



Registration of a Charge

Company name: **KAMES FISH FARMING LIMITED**

Company number: **SC051158**



X7J9AW00

Received for Electronic Filing: **22/11/2018**

Details of Charge

Date of creation: **21/11/2018**

Charge code: **SC05 1158 0019**

Persons entitled: **LLOYDS BANK PLC AS SECURITY TRUSTEE FOR ITSELF AND EACH OF ITS SUBSIDIARIES FOR THE TIME BEING**

Brief description: **THE VESSEL NAMED TIFFANY OF MELFORT REGISTERED WITH THE REGISTRY OF SHIPPING AND SEAMEN, CARDIFF (UNDER THE UNITED KINGDOM FLAG) IN THE OWNERSHIP OF THE COMPANY WITH OFFICIAL NUMBER 923569 AND INCLUDES ANY SHARE OR INTEREST THEREIN TOGETHER WITH ALL HER ENGINES, MACHINERY, BOATS, TACKLE, OUTFIT, FUELS, SPARES, CONSUMABLE AND OTHER STORE, BELONGINGS AND OTHER APPURTENANCES, WHETHER ON BOARD OR MAY IN THE FUTURE BE INTENDED TO BE USED FOR THE VESSEL IF ON SHORE AND ALSO ANY ADDITIONS, IMPROVEMENTS AND REPLACEMENTS AND INCLUDES ANY SHARE OR INTEREST THEREIN MADE IN OR TO SUCH VESSEL OR ANY PART THEREOF, OR TO HER EQUIPMENT AND APPURTENANCES.**

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: **WE 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: **MORTON FRASER LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 51158

Charge code: SC05 1158 0019

The Registrar of Companies for Scotland hereby certifies that a charge dated 21st November 2018 and created by KAMES FISH FARMING LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 22nd November 2018 .

Given at Companies House, Edinburgh on 23rd November 2018

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

by

KAMES FISH FARMING LIMITED

in favour of

LLOYDS BANK PLC
as Security Trustee

in respect of the Vessel
TIFFANY OF MELFORT

2018

MORTON FRASER®

CONTENTS

Clause		Page
1	Definitions and interpretation	2
2	Undertaking to pay	5
3	Charging clause	5
4	Insurance	5
5	Undertakings	8
6	Continuing security	12
7	Further assurance	12
8	Representations and Warranties	12
9	Enforcement and powers of the Lender	13
10	Status, powers, removal and remuneration of Receiver	15
11	Attorney	16
12	Application of monies	17
13	Protection of third parties	17
14	Costs and expenses	18
15	Other security, cumulative powers and avoidance of payments	18
16	Notice of subsequent charge	19
17	Set-off	19
18	Notices	19
19	No implied waivers	19
20	Invalidity of any provision	20
21	Assignment	20
22	Currency clauses	20
23	Certificates conclusive	20
24	Counterparts	20
25	Reassignment, Obligations of Lender and Owner	20
26	Governing law	21
	SCHEDULE 1 NOTICE OF ASSIGNMENT	22

This DEED OF COVENANTS is dated

21 NOVEMBER

2018

between

- (1) KAMES FISH FARMING LIMITED, a company registered in Scotland with company number SC051158 and having its registered office at Kilmelford, by Oban, Argyll, PA34 4XA (the "**Owner**"); and
- (2) LLOYDS BANK PLC of 6th Floor, 110 St Vincent Street, Glasgow G2 5ER as security trustee for each Group Member (the "**Lender**").

WHEREAS

- (A) The Lender is proposing to make a term loan facility available to the Owner on the terms and subject to the conditions set out in a facility agreement dated on or around the date hereof made between the Owner (as borrower) and the Lender (the "**Loan Agreement**").
- (B) As a condition precedent of the Lender making the Loan available to the Owner, and in consideration of the Lender agreeing to do so, the Owner has agreed to execute and deliver in favour of the Lender the Mortgage, together with this Deed, as security for the Secured Obligations.

IT IS AGREED

1 Definitions and interpretation

1.1 Definitions

In this Deed, including in the recitals, unless the context otherwise requires, the following expressions have the following meanings:

"Applicable Law" means any regulation, legislation, practice or concession or official directive, ruling, request, notice, guideline, statement of policy or practice by any relevant legislative authority, the European Union, governmental, local, international, national or other competent authority or agency (whether or not having the force of law in respect of which compliance by owners and operators of vessels of a type similar to the Vessel is generally customary);

"Charged Property" means the Vessel, the Earnings, the Insurances and all Requisition Compensation;

"Classification Society" means the Maritime and Coastguard Agency or such other classification society as may be approved by the Lender in writing;

"Deed" means this deed of covenants;

"Default Rate" means 5% above the Bank of England base rate from time to time;

"Earnings" means all hires, freights, pool income and other sums payable to or for the account of the Owner in respect of the Vessel including (without limitation) all remuneration for salvage and towage services, demurrage and detention monies, contributions in general average, compensation in respect of any requisition for hire, charter party and any other earnings due or to become due to the Owner;

"Environmental Requirements" means all requirements relating to the avoidance of pollution or contamination, and the protection of the environment imposed on the Owner or operator of the Vessel by law, regulation or International Convention;

"Event of Default" means any of the events or circumstances specified in clause 4 of the Loan Agreement;

"Finance Documents" has the meaning given to it in the Loan Agreement;

"Group Member" means Lloyds Bank plc and each of its Subsidiaries for the time being;

"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) which are from time to time during the Security Period in place or taken out or entered into by or for the benefit of the Owner (whether in the sole name of the Owner, or in the joint names of the Owner and/or a charterer and/or the Lender otherwise) in respect of the Vessel or in connection with the Vessel and all benefits thereof (including claims of whatsoever nature and return of premiums);

"Loan" means the loan facility offered to the Owner in the Loan Agreement;

"Mortgage" means the first priority statutory ship mortgage of 64/64th shares in the Vessel granted by the Owner in favour of the Lender in respect of the Vessel on or about the date of this Deed;

"Receiver" means any one or more administrative receivers, receivers and managers or (if the Lender so specifies in the relevant appointment) receivers appointed by the Lender pursuant to this Deed in respect of all or any of the Charged Property;

"Registry" means The Registry of Shipping and Seamen, Cardiff CF24 5XR;

"Requisition Compensation" means all compensation and monies payable to the Owner as a result of the Vessel being requisitioned for title or in any other way compulsorily acquired by any government or government agency or other competent body but excludes requisition for hire;

