



Registration of a Charge

Company name: **Kames Fish Farming Limited**

Company number: **SC051158**



X68NJJ62

Received for Electronic Filing: **15/06/2017**

Details of Charge

Date of creation: **12/06/2017**

Charge code: **SC05 1158 0013**

Persons entitled: **INVESTEC ASSET FINANCE PLC**

Brief description: **64/64TH SHARES IN ONE (1) 19.80 METRE FEED BARGE "CATHERINE MARY" REGISTERED AT THE UK SHIP REGISTRY.**

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:

CLAIRE DEASEY



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 51158

Charge code: SC05 1158 0013

The Registrar of Companies for Scotland hereby certifies that a charge dated 12th June 2017 and created by Kames Fish Farming Limited was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 15th June 2017 .

Given at Companies House, Edinburgh on 16th June 2017

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



DLA PIPER

I CERTIFY THAT, SAVE FOR MATERIAL REDACTED
PURSUANT TO s859G OF THE COMPANIES ACT 2006,
THIS IS A TRUE, COMPLETE AND CORRECT COPY
OF THE ORIGINAL INSTRUMENT

DATE

15 / 06 / 2017

SIGNED

Clara Acy

DLA PIPER UK LLP

DATED

12 JUNE

2017

(1) KAMES FISH FARMING LIMITED

- and -

(2) INVESTEC ASSET FINANCE PLC

DEED OF COVENANTS

relating to
one 19.80m feed barge, "Catherine Mary"

DLA Piper UK LLP
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London
England
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THIS DEED OF COVENANTS is made on

12 JUNE

2017

BETWEEN:

- (1) **KAMES FISH FARMING LIMITED** (company number SC051158) whose registered office is at Kilmelford, By Oban, Argyll PA34 4XA ("**Owner**"); and
- (2) **INVESTEC ASSET FINANCE PLC** of Reading International Business Park, Reading RG2 6AA ("**Mortgagee**").

BACKGROUND:

- A By the Facility Agreement (defined below), the Mortgagee has agreed, upon and subject to the terms of the Facility Agreement to make available to the Owner a term loan facility ("**Facility**").
- B It is a condition precedent to the availability of the Facility that the Owner shall have executed and delivered this Deed to the Mortgagee.

IT IS AGREED:

1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

In this Deed:

- (a) terms defined in, or construed for the purposes of, the Facility Agreement (as defined below) have the same meanings when used in this Deed (unless the same are otherwise defined in this Deed); and

- (b) at all times the following terms have the following meanings:

"**Agreed Value**" means the agreed value of the Vessel being £520,000;

"**Approved Brokers**" means the insurance brokers appointed by the Owner with the Mortgagee's prior approval;

"**Authorisation**" means any authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration;

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks and financial markets are open for business in London;

"**Classification Society**" means the Lloyd's Register or such other classification society as may be approved in writing by the Mortgagee;

"**Default Rate**" means the rate of interest specified in clause 8.4 of the Facility Agreement;

"**Delegate**" means any delegate or sub-delegate appointed pursuant to clause 11.2 (*Delegates*);

"Earnings" means all of the Owner's right, title, benefit and interest in and to any charter, sub-charter, contract of carriage, pooling agreement or other contract relating to the Vessel and all amounts whatsoever which may at any time be earned by or become payable to or for the account of the Owner arising out of the ownership, possession, use or operation of the Vessel by the Owner including all freight, hire and all other amounts payable under any charter, sub-charter, contract of carriage, pooling agreement or other contract relating to the Vessel, all payments for any variation or termination of any such contract and all damages for any breach of any such contract (including demurrage and damages for detention), all general average recoveries, remuneration for towage and salvage services, all compensation for requisition for hire and any amount recoverable under any loss of earnings insurance policy;

"Environmental Approval" means any Authorisation, report or assessment required under any Environmental Law for the operation of the Vessel or the business of the Owner, the Vessel operator, charterer or manager's occupation or use of property in which any of them conduct any business or otherwise have an interest in;

"Environmental Claim" means:

- (a) any and all enforcement, clean-up, removal or other governmental or regulatory action or order or claim instituted or made pursuant to any Environmental Law or resulting from a Spill; or
- (b) any claim made by any other person relating to a Spill;

"Environmental Incident" means any Spill:

- (a) from the Vessel; or
- (b) from any other vessel in circumstances where:
 - (i) the Vessel or the Owner (or any operator, charterer or manager of the Vessel) may be liable for Environmental Claims arising from the Spill (other than Environmental Claims arising and fully satisfied before the date of this Deed); and/or
 - (ii) the Vessel or any other vessel owned, operated, managed or crewed by any member of the Group may be arrested or attached in connection with any such Environmental Claims;

"Environmental Law" means any applicable law, regulation, rule, convention or treaty in any jurisdiction in which the Owner and/or any operator, charterer or manager of the Vessel conduct business which relates to environmental matters, including those relating to discharges of oil, petroleum, petroleum products and distillates, chemicals, Pollutants and other substances, the pollution and protection of the environment or to the carriage of material which is capable of polluting the environment (including the Merchant Shipping Act 1995, the IMO document International Convention for the Prevention of Pollution from Ships (MARPOL) (including a Ship Energy Efficiency Management Plan (SEEMP)), the International Convention on Liability and Compensation for Damage in connection with the Carriage of Hazardous and Noxious Substances by Sea 1996, the United States Oil Pollution Act 1990 and the United States Comprehensive Environmental Response Compensation and Liability Act and the Small Commercial Vessel and Pilot Boat Code of Practice issued by the Maritime and Coastguard Agency);

"Event of Default" means any event or circumstance described or defined as an event of default under any agreement (including any Finance Document) between the Owner and the Mortgagee including each of the events and circumstances set out as such in the Facility Agreement (whether expressly or by reference to another document) and any breach by the Owner of its obligations under this Deed;

"Excess Risks" means the proportion of claims for general average and salvage charges which is not recoverable in consequence of the value at which the Vessel is assessed for the purpose of such claims exceeding her insured value;

"Facility Agreement" means the facility agreement dated on or about the date of this Deed and made between, inter alios, the Owner (as a borrower) and the Mortgagee (as lender);

"Finance Documents" has the meaning given to such term in the Facility Agreement;

"Insurance Documents" means all slips, cover notes, contracts, policies, certificates of entry or other insurance documents evidencing or constituting the Insurances;

"Insurances" means all policies and contracts of insurance (which expression includes all entries of the Vessel in a protection and indemnity or mutual hull or war risks association) or such other insurance arrangements which are from time to time entered into in respect of the Vessel and its Earnings (whether by the Owner pursuant to schedule 2 (*Insurance Covenants*) or by any charterer of the Vessel), including all claims under the policies and contracts and return of premiums;

"Insurers" means the underwriters, insurance companies, mutual insurance associations or other associations or companies with or by which the Insurances are effected;

"Loss" means any loss, demand, liability, obligation, claim, action, proceeding, penalty, fine, damage, adverse judgement, order or other sanction, fee and out-of-pocket cost and expense (including any fee and out-of-pocket cost and expense of any legal counsel);

