620 055/26

In accordance with Sections 859A & 859J of the Companies Act 2006

MR01

Particulars of a charge

Oyez

A fee is payable with this form
Please see 'How to pay' on the last page

You can use the WebFiling service to file this form online
Please go to www companieshouse gov uk

What this form is for
You may use this form to register a charge created or evidenced by an instrument

What this form is NOT for
You may not use this form to register a charge wh instrument Use form

For further information, please refer to our guidance at uk

This form **must be delivered to the Registrar for registration 21 days** beginning with the day after the date of creation of the c delivered outside of the 21 days it will be rejected unless it is acc court order extending the time for delivery

You must enclose a certified copy of the instrument with this form scanned and placed on the public record

WEDNESDAY

A2M01EMI
A27 27/11/2013 #138
COMPANIES HOUSE

1 Company details

For official use

Company number: 0 0 8 9 5 2 3 6

Company name in full: WINDLE SHIPPING COMPANY LIMITED

Filling in this form
Please complete in typescript or in bold black capitals

All fields are mandatory unless specified or indicated by *

2 Charge creation date

Charge creation date: d2 d0 m1 m1 y2 y0 y1 y3

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees entitled to the charge

Name: SHAWBROOK BANK LIMITED

Name:

Name:

Name:

If there are more than four names, please supply any four of these names then tick the statement below

☐ I confirm that there are more than four persons, security agents or trustees entitled to the charge

MR01

Particulars of a charge

4 Description

Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security

Continuation page
Please use a continuation page if you need to enter more details

Description

the vessel "VANGUARD", registered at the Isle of Man Ship Registry and having IMO Number 9224116

5 Fixed charge or fixed security

Does the instrument include a fixed charge or fixed security over any tangible or intangible (or in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box

☐ **Yes**

☑ **No**

6 Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

☐ **Yes** Continue

☑ **No** Go to **Section 7**

Is the floating charge expressed to cover all the property and undertaking of the company?

☐ **Yes**

7 Negative Pledge

Do any of the terms of the charge prohibit or restrict the chargor from creating any further security that will rank equally with or ahead of the charge? Please tick the appropriate box

☑ **Yes**

☐ **No**

MR01

Particulars of a charge

8 Trustee statement

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

(1) This statement may be filed after the registration of the charge (use form MR06)

9 Signature

Please sign the form here

Signature

Signature

X X

This form must be signed by a person with an interest in the charge

MR01

Particulars of a charge

Presenter information

We will send the certificate to the address entered below All details given here will be available on the public record You do not have to show any details here but, if none are given, we will send the certificate to the company's Registered Office address

Contact name

Company name
Lester Aldridge LLP

Address
Alleyn House

Carlton Crescent

SOUTHAMPTON

Post town
Hants

County/Region

Postcode S O 1 5 2 E U

Country

DX DX 96882 Southampton 10

Telephone
02380 827415

Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank

Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

- ☑ The company name and number match the information held on the public Register
- ☑ You have included a certified copy of the instrument with this form
- ☑ You have entered the date on which the charge was created
- ☑ You have shown the names of persons entitled to the charge
- ☑ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☑ You have given a description in Section 4, if appropriate
- ☑ You have signed the form
- ☑ You have enclosed the correct fee
- ☑ Please do not send the original instrument, it must be a certified copy

Important information

Please note that all information on this form will appear on the public record.

How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper

Make cheques or postal orders payable to 'Companies House'

Where to send

You may return this form to any Companies House address However, for expediency, we advise you to return it to the appropriate address below:

For companies registered in England and Wales
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1

Further information

For further information, please see the guidance notes on the website at www companieshouse gov uk or email enquiries@companieshouse gov uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

DX

FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number. 895236

Charge code: 0089 5236 0019

The Registrar of Companies for England and Wales hereby certifies that a charge dated 20th November 2013 and created by WINDLE SHIPPING COMPANY LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 27th November 2013.

Given at Companies House, Cardiff on 2nd December 2013

Companies House

THE OFFICIAL SEAL OF THE REGISTRAR OF COMPANIES

SHAWBROOK BANK
ASSET FINANCE

DEED OF COVENANT

Shawbrook Bank Limited

and

Windle Shipping Company Ltd

in relation to the ship "Vanguard" (ex "Flinterhunze")

Dated 20 NOVEMBER **2013**

I hereby certify that this copy is a true
and complete copy of the original
Dated this 25 day of November 2013

Solicitor/Notary
Lester Aldridge LLP
Alleyn House 23 – 27 Carlton Crescent
SOUTHAMPTON SO15 2EU

Agreement Details

1. BORROWER DETAILS

Borrower's full name	Windle Shipping Company Ltd
Company Number	00895236
Borrower's Registered Office	20 St Dunstan's Hill, London, EC3R 8HL
Borrower's address for communication	as above

2. SHIP DETAILS

Name of Ship	VANGUARD (ex FLINTERHUNZE)
Official Number	
Type of Ship	general cargo vessel
Year of construction/manufacture	2001
Registry of Shipping	Isle of Man
Breadth	13 75 m
Length	91 25 m
Depth	6 25 m
Gross/Net tonnage	2548 / 1428 t
Engine type	Wartsila
Builder	Tille Shipyards BV, Netherlands

3. INSURANCE DETAILS

Required Insurance Value	the greater of (a) the market value of the Ship and (b) one hundred and twenty per cent (120%) of the outstanding principal amount of the Loan
Required insurance currency	Euros
Permitted deductible (Excess)	€35,000
Minimum liability cover	€2 million

DATE OF DEED OF COVENANT 20 NOVEMBER 2013

PARTIES

(1) Shawbrook Bank Limited having its place of business at Shawbrook House, Dorking Business Park, Station Road, Dorking, RH4 1HJ ("Shawbrook"), and

(2) Windle Shipping Company Limited (Company Number 00895236) having its registered office and principal place of business at 20 St Dunstan's Hill, London, EC3R 8HL (the "Borrower")

1 PURPOSE

1 1 Shawbrook has agreed to make a loan for the amount shown in the Loan Agreement available to the Borrower In order to secure the due repayment of the loan to Shawbrook the Borrower has agreed to grant to Shawbrook a first priority Mortgage on the Ship and to enter into this Deed which is collateral to the Mortgage