"Secured Obligations" means the aggregate of all amounts whether principal, interest or otherwise which may from time to time be or become due and owing actually or contingently (whether as principal, surety or otherwise) from the Owner to the Lender under the Finance Documents and under any other agreement, arrangement or account between the Owner and the Lender and without limitation in any other manner or way;

"Security Documents" has the meaning given to it in the Loan Agreement;

"Security Interest" means a mortgage, charge, pledge, assignment, trust, lien 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 commencing at the date of this Deed and terminating upon the irrevocable and unconditional discharge of all of the Secured Obligations;

Subsidiary means a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006;

"Total Loss" means:

- (a) actual, constructive, agreed, compromised or arranged total loss of the Vessel;
- (b) requisition for title or other compulsory acquisition of the Vessel; or
- (c) hijack, theft, capture, seizure, arrest, detention, condemnation, confiscation or loss of possession of the Vessel, unless the Vessel is released and returned within 30 days;

"Vessel" means the vessel named TIFFANY OF MELFORT registered with the Registry (under the United Kingdom flag) in the ownership of the Owner with Official Number 923569 and includes any share or interest therein together with all her engines, machinery, boats, tackle, outfit, fuels, spares, consumable and other stores, belongings and appurtenances, whether on board or ashore, including any which may in the future be put on board or may in the future be intended to be used for the Vessel if on shore and also any additions, improvements and replacements and includes any share or interest therein made in or to such Vessel or any part thereof, or to her equipment and appurtenances.

"Vessel Valuation" means a valuation of the Vessel by such firm of valuers as may be appointed by or approved by the Lender (such valuation to be addressed to, and/or capable of being relied upon by, the Lender) on bases and assumptions agreed by or acceptable to the Lender;

"War Zone" means any territorial waters or zone in which there is, or in the Lender's opinion, there is reasonably likely to be, any conflict, dispute or war between any countries in whatever manner or which has been declared a war zone by any government entity or by the Vessel's war risk insurers.

1.2 Interpretation

In this Deed, unless the context otherwise requires:

- 1.2.1 a reference to any party to this Deed is, where relevant, deemed to be a reference to or to include, as appropriate, that party's respective successors and, in the case of the Lender, its successors and assignees;
- 1.2.2 references to clauses and schedules are references to clauses of and schedules to this Deed and references to this Deed include its schedules;
- 1.2.3 a reference to (or to any specified provision of) any agreement, deed or other instrument (including the Loan Agreement) is to be construed as a reference to that agreement, deed or other instrument or, where appropriate that provision as it may have been or may after the date of this Deed be, from time to time, amended, varied, modified, supplemented, replaced, restated or novated;
- 1.2.4 a reference to a clause of the Loan Agreement is a reference to the clause in the terms and conditions forming part of the Loan Agreement;
- 1.2.5 a reference to a statute or statutory instrument or any provision of a statute or statutory instrument is to be construed as a reference to that statute or statutory instrument or such provision thereof as the same may have been, or may from time to time after the date of this Deed be, amended or re-enacted;
- 1.2.6 the index to and the headings in this Deed are inserted for convenience only and are to be ignored in construing this Deed;

- 1.2.7 the parties intend that this document shall take effect as a Deed;
- 1.2.8 words importing the plural shall include the singular and vice versa; and
- 1.2.9 unless the context otherwise requires or unless otherwise defined in this Deed words and expressions defined in the Loan Agreement shall have the same meanings when used in this Deed.

1.3 Contracts (Rights of Third Parties) Act 1999

A person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed. This does not affect any right or remedy of a third party which exists or is available apart from that Act.

2 Undertaking to pay

The Owner undertakes to the Lender that it will pay the Secured Obligations as and when the same fall due for payment.

3 Charging clause

As a continuing security for the payment of the Secured Obligations the Owner, as beneficial and legal owner of the Vessel, with full title guarantee hereby:

- 3.1 mortgages and charges in favour of the Lender by way of first fixed charge the Vessel;
- 3.2 assigns and agrees to assign to the Lender absolutely the Earnings, the Insurances and all Requisition Compensation; and
- 3.3 agrees to grant in favour of the Lender any such further Security Interest in respect of all or any part of the Charged Property as the Lender may require at any time, during the Security Period at its sole discretion.

4 Insurance

- 4.1 The Owner undertakes with the Lender to insure the Vessel and maintain insurance free of cost and expense to the Lender and in the sole name of the Owner or, if so required by the Lender, in the joint names of the Owner and the Lender (but without liability on the part of the Lender for premiums or calls and with a full waiver of rights of subrogation against the Owner) in accordance with the following provisions:
 - 4.1.1 against fire, war, hull and usual marine risks (including excess risks), on Institute Time Clauses-Hulls terms or similar, in such amounts (but not in any event less than the market value of the Vessel for the time being) and upon such terms as shall from time to time be approved in writing by the Lender;
 - 4.1.2 against protection and indemnity risks including liabilities to third parties in contract and in tort, four fourths collision liability (if the hull insurance covers only three fourths), pollution liabilities (for the highest amount in respect of which cover is or may become available for vessels of the same type, size, age and flag as the Vessel and a freight, demurrage and defence cover) and all other liabilities usually covered by an International Group protection & indemnity association all for the full value of the Vessel (as approved in writing by the Lender) and upon such terms as shall from time to time be approved in writing by the Lender;

- 4.1.3 while the Vessel is laid up, and if the Lender approves, port risk insurance may be taken out on the Vessel by the Owner instead of hull insurance, on terms and for amounts approved by the Lender; and
- 4.1.4 in respect of such other matters of whatsoever nature and howsoever arising in respect of which, having regard to the practices and other circumstances prevailing at the relevant time, insurance would be maintained by a prudent owner of the Vessel and which are specified and/or agreed to in writing by the Lender.