"Loss Payable Clause" means a loss payable clause in the form of schedules 4 (*Loss Payable Clause: Hull & Machinery Policies: Marine And War Risks*) or 5 (*Loss Payable Clause: Protection and Indemnity Association*) (as applicable);

"Mortgage" means the statutory mortgage with respect to the Vessel dated on or about the date of this Deed and granted by the Owner to the Mortgagee in respect of all monies owed by the Owner to the Mortgagee;

"Pollutants" means and includes pollutants, contaminants, toxic substances, oil and oil residues (as "oil" and "oil residues" are defined in the Merchant Shipping Act 1995) and all hazardous and noxious substances (as defined in the International Convention on Liability and Compensation for Damage in connection with the Carriage of Hazardous and Noxious Substances by Sea 1996);

"Protection and Indemnity Risks" means the usual risks covered by a protection and indemnity association including the proportion (if any) not recoverable in the case of collision under the hull and machinery policies (clause 8 of the Institute Time Clauses – Hulls (1.11.95) or any equivalent provision), liability for third party risks and pollution liability;

"Receiver" means a receiver, or receiver and manager or administrative receiver of the whole or any part of the Security Property appointed by the Mortgagee under this Deed;

"Register of Ships" means the register of British ships in the United Kingdom held by the Register of Ships and Seamen in the UK;

"Requisition Compensation" means all sums of money and all compensation payable by reason of requisition for title or other compulsory acquisition of the Vessel by any governmental, state or other competent authority other than requisition for hire;

"Secured Obligations" means all or any money and liabilities which shall from time to time (and whether on or at any time after demand) be due, owing or incurred in whatsoever manner to the Mortgagee by the Owner, whether actually or contingently, solely or jointly and whether as principal or surety (or guarantor or cautioner), including any money and liabilities of the Owner to a third party which have been assigned or novated to or otherwise vested in the Mortgagee and including interest and other lawful charges or expenses which the Mortgagee may in the course of its business charge or incur in respect of any of those matters and so that interest shall be computed and compounded according to the usual Mortgagee rates and practice (or otherwise agreed in writing) after as well as before any demand made or judgment or decree obtained under or in relation to this Deed;

"Secured Property" means:

- (a) the Vessel;
- (b) the Earnings;
- (c) the Insurances;
- (d) the Requisition Compensation;
- (e) any warranties given by any seller, builder, supplier or other person in relation to the Vessel; and
- (f) any agreement for the repair, modification, maintenance or servicing of or to the Vessel;

"Security Interest" means any mortgage, charge, pledge, lien, hypothecation or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

"Security Period" means the period beginning on the date of this Deed and ending on the date on which:

- (a) all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full; and
- (b) the Owner has no further commitment, obligation or liability whatsoever to the Mortgagee (including under the Finance Documents);

"Spill" means any actual or threatened emission, spill, release or discharge of a pollutant into the environment;

"Sterling" and "£" means the lawful currency of the United Kingdom from time to time;

"Total Loss" means:

- (a) the actual, constructive, comprised, arranged or agreed total loss of the Vessel;
- (b) the requisition for title or other compulsory acquisition of the Vessel other than requisition for hire; and
- (c) the capture, seizure, arrest, detention or confiscation of the Vessel by any government or by any person purporting to act on behalf of any government from which the Vessel is not released or discharged within thirty (30) days after the occurrence thereof;

"Vessel" means one (1) 19.80m feed barge (two feed system model) with Builder's yard number 678 to be registered in the name of the Borrower with the name "Catherine Mary" under the Register of Ships at the port of Macduff including any share or interest therein and the hull, machinery, equipment, fuel and stores of the Vessel (whether now owned or acquired after the date of this Deed) and all replacements, renewals and component parts thereof and all additions and accessories thereto which form an integral part thereof; and

"War Risks" means all risks excluded from hull and machinery marine risks policies by clause 24 of the Institute Time Clauses – Hulls (1.11.1995).

1.2 Construction

- (a) Unless a contrary indication appears, a reference in this Deed to:
 - (i) the **"Mortgagee"**, the **"Owner"** or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
 - (ii) **"assets"** includes present and future properties, revenues and rights of every description;
 - (iii) **"including"** or **"includes"** means including or includes without limitation;
 - (iv) a **"Finance Document"** or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended or novated, supplemented, extended or restated;
 - (v) **"indebtedness"** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
 - (vi) a **"person"** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
 - (vii) a **"regulation"** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;
 - (viii) a provision of law is a reference to that provision as amended or re-enacted; and

(ix) a time of day is a reference to London time.

(b) Section, clause and schedule headings are for ease of reference only.

The parties hereto intend that this document shall take effect as a deed notwithstanding the fact that a party may only execute this document under hand.

2. PURPOSE

The Mortgagee and the Owner have entered into the Facility Agreement, inter alia, to finance the Mortgagee's acquisition of the Vessel. In order to secure the due payment of the Secured Obligations to the Mortgagee, the Owner as the absolute and unencumbered owner of all the shares in the Vessel has agreed inter alia to grant the Mortgage to the Mortgagee and to enter into this Deed which is collateral to the Mortgage.

3. PAYMENT BY THE OWNER

- (a) The Owner, as primary obligor and not merely as surety, covenants that it will on demand in writing pay or discharge the Secured Obligations when the same are due and payable in accordance with their terms or, if they do not specify a time for payment, immediately on demand by the Mortgagee.
- (b) If the Owner shall fail to pay any amount under the Mortgage or this Deed when it is due and payable then such amount shall bear interest (after as well as before judgment and payable on demand) at the Default Rate calculated on a daily basis and compounded monthly from the due date until the date such amount is paid in full to the Mortgagee.

4. MORTGAGE, ASSIGNMENT AND SECURITY

4.1 Mortgage and Assignment

In consideration of the premises and in order to secure the punctual payment of the Secured Obligations to the Mortgagee and the performance and discharge of the Owner's duties and liabilities under the Finance Documents, the Owner with full title guarantee hereby:

- (a) mortgages and charges the Vessel to the Mortgagee;
- (b) assigns and agrees to assign absolutely to the Mortgagee all the Owner's right, title, benefit and interest in and to the Secured Property; and
- (c) covenants and agrees that the Vessel shall be held subject to the Mortgage as security for the payment of the Secured Obligations so that the Mortgage shall be a continuing security, but this Deed shall continue in full force and effect notwithstanding the discharge of the Mortgage until the Security Period has terminated.

4.2 Performance and Indemnity

Notwithstanding the foregoing, the Owner shall remain liable to perform all the obligations to be performed by it in respect of the Secured Property and shall discharge fully its obligations thereunder as they become due and the Mortgagee shall not have any obligation of any kind whatsoever thereunder or be under any liability whatsoever in the event of any failure by the Owner to perform its obligations thereunder and the Owner hereby indemnifies and agrees to keep indemnified the Mortgagee from and against any such liability.