2 DEFINITIONS

2 1 In this Deed the following terms shall have the following meanings (unless the context otherwise requires)

Applicable Interest Rate means the rate specified in the Loan Agreement

Approved Brokers means the insurance brokers appointed by the Borrower with Shawbrook's prior approval

Earnings means all freight, hire and any other amounts whatsoever which may at any time be earned by or become payable to the Borrower or its agents arising out of or as a result of the ownership, possession, management and/or operation of the Ship by the Borrower or under any charter, contract of carriage or other contract (including a salvage or towage contract) entered into in relation to the Ship, all payments for any variation or termination of any such contract and all damages for any breach of any such contract, all general average and salvage remuneration and all compensation for requisition for hire

Event of Default means any of the events referred to in clause 12

Excess Risks means the proportion of claims for general average, salvage charges and under the ordinary running-down clause which is not recoverable as a result of the value at which the Ship is assessed for the purpose of such claims exceeding its insured value

Facility Documents means each of this Deed, the Loan Agreement, the Mortgage, and any other mortgage, loan, lease, lease purchase, assignment, charge, security agreement entered into by the Borrower or any guarantee or other credit support agreement entered into or to be entered into by a Guarantor

Facility means the loan facility made available to the Borrower by Shawbrook pursuant to the terms of the Loan Agreement

Loan Agreement means the Loan Agreement dated 18 November 2013 from Shawbrook to the Borrower

Indebtedness means the aggregate of all amounts whatsoever whether principal, interest or otherwise which may from time to time or at any time be or become due actually or contingently from the Borrower (whether as principal, surety or otherwise) to Shawbrook including but not limited to all amounts whatsoever whether principal, interest or otherwise which may from time to time or at any time be or become due under or in connection with any of the Facility Documents

Insurance Documents means all slips, cover notes, contracts, policies, certificates of entry or other insurance documents evidencing or constituting the Insurances from time to time in effect (including letters of undertaking where the context so requires)

Insurances means all policies and contracts of insurance (which expression includes all entries of Ship in a protection and indemnity or mutual hull or war risks association) or such other arrangements by way of insurance which are from time to time entered into in connection with the Ship pursuant to clause 8 (but excluding any insurance taken out by Shawbrook pursuant to clause 8 3) and all benefits thereof including all claims of whatsoever nature and return of premiums

Insurers mean the underwriters, insurance companies, mutual insurance associations or other associations with which the Insurances are placed

Mortgage means the first priority statutory mortgage on the Ship in its official form granted by the Borrower to Shawbrook

Permitted Encumbrance means

(a) any Encumbrance subsisting under or in connection with any of the Facility Documents,
(b) maritime liens,
(c) any other right of set off or lien, in each case arising by operation of law;
(d) any retention of title to goods supplied to the Borrower (including under any hire purchase agreement) in the ordinary course of its trading activities,
(e) any agreement entered into by the Borrower in the ordinary course of its trading activities to sell or otherwise dispose of any asset on terms whereby that asset is or may be leased to or re-acquired or acquired by the Borrower,
(f) any right of set-off arising under a contract made between the Borrower and a local authority, or other governmental or quasi-governmental body in the ordinary course of its trading activities relating to deferred consideration in respect of the supply of assets to the Borrower from that authority or body where the consideration is set off against the payments for services carried out under the relevant contract,
(g) any Encumbrance over an asset purchased by Borrower which is discharged within one hundred twenty (120) days of purchase of such asset, or
(h) Encumbrances granted with the prior written consent of Shawbrook

Protection and Indemnity Risks means the usual risks covered by a protection and indemnity association including (but not limited to) the proportion (if any) of any claim not recoverable in the case of collision under the hull and machinery policies, liability for third party risks and pollution liability

Requisition Compensation means all compensation payable by reason of requisition for title or other compulsory acquisition of the Ship other than requisition for hire

Security Documents means the Guarantee from all Guarantors, this Deed and the Mortgage and any other guarantee, indemnity and security executed and delivered to Shawbrook by the Borrower and/or the Guarantors

Security Period means the period commencing on the date of this Deed and ending on the date on which the Indebtedness is repaid in full to Shawbrook

Ship means the ship as more particularly described in the Agreement Details registered in the name of the Borrower including the hull, machinery, equipment, fuel, lubricating oil and stores of the Ship whether now owned or subsequently acquired and all additions, improvements and replacements subsequently made in or to the Ship or any part thereof and any share or interest in Ship

Total Loss means

(a) the actual or constructive or compromised or arranged or agreed total loss of the Ship,

(b) the requisition for title or other compulsory acquisition of the Ship other than requisition for hire, or

(c) the capture, seizure, arrest, detention or confiscation of the Ship by any government or by a person acting or purporting to act on behalf of any government where the Ship is not released within thirty (30) days after the occurrence thereof

War Risks means the risk of mines and all risks of war excluded from hull and machinery marine risks policies

2 2 Other terms used in this Deed with capital initial letters shall have the respective meanings given to them in the Schedules to this Deed or in the Loan Agreement or any other Facility Documents

3 INTERPRETATION

3 1 Clause headings are inserted for ease of reference only and are not to affect the interpretation of this Deed

3 2 Words referring to the singular number shall include the plural and vice versa

3 3 References to a person are to be construed to include corporations, firms, companies, partnerships, limited liability partnerships, individuals, associations, states and administrative, governmental and other agencies whether or not a separate legal entity

3 4 Any reference to a document is a reference to that document as the same may have been and may from time to time hereafter be amended and/or supplemented

3 5 References to clauses, paragraphs and schedules are to the clauses, paragraphs and schedules to this Deed

3 6 Any reference to a statute or statutory instrument or regulation is a reference to that statute, statutory instrument or regulation as the same may have been and may from time to time hereafter be modified, amended or re-enacted

3 7 The liquidation, winding up or dissolution of a company or body corporate and the appointment of a receiver, manager or administrator of a company or body corporate or any of its assets shall be construed so as to include any equivalent or analogous proceedings or event under the law of the jurisdiction in which it is incorporated or any jurisdiction in which it carries on business or has assets or liabilities