4.2 The Owner further undertakes with the Lender:

- 4.2.1 to supply the Lender from time to time on request (and in any event without request annually) with such information as the Lender may require in respect of the Insurances;
- 4.2.2 punctually to pay all premiums, calls, contributions and all other sums at any time payable in connection with the Insurances and to provide the Lender with evidence satisfactory to the Lender that all premiums, calls, contributions and other sums have been duly and punctually paid;
- 4.2.3 at its own expense, to arrange and provide any guarantees from time to time required by any protection and indemnity or war risks association, and to provide the Lender with evidence satisfactory to the Lender that any such guarantees have been given;
- 4.2.4 to comply with all terms and conditions of the Insurances and will promptly make all such declarations and notices to brokers, underwriters, associations and clubs as may be required to enable the Vessel to be operated in accordance with the terms and conditions of the Insurances;
- 4.2.5 to notify the Lender promptly of any new requirement imposed by any broker, underwriter, association or club in relation to any of the Insurances;
- 4.2.6 no later than fourteen (14) days before the expiry of any of the Insurances to renew them and immediately give the Lender details of those renewals;
- 4.2.7 to deliver to the Lender certified copies (and, if required by the Lender, the originals) of all policies, certificates of entry and other documents relating to the Insurances (including, without limitation, receipts for premiums, calls or contributions);
- 4.2.8 to provide the Lender promptly with full information regarding any casualty, accident or damage to the Vessel;
- 4.2.9 not to alter the terms of any of the Insurances, without the prior written consent of the Lender;
- 4.2.10 not to do, or permit to be done, any act, or make, nor permit to be made, any omission, as a result of which any of the Insurances may become liable to be suspended, cancelled or avoided, or may become unenforceable, or as a result of which any sums payable under or in connection with any of the Insurances may be reduced or become liable to be repaid or rescinded in whole or in part;
- 4.2.11 not to employ the Vessel other than in conformity with the Insurances;

- 4.2.12 not to settle, compromise or abandon any claim under or in connection with any of the Insurances without the prior written consent of the Lender;
 - 4.2.13 to apply all sums receivable under the Insurances which are paid to it in accordance with the loss payable clause in repairing all damage and/or in discharging the liability in respect of which such sums shall have been received;
 - 4.2.14 to procure that the insurance broker issues letters of undertaking to the Lender in such form as the Lender may reasonably require;
 - 4.2.15 immediately following the execution of this Deed and at any other time required by the Lender during the Security Period, to give written notice (materially in the form set out in schedule 1 or in such other form as the Lender may require) to the underwriters (or, in the case of entries in protection and indemnity or war risks associations or clubs, to the managers of those associations or clubs) of the assignment of the Insurances contained in this Deed;
 - 4.2.16 to procure that a loss payable clause in such form as the Lender may approve or, in the case of entries in a protection and indemnity association, a note of the Lender's interest in such form as the Lender may approve, shall be endorsed on or attached to the policies, cover notes or certificates of entry relating to the Insurances and that letters of undertaking in such form as the Lender may approve shall be issued to the Lender by the brokers through whom the Insurances are placed (or, in the case of entries in protection and indemnity or war risks associations, by their managers).
- 4.3 The Lender may take out mortgagees' interest insurances in relation to the Vessel and/or any other insurance cover in respect of its interest or potential third party liability as mortgagee of the Vessel as the Lender shall deem desirable, for such amounts and on such terms and conditions as the Lender may from time to time determine. The Owner shall from time to time on demand reimburse the Lender for all costs, premiums and expenses paid or incurred by the Lender in accordance with any mortgagees' interest insurances or other insurance effected by the Lender pursuant to this clause.
- 4.4 Unless and until an Event of Default shall occur (whereupon all insurance recoveries shall be receivable by the Lender and applied in accordance with Clause 12):
- 4.4.1 any moneys payable under the Insurances shall be payable in accordance with the terms of the relevant loss payable clause and the Lender will not in the meantime give any notification to the contrary to the insurers as contemplated by the loss payable clause;
 - 4.4.2 any insurance moneys received by the Lender in respect of any major casualty (as specified in the relevant loss payable clause) shall, unless prior to receipt or whilst such moneys are in the hands of the Lender there shall have occurred an Event of Default (whereupon such insurance moneys shall be applied in accordance with Clause 12) be paid over to the Owner upon the Owner furnishing evidence satisfactory to the Lender that all loss and damage resulting from such casualty has been properly made good and repaired, and that all repair accounts and other liabilities whatsoever in connection with the casualty have been fully paid and discharged by the Owner, provided however that the insurers with whom the fire and usual marine risks insurances are effected may, in the case of a major casualty, and with

the previous consent in writing of the Lender, make payment on account of repairs in the course of being effected.

- 4.5 The Owner agrees that, at any time after the occurrence of an Event of Default, the Lender shall be entitled:
- 4.5.1 to collect, sue for, recover and give a good discharge for all claims in respect of any of the Insurances;
 - 4.5.2 to pay collecting brokers the customary commission on all sums collected in respect of those claims;
 - 4.5.3 to compromise all such claims or refer them to arbitration or any other form of judicial or non-judicial determination; and
 - 4.5.4 otherwise deal with such claims in such manner as the Lender shall in its discretion think fit.
- 4.6 If the Owner fails to effect or maintain the Insurances, the Lender may (but shall not be obliged to) effect and/or maintain such insurances on the Vessel and such entries in protection and indemnity or war risks associations as the Lender in its discretion considers desirable. The Lender may (but shall not be obliged to) pay any unpaid premiums, calls or contributions. The Owner will reimburse the Lender on a full indemnity basis on demand for all such premiums, calls or contributions paid by the Lender, together with interest at the Default Rate from the date of payment by the Lender until the date of reimbursement.

5 Undertakings

- 5.1 The Owner undertakes with the Lender throughout the Security Period (at the Owner's expense) to:
- 5.1.1 keep the Vessel seaworthy, in good operational condition and in a state of complete repair in accordance with first class ship management practice and to procure that all repairs to or replacement of any damaged, worn or lost parts or equipment are effected in such manner (both as regards workmanship and quality of materials) as not to diminish the value of the Vessel;
 - 5.1.2 register and to maintain the registration of the Vessel as a British ship in Part 1 of the Register of Ships maintained by the Registry (in the sole name of the Owner) and not cause or permit to be done any act or omission as a result of which registration might be defeated or imperilled and to provide the Lender on demand with a certified copy of the Transcript of Registry showing the Vessel registered in the sole name of the Owner and subject to the Mortgage;
 - 5.1.3 maintain the Vessel in a condition entitling the Vessel to the highest class applicable to vessels of her type with the Classification Society and ensure that at all times the Vessel complies with the provisions of the Merchant Shipping Acts and all regulations and requirements statutory or otherwise from time to time applicable in respect of vessels of that type registered in Part 1 of the Register of Ships maintained by the Registry or otherwise applicable to the Vessel including but not limited to the applicable requirements of the IMO International Safety Management Code;
 - 5.1.4 comply with all requirements of the Vessel's Classification Society and to give to the Lender on request copies of all classification certificates of the Vessel and reports of surveys required by the Vessel's

Classification Society (the Owner by its execution of this Deed irrevocably authorising the Lender to obtain such information and documents from the Vessel's Classification Society as the Lender may from time to time require);