4.3 Release and Transfer

- (a) At the expiry of the Security Period, the Mortgagee shall, at the cost of the Owner, release and discharge the Mortgage and this Deed.
- (b) Notwithstanding any discharge, release or settlement from time to time between the Mortgagee and the Owner, if any security, disposition or payment granted or made to the Mortgagee in respect of the Secured Obligations by the Owner or any other person is avoided or set aside or ordered to be surrendered, paid away, refunded or reduced by virtue of any law or regulation relating to administration, bankruptcy, insolvency, liquidation, winding-up, composition or arrangement or for any other reason, the Mortgagee shall be entitled thereafter to enforce the Mortgage and/or this Deed as if no such discharge, release or settlement had occurred.

5. CONTINUING AND INDEPENDENT SECURITY

5.1 Continuing Security

The Mortgage and this Deed and the security created thereby and hereby created shall remain in full force and effect by way of continuing security and in particular shall not be, nor be considered as, satisfied by any intermediate discharge or payment on account of any liabilities or any settlement of accounts between the Owner and the Mortgagee.

5.2 Independent Security

The Mortgage and this Deed and the security thereby and hereby created shall be in addition to and not in substitution for or derogation of any other security (whether given by the Owner or otherwise) now or from time to time held by the Mortgagee in respect of or in connection with the Secured Obligations. The Mortgagee shall be under no duty to enforce any other Security Interest or Finance Document before enforcing the security created by the Mortgage and/or this Deed.

5.3 Unrestricted Enforcement

The Mortgagee need not before exercising any of the rights, powers or remedies conferred upon it by the Mortgage and/or this Deed or by law:

- (a) take action or obtain judgment against the Owner, or any other person in any court;
- (b) make or file any claim or prove in a bankruptcy, winding-up, administration or liquidation of the Owner or of any other person; or
- (c) enforce or seek to enforce the recovery of the monies and liabilities thereby or hereby secured by any other security.

6. REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties

The Owner represents and warrants to the Mortgagee that:

- (a) ***Sole legal and beneficial owner:*** the Owner is and (subject to the Mortgage and this Deed) will remain the sole, absolute, legal and beneficial owner of the Secured Property;

- (b) **Security Interest:** no Security Interest exists with respect to any of the right, title, interest or benefit of the Owner in or to the Vessel or any of the other Secured Property (other than as created by the Mortgage and this Deed);
- (c) **Third party right:** it has not granted in favour of any other person any interest in or any option or other rights with respect to the Vessel (other than any Permitted Bareboat Charter); and
- (d) **Environmental Compliance:** it has performed and observed in all material respects all applicable Environmental Laws, Environmental Approvals and all other material covenants, conditions, restrictions or agreements directly or indirectly concerned with any contamination, pollution or waste or the release or discharge of any toxic or hazardous substance in connection with the Vessel. Further, that no Environmental Claim has been made or threatened or is pending against the Owner or the Vessel and not fully satisfied and that there has been no Environmental Incident.

6.2 Continuing Representation and Warranty

The Owner also represents and warrants to and undertakes with the Mortgagee that the representations and warranties in clause 6.1 (*Representations and Warranties*) will be true and accurate throughout the Security Period with reference to the facts and circumstances from time to time then existing.

7. TAXES AND OTHER DEDUCTIONS

7.1 No Withholding

All payments to be made by the Owner under the Mortgage and/or this Deed shall be made in full in immediately available Sterling without any set off or counterclaim whatsoever, free and clear of any taxes, deductions or withholdings, save as required by law.

7.2 Gross-up

If at any time the Owner is required to make any deduction or withholding in respect of taxes or otherwise from any payment due under the Mortgage or this Deed for the account of the Mortgagee, the sum due from the Owner in respect of such payment shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Mortgagee receives on the due date for such payment (and retains, free from and clear of any taxes or otherwise) a net sum equal to the sum which it would have received had no such deduction or withholding been required to be made and the Owner shall indemnify the Mortgagee against any Loss suffered or incurred by it by reason of any failure of the Owner to make any such deduction or withholding or by reason of any increased payment not being made on the due date for such payment.

8. UNDERTAKINGS

The Owner hereby undertakes and agrees with the Mortgagee throughout the Security Period that it will:

- (a) **No Security Interest:** not create or attempt or agree to create or permit or suffer to exist any Security Interest (other than the Mortgage and this Deed) over all or any part of any of its assets or the Secured Property (or any share or interest therein) and cause the Secured Property to be released from and the discharge of all such Security Interests;

- (b) **Third party right:** not grant in favour of any other person any interest in or any option or other right in respect of the Secured Property;
- (c) **Ownership of Vessel:** at all times remain the sole, absolute, legal and beneficial owner of the Vessel;
- (d) **No Disposal:** not (without the prior written consent of the Mortgagee) sell or agree to sell, abandon (save in the case of maritime necessity) transfer or assign, any part of the Secured Property or deal with or otherwise dispose of the Vessel (or any share or interest therein);
- (e) **Copies of Notices:** give to the Mortgagee upon receipt copies of all notices, requests and other documents sent or received with respect to the Secured Property or in connection with any notice affecting the Vessel;
- (f) **Information:** give to the Mortgagee such information regarding the Secured Property as the Mortgagee may require;
- (g) **Enforcement:** do or permit to be done every act or thing which the Mortgagee may from time to time require for the purpose of enforcing the rights of the Mortgagee under the Mortgage and/or this Deed and will allow its name to be used as and when required for that purpose;
- (h) **No Depreciation to Security:** not do or cause, permit or suffer to be done anything which may in any way depreciate, jeopardise or otherwise prejudice the value of the Mortgagee's security under the Mortgage or this Deed including ensuring that the Vessel is not captured, seized, arrested, detained, confiscated or taken under execution and shall promptly provide to the Mortgagee the original of any order, notice or other matter served upon the Owner by any third party which may adversely affect the Secured Property and shall promptly comply with, object to or make representations in respect of any such order, notice or other matter as the Mortgagee may require;
- (i) **Outgoings:** pay all rent, charges, taxes, fees, duties, fines, penalties and outgoings of whatsoever nature in respect of the Secured Property and in default thereof the Mortgagee may pay or discharge (without obligation) any such sums which may become due or payable in respect of the Secured Property and the Owner shall promptly indemnify the Mortgagee in relation thereto and discharge or satisfy all claims and demands which if unpaid might in law or otherwise create a Security Interest on the Secured Property (other than a lien on the Vessel for salvage charges or crew's wages earned on the voyage then in progress);
- (j) **Compliance with law:** not permit the Vessel to be used in contravention of any applicable law or regulation and shall comply with the requirements of any applicable law or regulation relating to or affecting the Vessel or the user or owner thereof;
- (k) **Registration:** procure and ensure that:
 - (i) the Vessel is registered and kept registered on the Register of Ships (or such other register of ships as the Mortgagee may agree from time to time in writing) as a ship at the port of Macduff and not do or permit to be done anything whereby such registrations may be forfeited, jeopardised or imperilled;