4 REPRESENTATIONS & WARRANTIES

The Borrower represents that

(a) prior to the execution of this Deed the Ship is free from any mortgages, liens and encumbrances,

(b) the Ship is registered in the name of the Borrower with the registry of shipping stated in the Agreement Details,

(c) the Borrower has not assigned, transferred, pledged or charged or otherwise disposed of the Earnings

5 CHARGE & ASSIGNMENT BY THE BORROWER

As a continuing security for the punctual payment and discharge of the Indebtedness to Shawbrook the Borrower unconditionally and irrevocably and with full title guarantee hereby

(a) mortgages and charges the Ship to Shawbrook,

(b) assigns absolutely and agrees to assign to Shawbrook the Earnings,

(c) assigns absolutely and agrees to assign to Shawbrook the whole benefit of and all of its right, title and interest (present and future) in and to the Insurances,

(d) covenants and agrees that the Ship shall be held subject to the Mortgage which shall be held by Shawbrook to secure the payment of the Indebtedness except the charge created by the Mortgage and this Deed shall be a continuing security and this Deed shall continue in full force and effect until the Indebtedness has been paid to Shawbrook in full

6 CONDITIONS PRECEDENT

The Borrower acknowledges that its obligations to Shawbrook under this Deed are subject to the conditions precedent set out in the Loan Agreement

7 PAYMENT BY BORROWER

7 1 The Borrower covenants to pay the Indebtedness to Shawbrook as set out in the Facility Documents

7 2 All payments to be made by the Borrower under this Deed shall be made in full by direct debit, without any set off or counterclaim whatsoever and free and clear of any deduction or withholdings

8 INSURANCE

8 1 The Borrower covenants with Shawbrook during the Security Period to

(a) insure and keep the Ship insured in Sterling or such other currency as may be approved in writing by Shawbrook, at its own expense in the full insurable value of the Ship but in no event for an amount less than the Required Insurance Value shown in the Agreement Details or such other figure as Shawbrook may approve against fire, marine and other risks (including Excess Risks) and War Risks covered by hull and machinery policies,

(b) enter the Ship in the name of the Borrower for its full value and tonnage in a protection and indemnity association approved by Shawbrook with unlimited liability if available otherwise with the least limited liability against all Protection and Indemnity Risks,

(c) effect such additional Insurances as (in the reasonable opinion of Shawbrook) may be necessary or advisable

8 2 The Borrower further covenants with Shawbrook during the Security Period to

(a) effect the Insurances through the Approved Brokers with such Insurers and on such terms as shall from time to time be approved in writing by Shawbrook;

(b) renew the Insurances at least fourteen (14) days before the relevant Insurances expire and to procure that the Approved Brokers or the Insurers promptly confirm in writing to Shawbrook as and when each such renewal is effected,

(c) punctually pay all premiums, calls, contributions or other sums payable in respect of the Insurances and to produce all relevant receipts when so required in writing by Shawbrook,

(d) arrange for the execution of such guarantees as may from time to time be required by any protection and indemnity or war risks association,

(e) give notice of assignment of the Insurances to the Insurers in the form of Schedule 1 and to procure that a loss payable clause in the form of the Schedule 2 or Schedule 3 (as may be relevant) is endorsed on or attached to the Insurance Documents,

(f) procure that the Approved Brokers shall provide Shawbrook with an acknowledgement of the assignment of the Insurances from the Insurers and shall provide Shawbrook with certified copies of the Insurance Documents relating to the Insurances placed by the Approved Brokers,

(g) procure that the protection and indemnity and war risks associations in which the Ship is entered shall provide Shawbrook with a letter or letters of undertaking (in such form as Shawbrook may reasonably request) and shall provide Shawbrook with a duplicate of the certificate or certificates of entry,

(h) procure that the Insurance Documents shall provide that the lien or set off for unpaid premiums or calls shall be limited to the premiums or calls due in relation to the Insurances on the Ship and for fourteen (14) days' prior written notice to be given to Shawbrook by the Insurers in the event of a cancellation, termination or non-renewal of the Insurances and in the event of the non-payment of the premiums or calls for the right to pay the premiums or calls within a reasonable time,

(i) promptly provide Shawbrook with full information regarding any casualties or damage to the Ship in an amount in excess of 15% of the Required Insurance Value or in consequence of which the Ship has become or may become a Total Loss,

(j) not do any act nor permit any act to be done by which any of the Insurances may be suspended or avoided and not to permit the Ship to engage in any voyage or to carry any cargo not permitted under the Insurances in effect without first covering the Ship to the amount stated in Clause 8(i)(a) with insurance satisfactory to Shawbrook for such voyage or the carriage of such cargo, and (without limitation to the generality of the foregoing) not to permit

the Ship to enter or trade in any zone which is declared a war zone by any government or by the Ship War Risks Insurers unless Shawbrook shall first have given its consent in writing and there shall have been effected by the Borrower and at its expense such special insurance as Shawbrook may require,

(k) procure that all amounts payable under the Insurances are paid in accordance with the loss payable clauses and to apply all amounts as are paid to the Borrower to the repair of the damage and the reparation of the loss in respect of which the amounts shall have been received

8 3 The Borrower further covenants to pay to Shawbrook on demand all premiums and other amounts payable by Shawbrook in effecting and maintaining in such amounts and with such insurers as Shawbrook shall consider appropriate a mortgagee's interest insurance policy and an additional perils pollution policy in the name of Shawbrook

9 BORROWER'S COVENANTS

The Borrower further covenants with Shawbrook during the Security Period that it will

(a) keep the Ship registered in the Isle of Man (unless prior written consent is obtained from Shawbrook to change the flag of the Ship, which consent Shawbrook shall have full power to withhold or to impose further conditions upon, such as the requirement for the Borrower to execute further security documents) and not do or permit to be done anything whereby such registration may be forfeited or imperilled,

(b) maintain the corporate existence of the Borrower under the laws of England and comply with all relevant legislation applicable to the Borrower,

(c) pay when due and payable all taxes, assessments, levies, governmental charges, fines and penalties lawfully imposed on and enforceable against the Ship unless contested in good faith by the Borrower by the appropriate proceedings,