- 5.1.5 advise the Lender immediately if the Owner fails to or cannot comply with any recommendation or requirement imposed by any insurer, any government authority or agency, the Registry or the Classification Society;
- 5.1.6 comply with all legal requirements applicable to the Owner and to the Vessel under Applicable Law and to carry on board the Vessel all certificates and other documents which may be required to evidence such compliance;
- 5.1.7 not remove the Vessel from the territorial sea adjacent to the United Kingdom (as specified and defined in the Territorial Sea Act 1987), even for the purpose of dry docking, without the prior written consent of the Lender and not at any time to enter, operate, navigate or otherwise allow the Vessel at any time to be located in any War Zone;
- 5.1.8 permit the Lender (acting reasonably) and all persons appointed by the Lender at reasonable times and on reasonable notice to board the Vessel to inspect the Vessel's state and condition or for the purpose of satisfying itself in regard to proposed or executed repairs and to afford all proper facilities for such inspection and give the Lender reasonable notice of any dry-docking or underwater inspection so that the Lender can arrange for its authorised representative to be present if it so requires;
- 5.1.9 inform the Lender promptly of any casualty or damage to the Vessel if the estimated cost of repairs may exceed 10% of the market value of the Vessel or if as a result of such casualty the Vessel may become a Total Loss and any casualty or incident which may give risk to an environmental or pollution claim or a personal injury claim against the Vessel or Owner or any legal proceedings or arbitration involving the Vessel or Owner and any requisition of the Vessel for hire;
- 5.1.10 notify the Lender immediately by fax (confirmed by letter) of any arrest or detention of the Vessel, and to cause the Vessel to be released from arrest or detention as quickly as possible, and in any event within fourteen (14) days from the date of arrest or detention, and immediately to notify the Lender, in the same manner, of the release of the Vessel;
- 5.1.11 in the event of any requisition or seizure of the Vessel, take all lawful steps to recover possession of the Vessel as soon as it is entitled to do so;
- 5.1.12 promptly provide the Lender with any information or documents requested by the Lender concerning the use, employment position of the Vessel or the classification, condition and insurance of the Vessel;
- 5.1.13 pay and discharge when due all taxes, fines, tolls, dues and penalties and other outgoings imposed on the Vessel, the Earnings, and the Owner and keep proper books of account in respect of the Vessel and her Earnings and when the Lender so requires, make such books available for inspection by the Lender;
- 5.1.14 at all times place and retain on board the Vessel with the Vessel's papers properly certified copies of the Finance Documents, cause the

same to be exhibited to all persons having business with the Vessel which might give rise to any lien on the Vessel and to place and keep the following notice in a prominent position in the charter room and in the master's cabin:

"Notice of Mortgage

This vessel is the subject of a first priority ship mortgage in favour of Lloyds Bank Plc. Under the terms of the said mortgage neither the owners nor any charterer nor the master of this vessel nor any other person has any right, power or authority to create, incur or permit to be imposed upon this vessel any lien or other encumbrance of any kind except in respect of crew's wages and salvage."

- 5.1.15 arrange for the Vessel to be inspected or surveyed and the safety system to be audited on an annual basis by the Maritime and Coastguard Agency in accordance with the terms of its Passenger Certificate and its Domestic Safety Management Certificate and as may be required for classification and/or registration purposes and to provide the Lender with copies of all survey reports, audits and other documents relating to the continued certification of the Vessel;
 - 5.1.16 comply with and procure that its servants and agents comply with all Environmental Requirements relating to the use, operation, and management of the Vessel and immediately notify the Lender of any breach or alleged breach of any Environmental Requirement or any claim being made as a consequence of any breach or alleged breach;
 - 5.1.17 immediately on the request of the Lender give written notice in such form and to such parties as the Lender shall require of the assignment of the Earnings and/or the Requisition Compensation contained in this Deed;
 - 5.1.18 arrange for a Vessel Valuation to be prepared upon the Lender's written request and permit any valuer appointed by the Lender such access to the Vessel (at all reasonable times) as it shall require in order to produce the Vessel Valuation which may only be requested by the Lender once per annum.
- 5.2 The Owner undertakes with the Lender that throughout the Security Period, it will not, without the prior written consent of the Lender:
- 5.2.1 make or permit to be made any alteration to the Vessel in consequence of which the structure type or performance characteristics of the Vessel would be materially altered without the prior consent of the Lender (not to be unreasonably withheld);
 - 5.2.2 remove or alter any material part of the Vessel or any equipment the value of which is such that its removal from the Vessel would materially reduce the value of the Vessel without replacing the same with equivalent parts or equipment which are owned by the Owner free from encumbrances;
 - 5.2.3 install on the Vessel any equipment owned by a third party which cannot be removed without causing damage to the structure or fabric of the Vessel;
 - 5.2.4 sell, agree to sell, or otherwise dispose of, or agree to dispose of, any shares in the Vessel;

- 5.2.5 register the Vessel or permit its registration under any other flag or change the port of registration of the Vessel or the Vessel's name;
 - 5.2.6 lay the Vessel up;
 - 5.2.7 operate the Vessel nor allow the Vessel to be operated in breach of any law, regulation or international convention or employ the Vessel in a way that may result in its destruction, confiscation, seizure or forfeiture and, in the event of hostilities in any part of the world (whether war be declared or not), not operate the Vessel nor allow the Vessel to be operated in carrying any contraband goods, or enter or trade or continue to trade in any War Zone unless the prior written consent of the Lender is obtained and such special insurance cover as the Lender may require shall have been effected by and at the expense of the Owner;
 - 5.2.8 let the Vessel on any bareboat charter or on any time charter, consecutive voyage charter or other contract of employment which (inclusive of any extension option) is capable of exceeding three (3) months;
 - 5.2.9 employ the Vessel in any way which might impair the security created by the Security Documents;
 - 5.2.10 following the occurrence and during the continuation of an Event of Default to let the Vessel on charter or renew or extend any charter or other contract of employment of the Vessel, nor agree to do so;
 - 5.2.11 put the Vessel into the possession of any person for the purpose of work or repairs estimated to cost more than 15% of the market value of the Vessel (except for repairs the cost of which is recoverable under the Insurances and in respect of which the insurers have agreed to make payment in accordance with any applicable loss payable clause) unless that person shall have given a written undertaking to the Lender (in such terms as the Lender shall require) not to exercise a lien on the Vessel for the cost of the work;
 - 5.2.12 create nor grant nor permit to exist any Security Interest over any of the Charged Property or any part thereof (with the exception of any Security Interests in favour of the Lender, including the Security Interests created by the Finance Documents and any liens for salvage and current crew's wages), and if, despite this clause, any such Security Interest should arise, to procure its discharge within fourteen days of it arising, and promptly to notify the Lender of any such Security Interest arising and of its discharge.
- 5.3 If the Owner fails to comply with any of the undertakings set out in clauses 5.1 and 5.2 the Owner will allow (and hereby irrevocably authorises) the Lender and/or such persons as the Lender shall nominate to take such action on behalf of the Owner as shall be necessary to ensure that such undertakings are complied with.
- 5.4 The Owner will indemnify the Lender and will keep the Lender indemnified against all losses, costs, charges and expenses incurred by the Lender as a result of a breach by the Owner of its obligations under clauses 5.1 and 5.2 and in connection with the exercise by the Lender of its rights contained in clause 5.3. All sums the subject of this indemnity will be payable by the Owner to the Lender on demand on a full indemnity basis and if not so paid will bear interest at the Default Rate from the date of demand to the date of payment. Any unpaid interest will be compounded with monthly rests.