- (ii) the Vessel is registered in the Owner's name as registered owner in accordance with all applicable laws and regulations; and
 - (iii) the Mortgage is registered on the appropriate register for ship mortgages maintained by the Register of Ships and the Owner shall not take or permit any action which could prejudice any such registration;
- (l) **Parallel Registration:** not parallel register or attempt or agree to parallel register the Vessel or permit or suffer the Vessel to be parallel registered from the Register of Ships on to any other register of ships without the prior written consent of the Mortgagee and then only in accordance with any terms and conditions that may be required by the Mortgagee;
 - (m) **Certificates:** deliver a certified true copy of the Certificate of Registry in relation to the Vessel issued by the Register of Ships and of each renewed or reissued certificate of ownership promptly upon such renewal or reissue;
 - (n) **Notice of Event of Default, Total Loss or Proceedings against Vessel:** promptly give written notice to the Mortgagee of the occurrence of any Event of Default or Total Loss or of any writ or proceedings issued against the Vessel or if the Vessel shall be otherwise attached, arrested or detained by any proceeding in any court or tribunal or by any government or other authority;
 - (o) **Notice of Mortgage:** if required by the Mortgagee, carry on board the Vessel with the Vessel's papers a properly certified copy of the Mortgage and exhibit the same to any person having a legal interest in or having business with the Vessel and to any representative of the Mortgagee, and place prominently in the chart room and the master's cabin of the Vessel a framed notice printed in plain type of such size that the paragraph of reading matter shall cover a space not less than 6 inches wide and 9 inches high reading as follows:

NOTICE OF MORTGAGE

This Vessel is covered by a first priority Statutory Mortgage and Deed of Covenants collateral thereto in favour of Investec Asset Finance plc. Under the terms of the said Mortgage and Deed of Covenants, neither the owner, any charterer, the Master of the Vessel nor any other person has any right, power or authority to create, incur, permit to be imposed or suffer the imposition upon this Vessel any lien or any security interest of any kind other than liens for crew's wages and salvage;

- (p) **Operation and Maintenance:** comply with the operational and maintenance covenants set out in schedule 1 (*Operational and Maintenance Covenants*);
- (q) **Insurances:** comply with the insurance covenants set out in schedule 2 (*Insurance Covenants*); and
- (r) **Requisition Compensation:** in the event of requisition for title (or, following the occurrence of an Event of Default, requisition for hire) by any government, state or other authority, the Owner shall execute an assignment in favour of the Mortgagee (in such form as the Mortgagee may direct) in relation to the Requisition Compensation and, if received by the Owner, pay such Requisition Compensation forthwith to the Mortgagee.

9. DEFAULT AND ENFORCEMENT

9.1 Events of Default

The security created by the Mortgage and this Deed shall become enforceable, and the powers conferred by section 101 of the Law of Property Act 1925 as varied and extended by this Deed shall be exercisable, immediately upon the occurrence of an Event of Default and at any time thereafter, the Mortgagee or its nominee shall be entitled, without prior notice and whether or not it shall have appointed a Receiver, to exercise the power to sell or otherwise dispose of the whole or any part of the Secured Property.

9.2 Power of Sale

The statutory power of sale, of appointing a Receiver and the other statutory powers conferred on mortgagees by section 101 of the Law of Property Act 1925 as varied and extended by this Deed shall arise on the date of this Deed.

10. APPOINTMENT AND POWERS OF RECEIVER

10.1 Appointment of Receiver

At any time after the security created by the Mortgage and/or this Deed has become enforceable, or if requested by the Owner, without any notice or further notice, the Mortgagee may at any time, by deed, or otherwise in writing signed by any officer or manager of the Mortgagee or any person authorised for this purpose by the Mortgagee, appoint one or more persons to be a Receiver. The Mortgagee may similarly remove any Receiver and appoint any person instead of any Receiver. If the Mortgagee appoints more than one person as Receiver, the Mortgagee may give those persons power to act either jointly or severally.

10.2 Scope of Appointment

Any Receiver may be appointed Receiver of all of the Secured Property or Receiver of a part of the Secured Property specified in the appointment. In the latter case, the rights conferred on a Receiver as set out in clause 10.3 (*Rights of Receivers*) shall have effect as though every reference in clause 10.3 (*Rights of Receivers*) to the Secured Property was a reference to the part of the Secured Property so specified or any part of the Secured Property.

10.3 Rights of Receivers

Any Receiver appointed pursuant to this Deed shall have the rights, powers, privileges and immunities conferred by the Insolvency Act 1986 on administrative or other receivers duly appointed under the Insolvency Act 1986, and shall also have the right, either in his own name or in the name of the Owner or otherwise and in such manner and upon such terms and conditions as the Receiver thinks fit, and either alone or jointly with any other person:

- (a) ***Enter into Possession:*** to take possession of, get in and collect the Secured Property, and to require payment to it of any amounts owing in relation to the Secured Property;
- (b) ***Deal with Secured Property:*** to sell, transfer, assign, exchange, charter, lend or otherwise dispose of or realise the Secured Property or any shares therein to any person (including any person connected with the Owner or the Mortgagee) either by public offer or auction, tender or private contract and for a consideration of any kind (which may be payable or delivered in one amount or by instalments spread over a

period or deferred) and pending the sale of the Vessel, insure, manage, maintain, repair, charter, operate, employ, lay up or otherwise use the Vessel for such time and upon such terms as it may deem proper;

- (c) ***Borrow Money:*** to borrow or raise money on the security of the Secured Property (either in priority to the security created by the Mortgage or this Deed or otherwise) and on such terms and conditions and for such purpose as he may think fit;
- (d) ***Rights of Ownership:*** to manage and use the Secured Property and to exercise and do (or permit the Owner or any nominee of it to exercise and do) all such rights and things as the Receiver would be capable of exercising or doing if he were the absolute legal and/or beneficial owner of the Secured Property including ordering the Vessel to proceed forthwith at the Owner's risk and expense to a port or place nominated by the Receiver and if the Owner fails to give the necessary instructions to the master of the Vessel for any reason whatsoever, the Mortgagee shall have the right to give such instructions directly to the master;
- (e) ***Insurance, repairs, improvements etc.:*** to require all Insurance Documents and all claims, correspondence and documents to be delivered to the Mortgagee or to the broker or adjuster nominated by it and to insure the Secured Property on such terms as he thinks fit, to carry out modifications, repairs, alterations, improvements and additions to the Secured Property and to purchase or otherwise acquire or do anything in connection with the Secured Property as he may think fit;
- (f) ***Claims:*** to settle, defend, discharge, compound, release, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands relating to the Secured Property including all claims against the Owner in respect of the Secured Property including those which have given or may give rise to any charge or Security Interest on the Vessel or which are or may be enforceable by proceedings against the Vessel;
- (g) ***Legal Actions:*** to bring, prosecute, enforce, defend and abandon actions, suits and proceedings in relation to the Secured Property including to recover, institute, pursue, discharge, compound, release or compromise all claims by the Owner in respect of the Secured Property against the Insurers, any charterer or any other person;
- (h) ***Redemption of Security:*** to redeem any Security Interest (whether or not having priority to the security created by the Mortgage or this Deed) over the Secured Property and to settle the accounts of any person with an interest in the Secured Property;
- (i) ***Insolvency Act:*** to exercise all powers set out in Schedule 1 or Schedule B1 to the Insolvency Act 1986 as now in force (whether or not in force at the date or in the jurisdiction of exercise and whether or not the Receiver is an administrative receiver) and any powers added to Schedule 1 or Schedule B1 of the Insolvency Act 1986 after the date of this Deed; and
- (j) ***Other Powers:*** to exercise all the rights and powers of a mortgagee in law, equity or otherwise and to do anything else he may think fit for the realisation of the Secured Property or incidental to the exercise of any of the rights conferred on the Receiver under or by virtue of any Finance Document, the Law of Property Act 1925 or the Insolvency Act 1986.