(d) not use the Ship for residential purposes nor sell, transfer, mortgage, charge, hypothecate or abandon (save in the case of maritime necessity) the Ship or any share or interest therein nor assign the Earnings or the Insurances without the prior written consent of Shawbrook which it shall have full power to withhold,

(e) not cause or permit the Ship to be operated in any manner contrary to law and not engage in any unlawful trade or carry any cargo that will expose the Ship to penalty, forfeiture (whether war be declared or not) not employ the Ship or permit its employment in carrying any contraband goods,

(f) not create or permit to be created or continued any lien or encumbrance (except the Mortgage and this Deed) whatsoever on the Ship, the Earnings or the Insurances (other than any Permitted Encumbrances) and in the ordinary course of business discharge or satisfy all claims and demands which if unpaid might in law or by statute or otherwise create a lien or encumbrance on the Ship,

(g) on the written request of Shawbrook provide satisfactory evidence that the wages, allotments, insurance and pension contributions of the master and crew of the Ship are being paid in accordance with the articles of agreement relating to the Ship and the relevant regulations 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 Ship on the voyage then in progress,

(h) if any writ or proceedings shall be issued against the Ship or if the Ship shall be otherwise attached, arrested or detained by any proceeding in any court or tribunal or by any government or other authority, immediately notify Shawbrook thereof by facsimile or e-mail confirmed by letter and as soon as practicably possible thereafter cause the Ship to be released and all liens or encumbrances thereon (except for the Mortgage and this Deed) to be discharged,

(i) at all times and at its own expense maintain the Ship in a seaworthy condition and in good running order and repair in accordance with first class ship ownership and ship management practice,

(j) submit the Ship regularly to such periodical or other surveys as may be required and, if so required by Shawbrook in writing, provide Shawbrook with copies of all survey reports and certificates issued in respect thereof,

(k) notify Shawbrook immediately by facsimile or e-mail of any recommendation or requirement imposed by the flag state, Class, the Insurers or any other competent authority which is not complied with in accordance with its terms,

(l) give Shawbrook prior notice of any proposed dry docking or any underwater survey so that Shawbrook (if it so requires) can arrange for a representative to be present,

(m) at all times comply with all legal requirements whether imposed by statute, regulation, common law or otherwise (including, without limitation, all port state control requirements) and have on board the Ship as and when legally required valid certificates showing compliance therewith,

(n) comply with, and procure that all servants and agents of the Borrower comply with, all environmental laws in relation to the Ship including without limitation its operation and/or management from time to time,

(o) duly perform and discharge all duties and liabilities imposed on the Borrower under any charter, bill of lading or other contract relating to the Ship,

(p) not remove or permit the removal of any part of the Ship or any equipment belonging thereto, nor make or permit to be made any alteration in the structure, type or speed of the Ship which materially reduces the value of the Ship (unless such removal or alteration is required by law) without the prior written consent of Shawbrook which it shall have full power to withhold,

(q) at all reasonable times permit Shawbrook or its authorised representative full and complete access to the Ship for the purpose of inspecting the state and condition of the Ship and its cargo and papers and at the written request of Shawbrook deliver for inspection copies of all contracts and documents relating to the Ship whether on board or not,

(r) promptly provide Shawbrook with information concerning the classification, status, insurance, use, employment and position of the Ship, when so requested by Shawbrook,

(s) in the event of requisition of the Ship by any government authority or other competent authority, execute any assignment that Shawbrook may request in relation to all amounts which such authority shall be liable to pay as compensation for the Ship or for its use and if received by the Borrower to pay such amounts immediately to Shawbrook, provided that if such requisition applies only to the use of the Ship the provisions of this clause shall not apply if there has been no Event of Default,

(t) execute any further document or documents required by Shawbrook in order to complete the security created by the Security Documents,

(u) permit Shawbrook and/or its duly authorised agents to conduct condition surveys as Shawbrook may from time to time reasonably require,

(v) permit inspections for ongoing valuations as Shawbrook may from time to time reasonably require

10 PROTECTION OF SECURITY

10 1 Without prejudice to its other rights and powers under this Deed Shawbrook shall have the right but be under no duty at any time to take such action as it considers necessary for the purpose of protecting the security created by the Security Documents and the Borrower shall pay to Shawbrook on demand all amounts paid by Shawbrook in providing such protection of the security with interest at the Applicable Interest Rate from the date of payment of the said amounts by Shawbrook until the date of repayment by the Borrower to Shawbrook whether before or after judgment

10 2 Without prejudice to the generality of clause 10 1

(a) in the event of a default in compliance with the provisions of clause 12 Shawbrook shall have the right to insure the Ship as provided in clause 8 and to pay any unpaid premiums or calls then outstanding,

(b) in the event of a default in compliance with clauses 9 1(i) and/or 9 1(j) Shawbrook shall have the right to effect such surveys and repairs as it considers necessary,

(c) in the event of a default in compliance with clauses 9 1(c), 9 1(f) and/or 9 1(h) Shawbrook shall have the right to pay and discharge all such debts and liabilities and if the Ship has been arrested or detained to take such action as it considers necessary for the purpose of securing the release of the Ship

10 3 For the avoidance of doubt in no circumstances whatsoever will Shawbrook be under any liability to the Borrower or any third party to pay any amount referred to in clause 10 2 or otherwise

11 REQUISITION

The Borrower agrees that

(a) if the Ship is requisitioned for hire by any governmental or other competent authority during the currency of this Deed and the Mortgage then, following such requisition, unless and until the Ship becomes a Total Loss this Deed and the Mortgage shall continue in full force and effect and the Borrower shall be fully responsible for due compliance with all its obligations under this Deed (other than those with which it is physically unable to comply owing to the aforesaid requisition for hire) provided that if it is proved to Shawbrook 's reasonable satisfaction and confirmed in writing that such requisition is upon terms whereby the requisitioning authority has assumed the responsibility of the Borrower to Shawbrook to indemnify or recompense Shawbrook in respect of or otherwise to make good all losses which would otherwise be covered by the Insurances required to be effected by the Borrower under this Deed the Borrower shall be relieved from its insurance obligations under this Deed in respect of such period of requisition or, in the event that the requisitioning authority shall have assumed only a partial responsibility as aforesaid, its insurance obligations under this Deed shall be modified in such manner and to such extent as Shawbrook may decide, and