6 Continuing security

- 6.1 This security is to be a continuing security which shall remain in full force and effect notwithstanding any intermediate payment or settlement of account or the intermediate satisfaction by the Owner or any other person of the whole or any part of the Secured Obligations.
- 6.2 This security is to be in addition and without prejudice to any other security which the Lender may now or after the date of this Deed hold for the Secured Obligations and this security may be enforced against the Owner without first having recourse to any other rights of the Lender.

7 Further assurance

The Owner will at its own expense promptly execute such deeds, assurances, agreements, instruments and otherwise do such acts and things as the Lender may require for perfecting and protecting the security created (or intended to be created) by the Mortgage and this Deed or facilitating the realisation of the Mortgage and this Deed or otherwise for enforcing the same or exercising any of the Lender's rights under the Mortgage and this Deed.

8 Representations and Warranties

8.1 The Owner hereby represents and warrants to the Lender that:

- 8.1.1 the Owner is the sole, legal and beneficial owner of 64/64 shares of and in the Vessel;
- 8.1.2 the Vessel, her Insurances and any Requisition Compensation are free from any Security Interest other than the Security Documents;
- 8.1.3 no agreement or arrangement exists whereby the Earnings of the Vessel may be shared with any other person;
- 8.1.4 the Vessel is operationally seaworthy and in every way fit for service, is registered in the name of the Owner as a British ship on Part 1 of the Register of Ships maintained by the Registry, and is classed with the Classification Society free from all requirements and recommendations;
- 8.1.5 except as may have been disclosed by the Owner in writing to, and acknowledged in writing by, the Lender, the Owner has complied with all Environmental Requirements and there has been no emission, spill, release or discharge of a pollutant from the Vessel or any other ship owned by, managed or crewed by, or chartered to the Owner which could give rise to an environmental claim;
- 8.1.6 it has complied with all applicable tax laws and regulations and has no material tax liabilities which are due and payable but unpaid except where such tax liabilities are being contested by the Owner in good faith;
- 8.1.7 the Owner will not incur any liability or obligation:
 - 8.1.7.1 except liabilities and obligations owed to the Lender and under the Security Documents and liabilities or obligations reasonably incurred in the ordinary course of operating and chartering the Vessel; or
 - 8.1.7.2 save with the prior consent of the Lender and provided the rights of the creditors in respect of such liabilities or

obligations are fully subordinated to the rights of the Lender on such terms as the Lender may require;

8.1.8 the Owner has obtained all necessary documentation under and is in full compliance with the IMO International Safety Management Code;

8.1.9 full disclosure has been made to all Insurance providers.

8.2 The representations and warranties are made (or are deemed to be made) and repeated by the Owner daily throughout the Security Period.

9 Enforcement and powers of the Lender

9.1 The restriction on the consolidation of mortgages imposed by section 93 of the Law of Property Act 1925 shall not apply to this Deed or to any security given to the Lender pursuant to this Deed.

9.2 Section 103 of the Law of Property Act 1925 shall not apply to the charges created by this Deed which shall immediately become enforceable and the power of sale and other powers conferred by section 101 of such Act (as varied or extended by this Deed) shall be immediately exercisable at any time after the occurrence of an Event of Default.

9.3 The powers conferred on mortgagees or receivers or administrative receivers by the Law of Property Act 1925 and the Insolvency Act 1986 (as the case may be) shall apply to the security constituted by this Deed except to the extent they are expressly or impliedly excluded. Where there is ambiguity or conflict between the powers contained in such Acts and those contained in this Deed, those contained in this Deed shall prevail.

9.4 At any time after an Event of Default has occurred, the Lender may by writing under hand signed by any officer or manager of the Lender appoint any person (or persons) to be a Receiver of all or any part of the Charged Property.

9.5 All or any of the powers conferred upon mortgagees by the Law of Property Act 1925 as varied or extended by this Deed and all or any of the rights and powers conferred by this Deed on a Receiver (whether expressly or impliedly) may be exercised by the Lender without further notice to the Owner at any time after this Deed shall have become enforceable. The Lender may exercise such rights and powers irrespective of whether the Lender has taken possession or has appointed a Receiver of the Charged Property.

9.6 If an Event of Default shall occur the security constituted by the Mortgage and this Deed shall become immediately enforceable. The Lender shall be entitled to exercise all or any of the rights, powers, discretions and remedies vested in the Lender by this clause 9 without any requirement for any court order or declaration that an Event of Default has occurred. The Lender's right to exercise those rights, powers, discretions and remedies shall be in addition to and without prejudice to all other rights, powers, discretions and remedies to which it may be entitled, whether by statute or otherwise.

9.7 In the circumstances described in clause 9.6, the Lender shall be entitled (but not obliged) to:

9.7.1 take possession of the Vessel wherever she may be;

9.7.2 at the expense of the Owner, obtain a new Vessel Valuation;

9.7.3 discharge any master and crew of the Vessel and employ a new master and crew;

