Lombard** shall in addition have the right to arrest and take action against the **Vessel** and/or any other vessel for the time being belonging to the **Owner** wherever it or they may be, for which purpose the **Owner** irrevocably agrees that any claim form, notice, judgment or other legal process may be served on the **Owner** in the manner set out in clause 29.6 or on the **Vessel** or on the master (or anyone acting as the master) of the **Vessel** or of the vessel against which the action is taken, which shall be deemed good service on the **Owner**, the **Vessel** or such other vessel for all purposes.

29.5 The **Owner** irrevocably waives any objection which it may now or in the future have to the laying of the venue of any proceedings in any court referred to in this clause and any claim that those proceedings have been brought in an inconvenient or inappropriate forum, and irrevocably agrees that a judgment in any proceedings commenced in any such court shall be conclusive and binding on it and may be enforced in the courts of any other jurisdiction

29.6 The **Address for Service**, if specified, or any other address provided for this purpose, will be an effective address for serving proceedings on the **Owner**.

IN WITNESS of which this Deed has been executed as a deed by the Owner and signed by Lombard and delivered by them on the date stated at the beginning of this Deed.

Executed and Delivered as a deed by Manor Renewable Energy Limited

Signature redacted  
Director  
Print name A.M. CULLANEY

Signature redacted  
Director/Secretary  
Print name LEIF COOPER

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

Signed by the Director in the presence of:

Witness' signature \_\_\_\_\_

Witness' name in full \_\_\_\_\_

Address \_\_\_\_\_

Occupation \_\_\_\_\_

Signed by Lombard North Central plc

Print name \_\_\_\_\_

Signed in the presence of:

Witness' signature \_\_\_\_\_

Witness' name in full \_\_\_\_\_

Address \_\_\_\_\_

Occupation \_\_\_\_\_

## Appendix A

## Notice of Assignment

(For attachment by way of endorsement to all policies, contracts and cover notes)

We, **Manor Renewable Energy Limited** of Manor Offices Portland Port Business Centre, Castletown, Portland, Dorset, DT5 1PB (the "Owner"), the owner of m.v. [●] (the "Vessel"), give notice that by an assignment in writing dated \_\_\_\_\_ we assigned to **Lombard North Central plc** acting through its office at PO Box 520, Rotherham, S63 3BR all our right, title and interest in and to all insurances effected or to be effected in respect of the Vessel, including the insurances constituted by the policy on which this notice is endorsed, and including all money payable and to become payable thereunder or in connection therewith (including return of premiums).

Signed:

For and on behalf of  
**Manor Renewable Energy Limited**

Dated:

#### **Loss Payable Clause – Protection and Indemnity Insurance**

It is noted by a deed of covenant dated \_\_\_\_\_ between **Lombard North Central plc ("Lombard")** and **Manor Renewable Energy Limited (the "Member")** the Member has assigned to Lombard as first priority mortgagee, right, title and interest in all the insurances in respect of m.v. [●] (the "**Vessel**") (including this entry). It has nevertheless been agreed between the parties that payment of any recovery the **Member** is entitled to make out of the funds of the protection and indemnity association (the "**Association**") in respect of any liability, costs or expenses incurred by it shall be made to the Member or to its order unless and until the Association receives notice from **Lombard** to the contrary, in which event all recoveries shall after that time be paid to **Lombard** or to its order provided always that no liability whatsoever shall attach to the Association, its managers, or their agents for failure to comply with the latter obligation until after the expiry of two clear business days from the receipt of such notice.

#### **Loss Payable Clause – Hull & Machinery Policies: Marine risks, war risks and fire**

It is noted by a deed of covenant dated \_\_\_\_\_ between **Lombard North Central plc ("Lombard")** and **Manor Renewable Energy Limited (the "Owner")** the Owner has assigned to Lombard as first priority mortgagee, right, title and interest in all the insurances relating to m.v. [●] (the "**Vessel**") including this policy.

It has nevertheless been agreed between the parties concerned that unless the underwriters shall have received notice from the Mortgagee to the contrary, in which event all claims payable under the policy of insurance shall be payable direct to the Mortgagee, all claims shall be payable as follows:

1. there shall be paid to the Mortgagee any and every amount receivable in respect of a Total Loss (including an actual or constructive or compromised or arranged Total Loss) or of a Major Casualty (that is to say any casualty (other than a Total Loss) in respect of which the claim or aggregate of the claims exceeds £100,000.00 (inclusive of any deductible)); and
2. every other amount receivable in respect of this policy of insurance shall be paid to the Owner and shall be applied by it for the purpose of the repair of all the damage, the reparation of the loss and the discharge of the liability in respect of which such amount shall have been paid.