(b) the Borrower shall, subject to Shawbrook's right to retain from it any moneys due from the Borrower to Shawbrook under this Deed or the Mortgage, and provided there has been no breach on the part of the Borrower under this

Deed or the Mortgage be entitled to all requisition hire and/or compensation relating to such requisition paid during the currency of this Deed and the Mortgage to Shawbrook or to the Borrower by such governmental or other competent authority or by any person acting by the authority of the same on account of such requisition, and

(c) the Borrower shall, as soon as practicable after the end of any requisition for hire, whether or not such requisition ends within or after the end of the currency of this Deed or of the Mortgage cause the Ship to comply in all respects with the provisions of this Deed provided that, if the Borrower considers it impractical so to do, the Borrower shall consult with Shawbrook as to the course of action to be taken but without prejudice to Shawbrook 's right to insist on the full performance and observance of the terms and conditions of this Deed.

12 EVENTS OF DEFAULT

12 1 Each of the following shall be an Event of Default

(a) **Non-payment** the Borrower defaults in the payment of principal or interest or any other sum payable under any Facility Document or is in breach of any of its other obligations under any Facility Document unless the failure to make such payment is due solely to administrative or technical delays in the transmission of the funds which are not the fault of the Borrower and such amount is paid within five (5) Business Days after its due date for payment,

(b) **Inability to pay debts**

(i) the Borrower suspends payment of its debts or is unable or admits its inability to pay or becomes unable to pay its debts as they fall due, or becomes bankrupt or insolvent or files any petition or action for relief under any bankruptcy, reorganisation, insolvency or moratorium law, or

(ii) the Borrower begins negotiations with any creditor with a view to the readjustment or rescheduling of any of its Indebtedness, or

(iii) the Borrower proposes or enters into any composition or other arrangement for the benefit of its creditors generally or any class of creditors,

(c) **Non-Performance** the Borrower defaults in the due performance and discharge of any of its duties or liabilities under this Deed or any of the Facility Documents, which default in the opinion of Shawbrook is not capable of remedy or any such default occurs (which in the opinion of Shawbrook) is capable of remedy and is not remedied within 5 business days after written notice of such default being given to the Borrower by Shawbrook,

(d) **Insolvency procedures** any person takes any action or any legal procedure is commenced or other steps taken (including the making of an application presentation of a petition or the filing or service of a notice) with a view to

(i) the Borrower being adjudicated or found insolvent, or

(ii) the winding-up, the bankruptcy or dissolution of the Borrower other than in connection with a solvent reconstruction, the terms of which have been previously approved in writing by Shawbrook or a winding-up petition which is proved to the satisfaction of Shawbrook to be an abuse of process or has no real prospect of success and which is, in any event, discharged within seven (7) days of its presentation and before it is advertised; or

(iii) the Borrower obtaining a moratorium or other protection from its creditors, or

(iv) the appointment of a trustee, supervisor, receiver, administrative receiver, liquidator, administrator or similar officer in respect of the Borrower,

(e) **Adjudication or appointment** any adjudication, order or appointment is made under or in relation to any of the proceedings referred to in Clause 12 1(d) above,

(f) **Attachment or distress** a creditor or encumbrancer attaches or takes possession of, or a distress, execution, sequestration or other process is levied or enforced upon or sued out upon or against any of the assets of the Borrower and such process is not discharged within 14 days or in the case of the arrest in rem proceedings of any vessel in the ownership of the Borrower such vessel is not released (whether by way of the provision of alternative security or not) within 14 days of any such arrest,

(g) **Analogous proceedings** any event occurs or situation arises in any jurisdiction other than England which has a substantially similar effect to any of the events specified in Clause 12 1 (b), (c), (d) or (e) above,

(h) **Enforcement of security**

(i) any steps are taken to enforce any security over any of the Borrower's or any Guarantor's assets (including without limitation, by appointing a receiver of the assets of the Borrower), or

(ii) any steps are taken to repossess any goods in the Borrower's possession under any hire purchase or lease agreement

(i) **Cross-default** if the Borrower or any Guarantor defaults in the payment of any sum payable under any Facility Document or is in breach of its obligations under any Facility Documents or any indebtedness of the Borrower

(i) is not paid when due or within any originally applicable grace period,

(ii) is declared to be or otherwise becomes due and payable prior to its specified maturity,

(iii) or any creditor of the Borrower becomes entitled to declare any such indebtedness due and payable prior to its specified maturity,

(j) **Cessation of business** the Borrower suspends or ceases or threatens to suspend or ceases to carry on its business or (except in the ordinary course of trade) the Borrower sells, leases, transfers or otherwise disposes of or threatens to dispose of all or any substantial part of its undertaking or assets (whether by a single transaction or by a series), or all or any substantial part of its assets are seized or appropriated by or on behalf of any governmental or other authority or are compulsorily acquired,

(k) **Breach of representation or warranty** any representation, warranty or statement made or deemed to be repeated to Shawbrook in or in connection with any Facility Document proves to have been incorrect when made (or deemed made) or, if repeated at any time by reference to the facts or circumstances subsisting at that time, would in Shawbrook's reasonable opinion no longer be true and correct in all material respects,

(l) **Material adverse change** in the opinion of Shawbrook, any event or series of events occur which has or could reasonably be expected to have a material adverse effect,

(m) **Invalid security**. the Mortgage or this Deed or any other security or guarantee granted in favour of Shawbrook in respect of any of the Borrower's obligations under this Deed is not or ceases to be fully valid, binding and enforceable, or in the case of any guarantee or security given by any third party, is determined or contested,

(n) **EC proceedings** the Borrower is a defendant in any legal proceedings brought by the European Commission,

(o) **Change of control** the Borrower suffers or allows a change of control (as defined in Section 1124 of the Corporation Tax Act 2010) to occur to it without the prior written consent of Shawbrook (such consent not to be unreasonably withheld or delayed);

(p) **Revocation of Licence** Any licence consent or approval of any public, governmental or judicial authority or agent at any time necessary to enable the Borrower to perform and discharge its duties and liabilities under this Deed or any of the Security Documents or to make this Deed or any of the Security Documents legal valid binding enforceable or admissible in evidence shall be revoked or withheld or materially in the opinion of Shawbrook modified or shall otherwise not remain in full force and effect,