- 9.7.4 navigate the Vessel to such places as the Lender may decide or detain or lay up the Vessel;
- 9.7.5 in the name of the Lender, the name of the Owner, demand, sue for, receive and give a good receipt for all sums due to the Owner in connection with the Vessel and, in the name of the Lender, the name of the Owner or the name of the Vessel, commence such legal proceedings as it may consider appropriate, or conduct the defence of any legal proceedings commenced against the Vessel or the Owner in its capacity as owner of the Vessel;
- 9.7.6 sell or dispose of all or any shares in the Vessel either by private treaty or auction, on such terms as the Lender shall in its absolute discretion decide, with the power to make a loan on such terms as the Lender may decide to any prospective purchaser to assist in the purchase of the Vessel, and the power to postpone any sale, without being liable for any loss caused by any such sale or the postponement of any such sale;
- 9.7.7 to insure, manage, maintain, repair, charter, employ or lay up the Vessel for such time and on such terms as it may consider to its advantage and for these purposes the Lender shall be entitled to do all acts and things incidental or conducive thereto and in particular to enter into such arrangements respecting the Vessel, her insurance, management, maintenance, repair, classification and employment in all respects as if the Lender was the owner of the Vessel and without being liable for any resulting loss to the Owner or damage to the Vessel, provided such loss or damage has not been caused by the deliberate default of the Lender;
- 9.7.8 to arrest or attach the Vessel in legal proceedings and to apply to the court for an order for the sale of the Vessel;
- 9.7.9 to take such other action as the Lender considers appropriate in order to recover the Secured Liabilities from the Owner;
- 9.7.10 to require all documents relating to the Insurances and all correspondence concerning outstanding claims to be delivered to the Lender or to the broker and/or adjuster and/or other insurers nominated by it;
- 9.7.11 to take over or institute (if necessary using the name of the Owner) all such proceedings in connection with the Vessel as the Lender in its absolute discretion thinks fit and to defend, compound, release or compromise all claims against the Owner in connection with the Vessel including (but not limited to) those which have given or may give rise to any charge or lien on the Vessel (whether ranking in priority or subordinate to the Mortgage) or which are or may be enforceable by proceedings against the Vessel;
- 9.7.12 to collect, recover, compromise and give a good discharge for all claims by the Owner then outstanding or thereafter arising against the Insurers, any charterer or any other third party in connection with the Vessel, the Insurances and the Requisition Compensation and to institute or commence all such proceedings in connection therewith as the Lender in its absolute discretion thinks fit and to permit any brokers through whom collection or recovery is effected to charge their usual brokerage;

- 9.7.13 to combine all accounts which the Owner may have with the Lender and to apply any credit balances on any such accounts of the Owner in payment of the Secured Liabilities; and
 - 9.7.14 to recover from the Owner on demand or all amounts incurred in connection with the exercise by it of all or any of its powers and rights conferred by this Clause 9.7 or otherwise.
 - 9.7.15 de-register the Vessel with the Registry and any other party with whom the Vessel may be registered from time to time; and
 - 9.7.16 redeem any and all prior Security Interests on or relating to the Charged Property or any part thereof or procure the transfer of such Security Interests to itself and may settle and pass the accounts of the person or persons entitled to the prior Security Interests. Any account so settled and passed shall be conclusive and binding on the Owner. The Owner will on demand pay to the Lender on a full indemnity basis all principal monies, interest, costs, charges, losses, liabilities and reasonable expenses of and incidental to any such redemption or transfer.
- 9.8 If the Lender sells or is to sell the Vessel in exercise of any power contained in this Deed or otherwise conferred on the Lender then the Owner undertakes to execute and deliver to the Lender, on the request of the Lender, all such documents as the Lender may require in order to transfer the legal and beneficial ownership in the Vessel to the purchaser.
- 9.9 For the avoidance of doubt, if the Lender takes any action or enters into or completes any transaction pursuant to clause 10.7 after an Event of Default has been remedied, that action or transaction shall not be affected by the remedying of the Event of Default.
- 9.10 In connection with the exercise of its rights, powers, discretions and remedies under clause 11 or otherwise as mortgagee of the Vessel, the Lender shall have power to buy in, rescind or vary any contract for sale of the Vessel and generally to do all things in connection with the sale of the Vessel as it shall think fit.
- 9.11 If the Lender takes possession of the Vessel and until sale the Lender shall be entitled to deal with the Vessel in all respects as if it were the Owner of the Vessel.
- 10 Status, powers, removal and remuneration of Receiver**
- 10.1 Any Receiver appointed under this Deed shall be the agent of the Owner and the Owner shall be solely responsible for his acts or defaults and for his remuneration and liable on any contracts or engagements made or entered into by him. In no circumstances shall the Lender be in any way responsible for any misconduct, negligence or default of any Receiver.
- 10.2 Any Receiver appointed under this Deed shall have power in addition to the powers conferred by the Law of Property Act 1925 and Schedule 1 of the Insolvency Act 1986 (which are hereby incorporated in this Deed) and notwithstanding the liquidation of the Owner:
- 10.2.1 to take possession of, collect and get in all or any part of the Charged Property and for that purpose to take any proceedings in the name of the Owner or otherwise as he thinks fit;
 - 10.2.2 without restriction to sell or concur in selling or otherwise dispose of or deal with, all or any part of the Charged Property without being responsible for loss, and so that any such sale or disposition may be

made for cash payable by instalments, loan stock or other debt obligations or for shares or securities of another company or other valuable consideration, and the Receiver may form and promote, or concur in forming and promoting, a company or companies to purchase or otherwise acquire interests in all or any of the Charged Property;

- 10.2.3 for the purpose of exercising any of the powers, authorities and discretions conferred on him by this Deed and/or defraying any associated costs or expenses incurred by him or for any other purpose to raise or borrow money or incur any other liability on such terms, whether secured or unsecured, as he may think fit and whether to rank for payment in priority to this Deed or not;
- 10.2.4 to redeem any prior Security Interest and settle and pass the accounts of the person entitled to the prior Security Interest so that any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on the Owner and the money so paid shall be deemed to be an expense properly incurred by the Receiver;
- 10.2.5 to bring, prosecute, enforce, defend and discontinue all such actions and proceedings or submit to arbitration in the name of the Owner in relation to the Charged Property or any part thereof as he shall think fit; and
- 10.2.6 to do all such other acts and things (including, without limitation, signing and executing all documents and deeds) as may be considered by the Receiver to be incidental or conducive to any of the matters or powers detailed in this clause 10 or otherwise incidental or conducive to the preservation, improvement or realisation of the Charged Property and to use the name of the Owner for all the purposes detailed in this clause 10.
- 10.3 The Lender may remove from time to time any Receiver appointed by it and, whenever it may deem appropriate, appoint a new Receiver in the place of any Receiver whose appointment has terminated, for whatever reason.
- 10.4 The Lender may from time to time fix the remuneration of any Receiver appointed by it.
- 10.5 If at any time there is more than one Receiver of all or any part of the Charged Property, each Receiver may exercise individually all of the powers conferred on a Receiver under this Deed and to the exclusion of the other Receiver or Receivers (unless the document appointing such Receiver states otherwise).
- 10.6 Neither the Lender nor any Receiver shall be liable in respect of all or any part of the Charged Property or for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, their respective powers.