10.4 Agent of Owner

Any Receiver shall be the agent of the Owner for all purposes. The Owner alone shall be responsible for the Receiver's contracts, engagements, acts, omissions, defaults and Losses incurred by the Receiver.

10.5 Remuneration of Receiver

The Owner may determine the remuneration of any Receiver and direct payment of that remuneration out of monies he receives as Receiver. The Owner alone shall be liable for the remuneration and all other costs, charges and expenses of the Receiver.

11. MORTGAGEE'S RIGHTS

11.1 Same Rights as Receiver

Any rights conferred by any Finance Document upon a Receiver may be exercised by the Mortgagee after the security constituted by the Mortgage and/or this Deed becomes enforceable, whether or not the Mortgagee shall have taken possession or appointed a Receiver of the Secured Property.

11.2 Delegates

The Mortgagee may delegate in any manner to any person any rights exercisable by the Mortgagee under any Finance Document. Any such delegation may be made upon such terms and conditions (including power to sub-delegate) as the Mortgagee thinks fit.

12. APPLICATION OF PROCEEDS

All monies received by the Mortgagee or any Receiver or Delegate under the Mortgage or this Deed shall be applied in or towards satisfaction of the Secured Obligations in such order of priority as the Mortgagee in its absolute discretion may determine (subject to the prior discharge of all liabilities having priority thereto by law) and, subject to any such determination, in the following order of priority:

- (a) in payment of any Loss suffered, incurred or paid by the Mortgagee or any Receiver or Delegate in connection with the exercise of any power under the Mortgage or this Deed, the preserving or attempting to preserve the security created thereby or hereby or the Secured Property and of all outgoings paid by the Mortgagee;
- (b) in payment to any Receiver of all remuneration as may be agreed between such Receiver and the Mortgagee should be paid to such Receiver in connection with its appointment as such; and
- (c) in or towards reduction of the remaining Secured Obligations in such manner as the Mortgagee shall determine.

13. LIABILITY OF MORTGAGEE, RECEIVERS AND DELEGATES

13.1 Possession

If the Mortgagee or any Receiver or Delegate takes possession of the Secured Property, it or he may at any time relinquish possession. Without prejudice to clause 13.2 (*Mortgagee's*

Liability), the Mortgagee shall not be liable as a mortgagee in possession by reason of viewing or repairing any of the Secured Property.

13.2 Mortgagee's Liability

Neither the Mortgagee nor any Receiver or Delegate shall (either by reason of taking possession of the Secured Property or for any other reason and whether as mortgagee in possession or otherwise) be liable to the Owner or any other person for any Losses relating to the realisation of any of the Secured Property or from any act, default, omission, or misconduct of the Mortgagee, any Receiver, any Delegate or their respective officers, employees or agents in relation to the Secured Property or in connection with the Finance Documents. If the Mortgagee takes possession of the Vessel the Mortgagee shall not be liable for any default or omission for which a mortgagee-in-possession would be liable.

14. PROTECTION OF THIRD PARTIES

14.1 No Duty to Enquire

No person dealing with the Mortgagee or any Receiver or Delegate shall be concerned to enquire:

- (a) whether the rights conferred by any Finance Document are exercisable;
- (b) whether any consents, regulations, restrictions or directions relating to such rights have been obtained or complied with;
- (c) otherwise as to the propriety or regularity of acts purporting or intended to be in exercise of any such rights; or
- (d) as to the application of any money borrowed or raised.

14.2 Protection to Purchasers

All the protection to purchasers contained in sections 104 and 107 of the Law of Property Act 1925, section 42(3) of the Insolvency Act 1986 or in any other applicable legislation shall apply to any person purchasing from or dealing with the Mortgagee, any Receiver or any Delegate.

15. INDEMNITY

15.1 General Indemnity

The Owner shall indemnify and keep indemnified the Mortgagee every Receiver and every Delegate from and against all Losses which any of them may suffer or incur in connection with:

- (a) the preparation, execution and registration of the Mortgage and this Deed and any other documents required in connection with the Mortgage or this Deed;
- (b) the exercise of any of its powers under the Mortgage or this Deed, in suing for or seeking to recover any sums due under the Mortgage or this Deed or otherwise preserving or enforcing its rights under the Mortgage or this Deed;

- (c) the perfection, preservation or enforcement of the security created by the Mortgage or this Deed;
- (d) the non-performance or non-observance of any covenant, undertaking or agreement on the part of the Owner under any Finance Document;
- (e) the manufacture, description, fitness for purpose, merchantability suitability, quality, state, appearance, safety, durability, value, design, testing, delivery, import, export, registration, ownership, possession, control, use, operation, chartering, leasing, insurance, maintenance, repair, refurbishment, service, overhaul, modification, change, alteration, loss, damage, docking, dry-docking, storage, removal, re-delivery or otherwise of the Vessel;
- (f) the defence of any claim brought against the Mortgagee in respect of the Vessel;
- (g) the payment of any stamp duty or similar tax or duty in connection with the Vessel, the Mortgage or this Deed; or
- (h) releasing or re-assigning the Mortgage and/or this Deed upon the expiry of the Security Period,

and, until payment of the same in full, any such Loss shall be secured by this Deed.

15.2 Currency Indemnity

If an amount due to the Mortgagee from the Owner in one currency ("**first currency**") is received by the Mortgagee in another currency ("**second currency**"), the Owner's obligations to the Mortgagee in respect of such amount shall only be discharged to the extent that the Mortgagee may purchase the first currency with the second currency in accordance with its normal banking practice. If the amount of the first currency which may be so purchased (after deducting any costs of exchange and any other related costs) is less than the amount so due, the Owner shall indemnify the Mortgagee against the shortfall.

15.3 Payment and Security

The Mortgagee may retain and pay out of any money in the hands of the Mortgagee all sums necessary to effect the indemnities contained in this clause 15 (*Indemnity*) and all sums payable by the Owner under this clause 15 (*Indemnity*) shall form part of the monies hereby secured.

16. SUSPENSE ACCOUNT

The Mortgagee may place and keep any monies received under the Mortgage or this Deed, before or after the insolvency of the Owner to the credit of a suspense account in order to preserve the rights of the Mortgagee to sue or prove for the whole amount in respect of claims against the Owner or any other person.

17. SET-OFF

The Mortgagee may at any time without notice, notwithstanding any settlement of account or other matter whatsoever, combine or consolidate all or any obligation it owes to the Owner in whatever currency and set-off any sum in respect of such obligation in or towards satisfaction of the Secured Obligations.