(q) **Illegality** It becomes impossible or unlawful for the Borrower to perform and discharge any of its duties and liabilities contained in this Deed or any of the Security Documents or for Shawbrook to exercise any of its rights and powers under this Deed or any of the Security Documents,

(r) **Prejudice Security** Anything is done or omitted to be done by the Borrower which in the reasonable opinion of Shawbrook prejudices the security created by this Deed or any of the Security Documents,

(s) **Guarantors** Any of the said events shall occur in relation to any of the Guarantors

12 2 Powers following a Default

At any time after the occurrence of an Event of Default Shawbrook may by notice to the Borrower

(a) cancel the Facility and require the Borrower immediately to repay the Loan together with accrued interest and all other sums payable under this Deed or any other Facility Document, whereupon the same shall become immediately due and payable, or

(b) place the Facility on demand, whereupon the Loan together with accrued interest and all other sums payable under this Agreement and any other Facility Document shall become repayable on demand

Upon the service of any such notice Shawbrook's obligations under this Deed shall be terminated with immediate effect Shawbrook may take any other action, exercise any other right or pursue any other remedy conferred upon Shawbrook by this Deed or any other Security Document or by any applicable law or regulation or otherwise as a consequence of such Event of Default

13 POWER OF SALE

13 1 If any one or more Events of Default shall occur then the Indebtedness shall become immediately payable to Shawbrook and Shawbrook shall have the right and power to

(a) take possession of the Ship and exercise all the rights and powers of a mortgagee,

(b) institute legal proceedings to recover judgment against the Borrower for the Indebtedness,

(c) to appoint a receiver of the Ship,

(d) order the master of the Ship to proceed forthwith at the Borrower's risk and expense to a port or place nominated by Shawbrook,

(e) sell the Ship or any shares therein (whether as mortgagee, attorney-in-fact for the Borrower or otherwise) either by public auction or private contract and whether or not on deferred terms of payment with the power to Shawbrook to make any such special or other stipulations as it shall deem proper and to postpone the sale without being liable for any resulting loss,

(f) pending the sale of the Ship, insure, manage, maintain, repair, charter, operate, employ, lay up or otherwise use the Ship for such time and upon such terms as it may consider to its advantage without being responsible for any loss or damage thereto and accounting only for the net profits if any arising from such use ,

(g) recover from the Borrower on demand all losses, expenses, payments and disbursements incurred by Shawbrook in or incidental to the exercise by it of any of its powers together with interest thereon at the Applicable Interest Rate from the date when such losses, expenses, payments or disbursements were incurred or made by Shawbrook until the date of reimbursement whether before or after judgment,

(h) require all Insurance Documents and all claims correspondence to be delivered to Shawbrook or to the broker or adjuster nominated by it,

(i) defend, discharge, compound, release or compromise all claims against the Borrower in respect of the Ship and/or the Earnings, the Insurances or the Requisition Compensation including (but not limited to) those which have given or may give rise to any charge or lien on the Ship or which are or may be enforceable by proceedings against the Ship,

(j) recover, institute, pursue, discharge, compound, release or compromise all claims by the Borrower in respect of the Ship, the Earnings, the Insurances or the Requisition Compensation against the Insurers, any charterer or any other third party whatsoever, and

(k) pay all amounts as Shawbrook considers appropriate in order to maintain and enforce its rights and powers under the Security Documents

13 2 The Borrower undertakes to execute and deliver to Shawbrook such documents as Shawbrook may request in order to complete a sale of the Ship by Shawbrook under its powers in this Deed

13 3 Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Deed

13 4 No purchaser, assignee or other person dealing with Shawbrook shall be concerned to enquire whether the Indebtedness has become payable or whether any power which it is purporting to exercise has become exercisable or whether any amount is due under the Mortgage and this Deed or as to the application of any amount paid or as to the regularity of any sale by or other dealing with Shawbrook All the protection to purchasers contained in sections 104 and 107 of the Law of Property Act 1925 shall apply to any person purchasing from or dealing with Shawbrook as if the Indebtedness had become due and the power of sale in relation to the Ship had arisen on the date of this Deed

14 RECEIVERS

The appointment of a receiver referred to in Clause 13 1(c) above may be made in writing signed by any one of the directors of Shawbrook, its secretary or its duly appointed power of attorneys and the receiver shall thereupon become a receiver of the Ship upon such terms as to remuneration and otherwise as Shawbrook shall think fit and Shawbrook may from time to time remove any receiver so appointed and appoint another in his place

15 POWER OF RECEIVERS

15 1 A receiver appointed hereunder shall be the agent of the Borrower for all purposes and shall have power

(a) to take possession of the Ship and to take proceedings for that purpose whether in the name of the Borrower or not,

(b) to sell hire or dispose of the Ship (or concur in so doing) or otherwise to deal with it on the terms in the interest of the Borrower as Shawbrook shall think fit,

(c) to carry any sale hiring or disposal into effect by delivering conveying or transferring the Ship in the name of the Borrower and on its behalf,

(d) to exercise any of the powers which Shawbrook would be entitled to exercise hereunder in respect of the Ship,

(e) to make any arrangements or compromise which the receiver shall think expedient

15 2 Nothing herein contained shall make Shawbrook liable to any receiver in respect of his remuneration costs charges or expenses or otherwise

16 PROCEEDS OF SALE

The proceeds of a sale of the Ship, the net Earnings of any charter, operation or other use of the Ship by Shawbrook under any of the rights or powers herein specified, all other amounts including insurance recoveries in respect of a Total Loss received by Shawbrook pursuant to or under the terms of this Deed or in any proceedings in connection with this Deed the application of which has not elsewhere herein been specifically provided for shall be applied in the following order

FIRST: in payment of all damages, losses, expenses, payments and disbursements (together with interest thereon at the Applicable Interest Rate) incurred by Shawbrook in or incidental to the exercise by it of the rights and powers set out in clause 13,

SECOND: in payment of the Indebtedness,

THIRD: in payment of the balance (if any) to the Borrower or to whomsoever shall be entitled thereto