11 Attorney

- 11.1 By way of security, the Owner hereby irrevocably appoints the Lender as its attorney (with powers to appoint substitute attorneys) for the Security Period for the purpose of doing in its name all acts and deeds which the Owner itself could do in relation to the Vessel, the Insurances, and the Requisition Compensation, including (but not limited to) transferring the legal and beneficial ownership in the Vessel to a buyer.
- 11.2 For the avoidance of doubt, the Lender shall not exercise the power conferred on it by Clause 11.1 unless and until such time as the Owner is in default of any of its obligations to the Lender.

- 11.3 The exercise of such power by or on behalf of the Lender shall not put any person dealing with the Lender on enquiry as to whether any amount is due under this Deed nor shall such person be in any way affected by notice that any such amount may not have become payable. The exercise by the Lender of such power shall be conclusive evidence as between the Lender and any third party of its right to exercise such power.
- 11.4 The Owner hereby ratifies and confirms and agrees to ratify and confirm immediately upon request by the Lender the actions of the attorney appointed under Clause 11.1.

12 Application of monies

- 12.1 The proceeds of a sale of the Vessel, Requisition Compensation, Earnings, the net earnings of any charter operation or other use of the Vessel by the Lender under the Lender's powers set out in this Deed, recovery under the Insurances (other than any loss of earnings insurance or any such sum or sums as may have been received by the Lender in accordance with the relevant loss payable clause in respect of a major casualty as therein defined and paid over to the Owner in accordance with Clause 4 hereof) and all other amounts the application of which has not been specifically provided for shall be applied in the following order:
- 12.1.1 FIRST in payment of all amounts paid and losses incurred by the Lender (together with interest thereon) in connection with the exercise by the Lender of its powers under Clause 11 or otherwise;
- 12.1.2 SECOND in payment of the Secured Liabilities;
- 12.1.3 THIRD in retention of an amount equal to any part or parts of the Secured Liabilities as is or are not then due and payable but which (in the sole and absolute opinion of the Lender) will or may become due and payable in the future and, upon the same becoming due and payable, in or towards satisfaction thereof in accordance with the foregoing provisions of this Clause 12; and
- 12.1.4 FOURTH in payment of the balance (if any) to the Owner or to whoever shall have the right to receive such balance.
- 12.2 In the event that the proceeds are insufficient to pay the amounts specified in paragraphs FIRST and SECOND above, the Lender shall have the right to recover the balance from the Owner or any other person liable to pay such amount.
- 12.3 Sections 109(6) and (8) of the Law of Property Act 1925 shall not apply to a Receiver appointed under this Deed.
- 12.4 The Lender and any Receiver may place and keep (for such time as it shall think prudent) any money received, recovered or realised pursuant to this Deed and/or the Loan Agreement in or at a separate suspense account for so long and in such manner as the Lender may from time to time determine (to the credit of the Owner or the Lender as the Lender shall think fit) and the Receiver may retain the same for such period as he and the Lender consider expedient without having any obligation to apply all or any of such monies in or towards discharge of the Secured Obligations.

13 Protection of third parties

- 13.1 No purchaser from, or other person dealing with, the Lender and/or any substitute attorney appointed under clause 11 and/or any Receiver shall be obliged or concerned to enquire whether the right of the Lender or any Receiver to exercise any of the powers conferred by this Deed, the Mortgage or the Loan Agreement has

arisen or become exercisable, or whether any of the Secured Obligations remain outstanding or be concerned with notice to the contrary, or whether any event has happened to authorise the Receiver to act or as to the propriety or validity of the exercise or purported exercise of any such power and the title of such a purchaser and the position of such a person shall not be impeachable by reference to any of those matters.

13.2 The receipt of the Lender or any Receiver shall be an absolute and a conclusive discharge to a purchaser and shall relieve him of any obligation to see to the application of any monies paid to or by the direction of the Lender or any Receiver.

13.3 In clauses 13.1 and 13.2 "purchaser" includes any person acquiring, for money or money's worth, any lease of, or Security Interest over, or any other interest or right whatsoever in relation to the Charged Property.

14 Costs and expenses

14.1 The Owner will fully indemnify the Lender and any Receiver on demand from and against any expense (including legal fees), loss, damage or liability which the Lender or any Receiver may incur in connection with the negotiation, preparation, execution, modification, amendment, release and/or enforcement or attempted enforcement of, or preservation of the Lender's (or any Receiver's) rights under, this Deed or in relation to any of the Charged Property.

14.2 The amounts payable under clause 14.1 shall carry interest at the Default Rate as well after as before judgment, from the dates on which they were paid, incurred or charged by the Lender or the Receiver (as the case may be) and shall form part of the Secured Obligations and accordingly be secured on the Charged Property under the charges contained in this Deed. All such default interest shall be compounded on the last day of each month.

14.3 The Lender and any Receiver, attorney, agent or other person appointed by the Lender under this Deed, acting reasonably, for purposes of securing or recovering the Secured Obligations, and the officers and employees of the Lender (each an **Indemnified Party**) shall be entitled to be indemnified out of the Charged Property in respect of all costs and losses, which may be incurred by, or made against, any of them (or by or against any manager, agent, officer or employee for whose liability, act or omission any of them may be answerable) at any time relating to or arising out of or as a consequence of:

14.3.1 anything done or omitted in the exercise, or purported exercise, of the powers contained in this Deed; or

14.3.2 any breach by the Owner of any of its obligations under this Deed.

15 Other security, cumulative powers and avoidance of payments

15.1 This security is in addition to, and shall neither be merged in, nor in any way exclude or prejudice or be affected by any other security interest, right of recourse or other right whatsoever, present or future, (or the invalidity thereof) which the Lender may now or at any time hereafter hold or have (or would apart from this security hold or have) from the Owner or any other person in respect of the Secured Obligations.

15.2 The powers which this Deed confers on the Lender and any Receiver are cumulative, without prejudice to their respective powers under the general law, and may be exercised as often as the Lender or the Receiver thinks appropriate. The Lender or the Receiver may, in connection with the exercise of their powers, join or concur with any person in any transaction, scheme or arrangement. The Owner acknowledges that the respective powers of the Lender and the Receiver will in no

circumstances be suspended, waived or otherwise prejudiced by anything other than an express waiver or variation in writing.