18. POWER OF ATTORNEY

The Owner, by way of security, irrevocably appoints the Mortgagee and any persons deriving title under it, every Receiver and every Delegate jointly and severally to be its attorney (with full power of substitution) and in its name or otherwise on its behalf and as its act and deed to sign, seal, execute, deliver, perfect and do all deeds, instruments, acts and things which may be required or which such attorney shall think proper or expedient for carrying out any obligations imposed on the Owner under the Mortgage and/or this Deed or for exercising any of the powers conferred by the Mortgage and/or this Deed or for giving to the Mortgagee the full benefit of the security created thereby and hereby and so that this appointment shall operate to authorise such attorney to do on behalf of the Owner anything it can lawfully do by an attorney (including in relation to the Vessel, the Earnings, the Insurance and the Requisition Compensation). The Owner ratifies and confirms and agrees to ratify and confirm any deed, instrument, act or thing which such attorney or substitute may execute or do.

19. FURTHER ASSURANCES

- (a) The Owner agrees that at any time and from time to time upon the written request of the Mortgagee it will promptly and duly execute and deliver any and all such further instruments and documents as the Mortgagee may deem desirable for the purpose of obtaining the full benefit of the Mortgage and this Deed, giving effect to the security created by the Mortgage and this Deed and of the rights and powers granted in the Mortgage and this Deed (including executing and delivering to the Mortgagee such documents of transfer as the Mortgagee may require in the event of sale of the Vessel pursuant to any power of sale contained in the Mortgage or this Deed or which the Mortgagee may have in law).
- (b) The obligations of the Owner under clause 19(a) shall be in addition to and not in substitution for the covenants for further assurance deemed to be included in this Deed by virtue of the Law of Property (Miscellaneous Provisions) Act 1994.

20. MISCELLANEOUS

20.1 Waivers

No failure or delay on the part of the Mortgagee to exercise any power, right or remedy under the Mortgage or this Deed shall operate as a waiver thereof, nor shall any single or partial exercise by the Mortgagee of any power, right or remedy preclude any other or further exercise thereof or the exercise of any other power, right or remedy.

20.2 Remedies

The remedies provided in this Deed are cumulative and are not exclusive of any remedies provided by law.

20.3 Amendment

Any amendment or waiver of any provision of this Deed and any waiver of any default under this Deed shall only be effective if made in writing and signed by the Mortgagee and the Owner.

20.4 Statement of Account

Any statement of account signed as correct by the Mortgagee showing any amount due under any Finance Document shall be, in the absence of manifest error, conclusive evidence of the amount so due.

20.5 Severability

If any provision of this Deed is prohibited or unenforceable in any jurisdiction such prohibition or unenforceability shall not invalidate the remaining provisions hereof or affect the validity or enforceability of such provision in any other jurisdiction.

20.6 Assignment

The Mortgagee may assign and/or transfer any or all of its rights and obligations under the Finance Documents and the Owner authorises the Mortgagee to give such relevant assignees or transferees or their agents any financial or other information about the Mortgagee or any member of the Group. The Owner shall not assign or transfer any of its rights or obligations under any Finance Document.

20.7 Successors and Assigns

The Mortgage and/or this Deed shall bind and shall inure for the benefit of each of the parties hereto and each of their respective successors and permitted assigns.

20.8 Third Party Rights

A person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed.

20.9 Law of Property Act 1925

Sections 93 and 103 of the Law of Property Act 1925 shall not apply to the Mortgage or this Deed.

20.10 Counterparts

This Deed may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any party hereto may execute this Deed by signing any such counterpart.

21. NOTICES

- (a) Any communication to be made under or in connection with this Deed shall be in the English language and be made in writing and may be made by letter or email.
- (b) The address and email address of each party for any communication or document to be made or delivered under or in connection with this Deed is:

in the case of the Owner:

Kames Fish Farming Limited
Kilmelford

By Oban
Argyll
PA34 4XA

Email: allanmacisaac@kames.co.uk
Attention: Allan MacIsaac

and, in the case of the Mortgagee:

Investec Asset Finance plc
Reading International Business Park
Reading
RG2 6AA

Email: ICMUK.IAFCustomerServices@Investec.co.uk
Attention: Head of Customer Services

Or any substitute address or email address as one party may notify to the other by not less than five (5) Business Days' notice.

- (c) Any communication or document made or delivered by one person to another under or in connection with this Deed will only be effective:
 - (i) if by way of email, when received in legible form; or
 - (ii) if by way of letter, when it has been left at the relevant address or two (2) Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address.

22. GOVERNING LAW AND JURISDICTION

- (a) This Deed, the Mortgage and any non-contractual obligations arising out of or in connection with it are governed by English law.
- (b) The courts of England and Wales have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed or the Mortgage (including a dispute relating to the existence, validity or termination of this Deed, the Mortgage or any non-contractual obligations arising out of or in connection with this Deed or the Mortgage) ("**Dispute**").
- (c) The parties hereto agree that the courts of England and Wales are the most appropriate and convenient to settle Disputes and accordingly no party hereto will argue to the contrary.

- (d) Clauses 22(b) and 22(c) are for the benefit of the Mortgagee only. As a result, nothing in this Deed or the Mortgage shall limit any right of the Mortgagee to take *in rem* proceedings against the Vessel or *in personam* proceedings against the Owner (together "**Proceedings**") in any other court or competent jurisdiction nor shall the taking of proceedings in one or more jurisdictions preclude the taking of proceedings in any other jurisdiction whether concurrently or not (unless precluded by applicable law). The Owner irrevocably waives (and irrevocably agrees not to raise) any objection which it may have now or subsequent to the laying of the venue of any Proceedings in any court and any claim that any such Proceedings brought in any court shall be conclusive and binding on the parties hereto.

This Deed has been entered into as a deed and delivered on the date stated at the beginning of this Deed.

SCHEDULE 1: OPERATIONAL AND MAINTENANCE COVENANTS

The Owner covenants with the Mortgagee that throughout the Security Period it will:

1. procure and ensure that (a) the Vessel is registered and kept registered on the Register of Ships as a ship at the port of Macduff (or such other jurisdiction and/or port as the Mortgagee may agree) and not do or permit to be done anything whereby such registration may be forfeited, jeopardised or imperilled; and (b) the Vessel is registered in the Owner's name as registered owner in accordance with all applicable laws and regulations;
2. not cause or permit the Vessel to be operated in any manner contrary to law or regulation and not to engage in any unlawful trade or carry any cargo that will expose the Vessel to penalty, forfeiture or capture and in the event of hostilities in any part of the world (whether a war be declared or not) nor employ the Vessel or permit its employment in carrying any contraband goods;
3. on the written request of the Mortgagee, 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, their terms of employment and relevant law and regulation, and that all deductions from the remuneration of the master and crew in respect of any tax liability (including PAYE) 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;
4. not without the prior written consent of the Mortgagee, demise charter the Vessel for any period whatsoever;
5. not without the prior written consent of the Mortgagee, enter into any agreement or arrangement whereby the Earnings may be shared with any other person;
6. not without the prior written consent of the Mortgagee (not to be unreasonably withheld or delayed), voyage or time charter the Vessel or place it under contract for employment for any period;
7. not without the prior written consent of the Mortgagee, deliver the Vessel into the possession of any person or shipyard, except in accordance with paragraph 4 above and paragraph 14 below;
8. in the event of requisition of the Vessel by any government authority or other competent authority, execute any assignment that the Mortgagee may request in relation to any Requisition Compensation and, if received by the Owner, pay such Requisition Compensation immediately to the Mortgagee;
9. at all times and at the Owner's expense maintain the Vessel in a seaworthy condition and in good running order and repair in accordance with first-class ownership and management practice of a financed vessel of the same type as will entitle it to be classed as a special service steel craft with the Classification Society free from recommendations and notations and if required, upon the Mortgagee's request, provide the Mortgagee annually with a certificate issued by the Classification Society confirming that such classification is maintained and with copies of all other classification and international trading certificates as the Mortgagee may request in writing;