In the event that the proceeds are insufficient to pay the amounts specified in paragraphs FIRST and SECOND above Shawbrook shall be entitled to collect and recover the balance from the Borrower or any other person liable to pay such balance

17 INDEMNITY

17 1 The Borrower undertakes to indemnify Shawbrook against all liabilities whatsoever which Shawbrook may incur reasonably and in good faith at any time in relation to the Ship or otherwise in relation to the security created by the Facility Documents

17 2 If under any applicable law or regulation or pursuant to a judgment or order being made or registered against the Borrower or the liquidation or bankruptcy of the Borrower or without limitation for any other reason, any payment under or in connection with the Mortgage and this Deed is made or satisfied in a currency (the 'payment currency') other than the currency in which such payment is expressed to be due under the Facility Documents (the 'contractual currency') then to the extent that the amount of such payment actually received by Shawbrook when converted into the contractual currency at the rate of exchange falls short of the amount due under the Mortgage and this Deed, the Borrower as a separate and independent liability shall indemnify and hold harmless Shawbrook against the amount of such shortfall For the purposes of this clause 'rate of exchange' means the rate at which Shawbrook is able on or about the date of such payment to purchase, in accordance

with its normal practice, the contractual currency with the payment currency and shall take into account any premium and other costs of exchange including any taxes or duties incurred by reason of any such exchange

18 INVALIDITY

In the event that any term or condition of the Mortgage or this Deed is rendered or declared invalid or unenforceable in whole or in part by any statute, rule or regulation or any decision of any court or tribunal of competent jurisdiction then such determination or declaration shall not affect the validity of any other term or condition of the Mortgage or this Deed which (save as aforesaid) will remain in full force and effect and the Borrower undertakes (in addition to the duties imposed by clause 9 to execute such further document or documents as Shawbrook may reasonably require to complete and give effect to the security created by the Mortgage and this Deed

19 POWER OF ATTORNEY

19 1 The Borrower by way of security irrevocably appoints Shawbrook to be the attorney of the Borrower (with full powers of substitution and delegation) and in its name, on its behalf and as its act and deed to sign, seal, execute and deliver instruments, transfers, notices, documents and do all acts which the Borrower may or ought to do under the terms contained in the Mortgage and this Deed

19 2 The Borrower ratifies and confirms and agrees to ratify and confirm anything any such attorney may lawfully and properly do or purport to do under clause 19 1 and all amounts expended by any such attorney shall be deemed to be expenses incurred by Shawbrook under this Deed

20 DISCHARGE OF SECURITY

20 1 The security constituted by the Mortgage and this Deed shall be continuing and shall not be considered as satisfied or discharged by any intermediate payment or settlement of the whole or any part of the Indebtedness or any other event including the insolvency, liquidation, bankruptcy or administration of the Borrower and shall continue in effect until all the Indebtedness has been unconditionally and irrevocably paid and discharged in full

20 2 Upon the irrevocable payment or discharge in full of the Indebtedness Shawbrook will at the request and cost of the Borrower release and discharge the Mortgage and this Deed and transfer and reassign to the Borrower all Shawbrook's right, title and interest in the Ship, Earnings, Insurances and any Requisition Compensation

21 COSTS

21 1 The Borrower shall pay on demand and on a full indemnity basis to Shawbrook together with interest thereon at the Applicable Interest Rate from the date of payment by Shawbrook until the date of the payment by the Borrower, whether before or after judgment, the amount of all costs and expenses and other liabilities (including legal and out-of-pocket expenses and any value added tax on such costs and expenses) which Shawbrook incurs in connection with

(a) the preparation, negotiation, execution and delivery of the Mortgage and this Deed,
(b) the registration of the Mortgage and this Deed or any transfer of the Ship pursuant to the Mortgage or this Deed the priority registration notice and the subsequent registration of the Mortgage and this Deed,
(c) any actual or proposed amendment of or waiver or consent under or in connection with the Mortgage and this Deed,
(d) any discharge or release of the Mortgage and this Deed,
(e) the maintenance or exercise (or attempted maintenance or exercise) of any rights and powers under or in connection with and the enforcement (or attempted enforcement) of the Mortgage and this Deed including (but not limited to) the sale or transfer of the Ship, and
(f) dealing with or obtaining advice about any other matter or question arising out of or in connection with the Mortgage and this Deed

22 NOTICES

22 1 Every notice, demand or other communication to the Borrower under the Mortgage and this Deed shall be in writing and may be sent by post, facsimile, e-mail or delivered personally by Shawbrook to the Borrower at the address specified in the section headed 'Parties'.

22 2 Every notice, demand or other communication shall be deemed to have been received if sent by post on the Business Day after being posted by first class postage prepaid (if posted from and to an address within the UK) and if delivered personally or sent by facsimile transmission or e-mail at the time of delivery or sending if sent during normal business hours on a Business Day and otherwise at the opening of business on the following Business Day

23 WAIVER

23 1 No delay or omission on the part of Shawbrook in exercising any right, power or remedy under the Mortgage and/or this Deed shall impair that right, power or remedy or operate as or be taken to be a waiver of it nor shall any single, partial or defective exercise of any such right, power or remedy preclude any other further exercise under the Mortgage and/or this Deed of that or any other right, power or remedy

23 2 Shawbrook's rights and powers under the Mortgage and this Deed are cumulative and not exclusive of any rights and powers provided by law and may be exercised from time to time and as often as Shawbrook deems expedient

23 3 Any waiver by Shawbrook of any terms of the Mortgage and this Deed or any consent or approval given by Shawbrook under it shall only be effective if given in writing and then only for the purpose and upon the terms and conditions if any on which it is given

23 4 The security constituted by the Mortgage and this Deed shall be in addition to and shall not be prejudiced, determined or affected by or operate so as in any way to prejudice, determine or affect any security which Shawbrook may now or at any time in the future may hold for or in respect of the Indebtedness or any part of it and shall not be prejudiced by time or indulgence granted to any person or any abstention by Shawbrook in perfecting or enforcing any remedies, securities, guarantees or rights it may now or in the future have from or against the Borrower or any other person or

any waiver, release, variation, act, omission, forbearance, unenforceability, indulgence or invalidity of any such remedy, security, guarantee or right