- 15.3 If the Lender considers that any amount paid by the Owner in respect of the Secured Obligations is capable of being avoided or set aside on the liquidation or administration of the Owner or otherwise, then for the purposes of this Deed such amount shall not be considered to have been paid.
- 15.4 Any settlement or discharge between the Owner and the Lender shall be conditional upon no security or payment to the Lender by the Owner or any other person being avoided or set aside or ordered to be refunded or reduced by virtue of any provision or enactment relating to bankruptcy, insolvency or liquidation for the time being in force. Accordingly (but without limiting the other rights of the Lender under this Deed) the Lender shall be entitled to recover from the Owner the value which the Lender has placed upon such security or the amount of any such payment as if such settlement or discharge had not occurred.

16 Notice of subsequent charge

If the Lender receives notice of any subsequent Security Interest affecting all or any of the Charged Property it may open a new account or accounts for the Owner in its books. If the Lender does not do so then (unless it gives express written notice to the contrary to the Owner) as from the time of receipt of such notice by the Lender all payments made by the Owner to the Lender (in the absence of any express appropriation to the contrary) shall be treated as having been credited to a new account of the Owner and not as having been applied in reduction of the Secured Obligations.

17 Set-off

- 17.1 The Lender may at any time (without notice to the Owner):

- 17.1.1 set-off or otherwise apply sums standing to the credit of the Owner's accounts with the Lender (irrespective of the terms applicable to such accounts);
- 17.1.2 set-off any other obligations (whether or not then due for performance) owed by the Lender to the Owner,

in or towards satisfaction of the Secured Obligations.

- 17.2 The Lender may exercise such rights notwithstanding that the amounts concerned may be expressed in different currencies and the Lender is authorised to effect any necessary conversions at a rate of exchange selected by it.
- 17.3 If the relevant obligation or liability is unliquidated or unascertained the Lender may set-off the amount it estimates (in good faith) will be the final amount of such obligation or liability once it becomes liquidated or ascertained.

18 Notices

The provisions of clause 7 of the Loan Agreement shall (mutatis mutandis) apply to this Deed as if it were set out in full with references to this Deed substituted for references to the Agreement and references to the Owner being substituted for references to the Borrower.

19 No implied waivers

- 19.1 No failure or delay by the Lender in exercising any right, power or privilege under this Deed shall operate as a waiver thereof nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

- 19.2 A waiver given or consent granted by the Lender under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

20 Invalidity of any provision

If any provision of this Deed is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions will not be affected or impaired in any way.

21 Assignment

- 21.1 The Lender may at any time assign or otherwise transfer all or any part of its rights under this Deed.
- 21.2 The Owner may not assign, charge or otherwise deal with any of its rights under this Deed.

22 Currency clauses

- 22.1 All monies received or held by the Lender or any Receiver under this Deed or the Loan Agreement may be converted into such other currency as the Lender considers desirable to cover the obligations and liabilities comprised in the Secured Obligations in that other currency at the Lender's spot rate of exchange then prevailing for purchasing that other currency with the existing currency.
- 22.2 No payment to the Lender (whether under any judgment or court order or otherwise) shall discharge the obligation or liability of the Owner unless and until the Lender shall have received payment in full in the currency in which the obligation or liability was incurred. To the extent that the amount of any such payment shall on actual conversion into such currency fall short of such obligation or liability expressed in that currency the Lender shall have a further separate cause of action against the Owner and shall be entitled to enforce the security constituted by this Deed to recover the amount of the shortfall.

23 Certificates conclusive

A certificate, determination, notification or opinion of the Lender as to any amount payable under this Deed will be conclusive and binding on the Owner save in the case of manifest error.

24 Counterparts

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

25 Reassignment, Obligations of Lender and Owner

- 25.1 Following the expiry of the Security Period the Lender will, at the cost of and on the request of the Owner, execute a re-assignment to the Owner of the Charged Property, to the extent then still subsisting and capable of re-assignment.
- 25.2 Notwithstanding the assignments contained in this Deed, the Lender shall not be obliged to make any enquiry as to the nature or sufficiency of any payment received by it under or in connection with this Deed nor to make any claim or take any other action to collect any money or to enforce any rights or benefits assigned to the Lender under this Deed or to which the Lender may at any time be entitled under or pursuant to this Deed.

- 25.3 The Owner shall remain liable to perform all the obligations assumed by it in relation to the Charged Property and the Lender shall be under no obligation of any kind in respect of such obligations nor under any liability in the event of any failure by the Owner to perform, or breach by the Owner of, any of those obligations.

26 **Governing law**

- 26.1 This Deed (and any dispute, proceedings or claims of whatever nature arising out of or in any way relating to this Deed) shall be governed by and construed in all respects in accordance with English law.
- 26.2 The Lender shall in addition have the right to arrest and take action against the Vessel wherever it may be, for which purpose the Owner irrevocably agrees that any writ, notice, judgment or other legal process may be served on the Owner or on the Vessel in the manner set out in this Deed or on the master (or anyone acting as the master) of the Vessel, which shall be deemed good service on the Owner or the Vessel for all purposes.

IN WITNESS WHEREOF this Deed has been duly executed and delivered as a deed on the day and
year first before written.

SCHEDULE 1
NOTICE OF ASSIGNMENT

To: [name & address of insurers]

cc.

Date: [**]

We, Kames Fish Farming Limited, the Owner of the TIFFANY OF MELFORT with Official Number 923569 (the "Vessel") hereby give notice that by a deed of covenants dated [**], we have assigned to Lloyds Bank PLC as security trustee for itself and each of its subsidiaries for the time being, as first priority mortgagee, all the insurances in respect of the Vessel (including the insurance constituted by the policy on which this notice endorsed) and all amounts payable thereunder, including return of premiums.

Please arrange for the said loss payable clause(s) (attached) to be included in the policies when issued.

Yours faithfully,

Signed for and on behalf of

Kames Fish Farming Limited

On Duplicate: We acknowledge receipt of the Notice of Assignment of which this is a duplicate.

Yours faithfully,

Signed for and on behalf of

[INSURER]

EXECUTION PAGE

SIGNED and DELIVERED as a DEED by)
KAMES FISH FARMING LIMITED)

acting by STUART CANNON + SHELAGH CANNON)
two directors or by a director and its secretary)

Director

Director/Secretary

Signed for and on behalf of)
LLOYDS BANK PLC)

Authorised Signatory

WITNESS

Full Name: Ken Sumner

Signature: _____

Address: _____

Occupation: Piratical

EXECUTION PAGE

SIGNED and DELIVERED as a DEED by
KAMES FISH FARMING LIMITED
acting by
two directors or by a director and its secretary

)
)
)
)
)

Director

Director/Secretary

Signed for and on behalf of
LLOYDS BANK PLC

)
)
)
)

Authorised Signatory

WITNESS

Full Name:

LESLIE MCCABE

Signature:

Address:

Occupation:

Specialist Support