10. submit the Vessel regularly to such periodical or other surveys as may be required for classification purposes or by applicable law or regulation and if required by the Mortgagee, provide the Mortgagee with copies of all survey reports issued as a result thereof and notify the Mortgagee immediately of any recommendation or requirement imposed by the Classification Society, Insurers or any other competent authority that is not complied with in accordance with its terms;
11. notify the Mortgagee immediately of any recommendation or requirement imposed by the Classification Society, the Insurers or any other competent authority that is not complied with in accordance with its terms;
12. authorise the Classification Society and all other regulatory authorities to disclose to the Mortgagee any information or documents requested by the Mortgagee relating to the classification, repair, maintenance or seaworthiness of the Vessel;
13. not without the prior written consent of the Mortgagee, de-activate or lay-up the Vessel and give the Mortgagee prior notice of any proposed dry docking or underwater survey so that the Mortgagee (if it so requires) can arrange for its authorised representative to be present;
14. not without the prior written consent of the Mortgagee deliver the Vessel into the possession of any person or shipyard for effecting repairs or renewals to the Vessel the cost of which will exceed the amount of £50,000 (or equivalent in other currencies) unless such person or shipyard shall have given a written undertaking to the Mortgagee not to exercise any Security Interest or right of detention on the Vessel in respect of the cost of such repairs or renewals or the cost of the repairs or renewals is payable by the Insurers under the Insurances and the Insurers have approved the proposed repairs or renewals in terms satisfactory to the Mortgagee;
15. not without the prior written consent of the Mortgagee, remove or permit or suffer the removal of any part of the Vessel or any equipment belonging to the Vessel, nor make or permit or suffer to be made any alteration in the structure, type or speed of the Vessel which materially reduces the value of the Vessel (unless such removal or alteration is required by the Classification Society or by law or regulation);
16. at all reasonable times permit the Mortgagee or its authorised representative full and complete access to the Vessel for the purpose of inspecting the state and condition of the Vessel and its cargo and papers and, if so requested by the Mortgagee, deliver for inspection copies of any and all contracts and documents relating to the Vessel whether on board or not and allow full access to the Mortgagee to all financial information of the Owner;
17. promptly provide the Mortgagee with any information requested by the Mortgagee concerning the use, employment and position of the Vessel or the classification, status (including a copy of the log book), condition, maintenance, insurance, employment and the position of the Vessel;
18. duly perform and discharge all duties and liabilities imposed on the Owner under any charter, bill of lading or other contract relating to the Vessel;
19. not appoint a manager of the Vessel without the Mortgagee's prior written consent;
20. in the event that any Security Interest is created or permitted to suffer over all or any part of the Secured Property (or any share or interest therein) in breach of the Finance Documents, promptly procure the release of such Security Interest;

21. procure that any Security Interest created in favour of the Mortgagee shall be promptly registered on all applicable registers, in accordance with the rules of the relevant register;
22. at all times comply with all legal requirements whether imposed by statute, regulation, common law or otherwise (including all port state control requirements and all requirements of the IMO International Safety Management Code) and have on board the Vessel as and when legally required valid certificates showing compliance with such requirements including a valid document of compliance with respect to the IMO International Safety Management Code and ensure that the Vessel is in possession of a valid safety management certificate and comply with all legal requirements applicable in the countries or zones in which the Vessel may from time to time trade;
23. following any request by the Mortgagee, submit the Vessel to be valued by a Mortgagee approved panel valuer or such other person as the Mortgagee may nominate, at the cost and expense of the Owner, on an annual basis or at any time following the occurrence of an Event of Default which is continuing;
24. immediately notify the Mortgagee of any Environmental Claim made or threatened or pending against the Owner (or any member of the Group) or the Vessel or any Environmental Incident and to keep the Mortgagee advised of the nature of any such Environmental Claim or Environmental Incident and the proposed and actual response of the Owner, any operator, charterer, or manager of the Vessel or any other person having control of the Vessel from time to time; and
25. comply (and shall procure that any operator, charterer or manager of the Vessel shall comply) in all respects with all applicable Environmental Laws and comply with and maintain in force all Environmental Approvals.

SCHEDULE 2: INSURANCE COVENANTS

The Owner covenants with the Mortgagee that throughout the Security Period it will:

1. insure and keep insured the Vessel, in Sterling or such other currency as may be approved in writing by the Mortgagee, at the Owner's expense in the full insurable value of the Vessel but in no event for an amount less than the Agreed Value or such other amount as the Mortgagee and the Owner may agree against fire, marine and other risks (including Excess Risks) and War Risks covered by hull and machinery policies;
2. enter the Vessel at the Owner's expense in the name of the Owner for its full value and tonnage in a protection and indemnity association approved by the Mortgagee with unlimited liability if available otherwise with the least limited liability against all Protection and Indemnity Risks;
3. to insure the Vessel at its own expense against all oil pollution liability and contamination risks with such Insurers and on such terms as the Mortgagee may approve;
4. effect such additional Insurances at the Owner's expense as (in the reasonable opinion of the Mortgagee) shall be necessary or advisable from time to time;
5. effect the Insurances through the Approved Brokers in such amounts, upon such terms and with such Insurers as shall from time to time be approved in writing by the Mortgagee as and when each such renewal is effected;
6. renew each of the Insurances at least 14 days before expiry thereof and procure that the Approved Brokers or the Insurers promptly confirm in writing to the Mortgagee the terms and conditions of each renewal as and when each such renewal is effected;
7. punctually pay all premiums, calls, contributions or other amounts payable in respect of the Insurances and to produce all relevant receipts when so required in writing by the Mortgagee;
8. arrange for the execution of such guarantees as may from time to time be required by the protection and indemnity or war risks association in connection with the Insurances;
9. give notice of assignment of the Insurances to the Insurers substantially in the form of schedule 3 (*Notice of Assignment of Insurances*) and procure that a notice of assignment and a Loss Payable Clause in the form of schedules 4 (*Loss Payable Clause: Hull & Machinery Policies: Marine And War Risks*) or 5 (*Loss Payable Clause: Protection and Indemnity Association*) (as applicable) are endorsed upon or attached to the Insurance Documents, each in such form as may be required by the Mortgagee;
10. upon the Mortgagee's request, procure that the Insurance Documents are deposited with the Approved Brokers and that the Approved Brokers provide the Mortgagee with certified copies thereof and issue to the Mortgagee a letter or letters of undertaking in such form as the Mortgagee may request;
11. to procure that the protection and indemnity and/or war risks associations in which the Vessel is entered provide the Mortgagee with a copy of the certificate of entry and with a letter or letters of undertaking in such form as the Mortgagee may request;
12. to procure that the Insurance Documents provide that any lien or set off for unpaid premiums or calls that the Approved Brokers or the Insurers may have is limited to the premiums or calls due in relation to the Insurances on the Vessel only and the Insurers shall not cancel any

of the Insurances by reason of non-payment of premium or calls due in respect of other vessels or in respect of other insurances and for 14 days prior written notice to be given to the Mortgagee by the Insurers (such notice to be given even if the Insurers have not received an appropriate enquiry from the Mortgagee) in the event of cancellation or termination of Insurances and in the event of the non-payment of the premium or calls, the right to pay the said premium or calls within a reasonable time;