23 5 Any statement, certificate or determination of Shawbrook as to the Indebtedness or without limitation any other matter provided for in the Mortgage and this Deed shall in the absence of manifest error be conclusive and binding on the Borrower

24 PROPER LAW AND JURISDICTION

24 1 This Deed is governed by and shall be construed in accordance with English law

24 2 The Borrower hereby submits to the jurisdiction of the English Courts but Shawbrook shall have the right to take in rem proceedings against the Ship or proceedings against the Borrower in any court of competent jurisdiction and the taking of any such proceedings in one or more jurisdictions shall not preclude the taking of proceedings in any other jurisdiction whether concurrently or not (unless precluded by applicable law)

25 CONTRACT (RIGHTS OF THIRD PARTIES) ACT 1999

25 1 The Contracts (Rights of Third Parties) Act 1999 is excluded from applying to this Deed and nothing herein confers or purports to confer on any third party any benefit or any right to enforce any term of this Deed

25 2 Provided that for the avoidance of doubt nothing in this clause shall prevent a receiver of the Company or appointed under the Security Documents from enforcing any term of this Deed

26 THIRD PARTIES

26 1 No person dealing with Shawbrook or any Receiver shall be concerned to enquire whether an Event of Default has occurred or whether the power which Shawbrook or such Receiver is purporting to exercise has become exercisable or whether any money remains due on the security of this Deed or the Mortgage or otherwise as to the propriety or regularity of any sale or other dealing by Shawbrook or such Receiver with the Ship and all the protections to purchasers conferred by applicable law shall apply to such persons dealing with Shawbrook or such Receiver

26 2 The receipt by Shawbrook or any Receiver of any purchase monies shall effectively discharge the purchaser who shall not be concerned with the manner of application of the same

27 FURTHER ASSURANCE

27 1 The Borrower shall, at its own cost, from time to time and at all times whether before or after the security constituted by this Deed or the Mortgage shall have become enforceable at the request of Shawbrook take such actions and execute such additional documents as Shawbrook may reasonably require to perfect or give full effect to this Deed or the Mortgage or for securing the rights or purported rights hereunder of Shawbrook do all things necessary to perfect recognition of this Deed or the Mortgage

27 2 The Borrower shall, at the request of Shawbrook upon a change (with Shawbrook's consent) of registration of the Ship taking place, execute in favour of Shawbrook a deed amending or supplementing this Deed or the Mortgage and/or any other mortgage/document required by Shawbrook for the purpose of preserving the security intended to be created hereby in such form as Shawbrook may reasonably request

28 COUNTERPARTS

This Deed may be executed in a number of counterparts and by different parties hereto or separate counterparts each of which when executed and delivered shall constitute an original but all counterparts together constitute but one and the same instrument

In Witness whereof the Borrower has duly executed and delivered this Deed of Covenant as a deed the day and year first above written

Executed as a **Deed** by Windle Shipping Company Limited

Acting by

Director

In the presence of C Bradwell — CHANTELLE BRADNELL

Witness' signature — Witness' name [print]

SHAWBROOK HOUSE, DORKING BUSINESS PARK, DORKING, RH4 1HJ.

Witness' address

Executed as a **Deed** by Shawbrook Bank Limited

Acting by

Authorised signatory under Power of Attorney

PAUL TAGG.

Authorised signatory signature — Authorised signatory name

In the presence of EDWIN TAYLOR

Witness' signature — Witness' name [print]

Shawbrook House, Dorking Business Park, Dorking, Surrey RH4 1HJ

Witness' address

Schedule 1

Notice and Acknowledgement of Assignment of Insurances

To

Date 2013

"VANGUARD" Official No (the "Vessel")

We hereby give you notice that by a Deed of Covenant dated (the "Deed of Covenant") and made between Windle Shipping Company Ltd (the "Borrower") and Shawbrook Bank Limited (the "Lender"), the Borrower has assigned to the Lender all of its right, title and interest in, to and under, inter alia, the proceeds of the Insurances (excluding proceeds in respect of any third party liability) in respect of the Vessel

Kindly acknowledge receipt of this notice by sending to the Lender an acknowledgement in the form attached hereto

Terms used herein shall, unless defined herein and unless the context otherwise requires, have the same meaning as in the Deed of Covenant (including terms defined therein by reference to another document, instrument or agreement)

Signature of Borrower

Name

To **Shawbrook Bank Limited**

We acknowledge receipt of this notice and confirm that we have not previously received any notice of any other assignment of the interest of Windle Shipping Company Ltd (the "Borrower") in the above-mentioned Insurances

Signature

Name

Title

For and on behalf of

Schedule 2

LOSS PAYABLE CLAUSE: HULL MACHINERY POLICIES MARINE AND WAR RISKS

It is noted that by a deed of covenant dated 2013 between Windle Shipping Company Ltd (the "Borrower") and Shawbrook Bank Limited ("Shawbrook") collateral to a mortgage on the Ship "VANGUARD" with Official number the Borrower has assigned to Shawbrook, as first mortgagee, its right, title and interest in the insurances (including this policy)

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

(a) there shall be paid to Shawbrook 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 the aggregate of the claims exceeds 15% of the insured value inclusive of any deductible),

(b) all other amounts receivable in respect of this policy of insurance shall be paid to the Borrower and shall be applied by it for the purpose of the repair of all the damage and the reparation of the loss in respect of which the said amounts shall have been received

Schedule 3

LOSS PAYABLE CLAUSE: PROTECTION AND INDEMNITY ASSOCIATION

It is noted that by a deed of covenant dated 2013 between Windle Shipping Company Ltd (the "Borrower") and Shawbrook Bank Limited ("Shawbrook") collateral to a mortgage on the Ship "VANGUARD" with Official number the Borrower has assigned to Shawbrook, as first mortgagees, its right, title and interest in the insurances relating to this ship (including this entry) to the extent permitted by the rules of the Association

It has nevertheless been agreed between the parties that payment of any recovery the Borrower 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 Borrower or to its order unless and until the Association receives notice from Shawbrook to the contrary, in which event all recoveries shall thereafter be paid to Shawbrook 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 clear business days from the receipt of such notice