13. to procure that the Insurers and/or the Approved Brokers undertake to give:
 - (a) written notice to the Mortgagee immediately of any change in the terms and conditions of the Insurances or any suspension, cancellation or termination of the Insurances;
 - (b) in the event of the non-payment of the premium or calls the right for the Mortgagee to pay the unpaid premium or calls within a reasonable time; and
 - (c) 14 days prior written notice to the Mortgagee (such notice to be given even if the Insurers and/or the Approved Brokers have not received an appropriate enquiry from the Mortgagee) in the event of the non-renewal of the Insurances;
14. promptly provide the Mortgagee with full information regarding any casualties or damage to the Vessel in an amount in excess of £50,000 (or such equivalent amount in other currencies) or as a result of which the Vessel has become or may become a Total Loss;
15. at the written request of the Mortgagee, to provide the Mortgagee with a detailed report in relation to the Insurances issued by a firm of marine insurance brokers or consultants nominated by the Mortgagee;
16. effect and maintain at the Mortgagee's expense and in the name of the Mortgagee a mortgagee's interest insurance policy for the Vessel in an amount of not less than the Agreed Value and upon such terms as shall from time to time be required and approved by the Mortgagee in writing and through the Approved Brokers and with such Insurers as shall from time to time be approved in writing by the Mortgagee;
17. not do any act nor permit or suffer any act to be done as a result of which any Insurance shall or may be suspended or avoided and not permit the Vessel to engage in any voyage nor to carry any cargo not permitted under the Insurances in effect;
18. not without the prior written consent of the Mortgagee permit or suffer the Vessel to enter or trade to any zone which is declared a war zone by any government or by the Vessel's War Risk Insurers;
19. to ensure that until an Event of Default occurs (in which event all claims under the Insurances will be paid to the Mortgagee), all claims payable under the Insurances will be payable as follows:
 - (a) every amount received in respect of a Total Loss or a major casualty (that is any casualty other than a Total Loss) in respect of which the claim or aggregate of the claims exceeds £50,000 (inclusive of any deductible) shall be paid to the Mortgagee provided that all amounts received by the Mortgagee in relation to a major casualty claim shall be paid to the Owner on production of evidence satisfactory to the Mortgagee that the damage resulting from such major casualty has been properly repaired and all liabilities have been discharged, and further provided that, with the

previous consent in writing of the Mortgagee, the Insurers may make payments on account of repairs being carried out; and

- (b) every other amount payable in respect of a claim under the Insurances shall be paid to the Owner and applied for the purposes of the repair of the damage, reparation of the loss or the discharge of the liability in respect of which such amount shall have been paid;
- 20. to procure that all amounts payable under the Insurances are paid in accordance with the loss payable clause and to apply all amounts as are paid to the Owner and the reparation of the loss in respect of which the said amounts shall have been received; and
 - 21. should the Vessel be laid up for any period, arrange "*lay-up*" insurances for the Vessel during such period, at the Owner's own cost and upon such terms and conditions, in such amounts and with such Insurers as shall from time to time be approved in writing by the Mortgagee.

SCHEDULE 3: NOTICE OF ASSIGNMENT OF INSURANCES

To: [◆]

**ONE 19.80M FEED BARGE "CATHERINE MARY"
("VESSEL")**

We, Kames Fish Farming Limited, the owner of the Vessel, hereby give notice that by a deed of covenants dated on or about the date of this notice between us and Investec Asset Finance plc ("Mortgagee") we have assigned to the Mortgagee, as first priority mortgagee, all the insurances in respect of the Vessel (including the insurance constituted by the policy on which this notice is endorsed) and all amounts payable thereunder, including return of premiums etc.

.....
For and on behalf of
KAMES FISH FARMING LIMITED

Name:

Title:

Date:

.....
Signed on behalf of
INVESTEC ASSET FINANCE PLC

Name:

Title:

Date:

**SCHEDULE 4: LOSS PAYABLE CLAUSE: HULL & MACHINERY POLICIES: MARINE
AND WAR RISKS**

**ONE 19.80M FEED BARGE "CATHERINE MARY"
("VESSEL")**

It is noted that by a deed of covenants between Kames Fish Farming Limited ("Owner") and Investec Asset Finance plc ("Mortgagee") the Owner has assigned to the Mortgagee, as first priority mortgagee, its right, title and interest in the insurances on 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 £50,000 (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.

.....
Signed on behalf of

KAMES FISH FARMING LIMITED

Name:

Title:

Date:

.....
Signed on behalf of

INVESTEC ASSET FINANCE PLC

Name:

Title:

Date:

**SCHEDULE 5: LOSS PAYABLE CLAUSE: PROTECTION AND INDEMNITY
ASSOCIATION**

**ONE 19.80M FEED BARGE "CATHERINE MARY"
("VESSEL")**

It is noted that by a deed of covenants between Kames Fish Farming Limited ("Owner") and Investec Asset Finance plc ("Mortgagee") the Owner has assigned to the Mortgagee, as first priority mortgagee, its right, title and interest in the insurances (including this entry) relating to the Vessel.

It has nevertheless been agreed between the parties that payment of any recovery the Owner is entitled to receive out of the funds of the Association in respect of any liability, costs or expenses incurred by it shall be made to the Owner or to its order unless and until the Association receives notice from the Mortgagee to the contrary, in which event all recoveries shall thereafter be paid to the Mortgagee or its order, provided always that no liability whatsoever shall be attached to the Association, its managers or their agents for failure to comply with the latter obligation until after the expiry of two (2) clear business days from the receipt of such notice.

.....
Signed on behalf of
KAMES FISH FARMING LIMITED

Name:

Title:

Date:

.....
Signed on behalf of
INVESTEC ASSET FINANCE PLC

Name:

Title:

Date:

EXECUTION PAGE

THE OWNER

EXECUTED as a deed for and on behalf of)
KAMES FISH FARMING LIMITED by a)
director in the presence of a witness:)

Signature

Name (block capitals) ALLAN MACISAC
Director

Witness signature

Witness name
(block capitals)

Witness address

THE MORTGAGEE

SIGNED for and on behalf of)
INVESTEC ASSET FINANCE PLC:)

Steven Cowland
Authorised Signatory

Signature

Oliver Tagg
Authorised Signatory

Name (block capitals)

Authorised signatory

Witness signature

Witness name
(block capitals)

Witness address

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]