

MR01

Particulars of a charge

COMPANIES HOUSE
FEE PAID
BELFAST



Companies House

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 where there is no
instrument. Use form MR08.

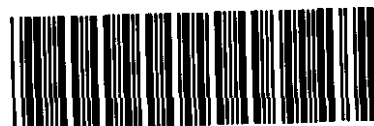
For further information, please
refer to our guidance at:
www.companieshouse.gov.uk

This form must be delivered to the Registrar for registration within
21 days beginning with the day after the date of creation of the charge. If
delivered outside of the 21 days it will be rejected unless it is accompanied by a
court order extending the time for delivery.



You must enclose a certified copy of the instrument with this form. This will
be scanned and placed on the public record. **Do not send the original.**

TUESDAY



J6H956XT

JNI

17/10/2017

#77

COMPANIES HOUSE

1 Company details

Company number N 1 0 1 8 2 2 9

Company name in full Glenluce Fishing Co Limited

0030

for official use

→ Filing 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 2 6 0 9 2 0 1 7

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 AIB Group (UK) plc

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.

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4

Brief description

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument.

Brief description

Collateral Agreement in respect of fishing vessel 'Unity' with Official Number C21060

Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument".

Please limit the description to the available space.

5

Other charge or fixed security

Does the instrument include a charge (which is not a floating 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 company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box.

☒ Yes

☐ No

8

Trustee statement ^①

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 JWF

X

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

MR01

Particulars of a charge



Presenter information

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Donald Thompson**

Company name **DWF (Northern Ireland) LLP**

Address **Jefferson House, 42 Queen Street**

Post town **Belfast**

County/Region

Postcode **B T 1 6 H L**

Country

DX **439 NR Belfast**

Telephone **028 90230230**



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



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: NI18229

Charge code: NI01 8229 0030

The Registrar of Companies for Northern Ireland hereby certifies that a charge dated 26th September 2017 and created by GLENLUCE FISHING CO. LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 17th October 2017.

Given at Companies House, Belfast on 18th October 2017



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

Dated *26th September* 2017

GLENLUCE FISHING CO. LIMITED

and

AIB GROUP (UK) PLC

COLLATERAL AGREEMENT

NAME OF SHIP:-

UNITY

DWF (NORTHERN IRELAND) LLP

42 Queen Street

Belfast

BT1 6HL

We hereby certify that this
is a true copy of the original

Date:.....*13/10/17*.....

Signed:.....*DWF*.....
DWF (NI) LLP

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26th September

BETWEEN:

- (1) **GLENLUCE FISHING CO. LIMITED** of 33 Newcastle Street, Kilkeel, County Down, BT34 4AF (the "**Owner**").
- (2) **AIB GROUP (UK) PLC** of 4 Queen's Square, Belfast, BT1 3DJ, Northern Ireland (the "**Bank**").

RECITALS

- (A) Pursuant to a facility letter dated 22 September 2017 issued by the Bank to, and accepted by, the Owner (the "**Facility Letter**"), the Bank has agreed to make advances, to grant credit and afford other banking services or accommodation (together the "**Facilities**") to the Owner on the terms and subject to the condition contained therein.
- (B) It is one of the conditions to the availability of the Facilities that the Owner enters into, and grants the Bank the security constituted by the Mortgage and this Collateral Agreement which is collateral thereto.

THIS DEED WITNESSES as follows:-

1. DEFINITIONS

- 1.1 In this Deed the following terms shall have the following meanings unless the context otherwise requires -

"**Act**" means the Conveyancing and Law of Property Act, 1881 (as amended by the Conveyancing Acts 1882 and 1911);

"**Charged Property**" means the undertaking and assets of the Owner both present and future charged in favour of, or assigned (whether at law or in equity) to, the Bank by or pursuant to this Deed and the Mortgage;

"**Charter**" means any voyage charter, time charter or other charter, contract of carriage or other contract (including salvage or towage contracts) entered into by the Owner or their agents for the use, operation or management of the Ship;

"**Earnings**" means all freight, hire and any other amounts whatsoever which may at any time be earned by or become payable to or for the account of the Owner or its agents arising out of or as a result of the ownership, possession, management and/or operation of the Ship by the Owner or their agents or under any Charter, all payments (including payments by way of damages) for any variation or breach of any Charter, all general average and salvage remuneration and all compensation for requisition for hire;

"**Event of Default**" means any event, howsoever described, specified in the Facility Letter or otherwise as an event upon the occurrence of which the Bank becomes entitled to call for early repayment of all or any of the Secured Obligations or to call

for the provision of full or partial cash collateral in respect of any of the Secured Obligations which are at such time contingent or any failure by the Owner to pay or repay on demand all or any of the Secured Obligations which are so payable;

“Excess Risks” means the proportion of claims for general average and salvage charges and under the ordinary running-down clause which is not recoverable in consequence of the value at which the Ship is assessed for the purpose of such claims exceeding her insured value;

“Finance Documents” means the Facility Letter, the Security (as set out in the Facility Letter) and each other agreement which has been or may, from time to time, be entered into between the Owner and the Bank and which sets out the terms and conditions in respect of which the Facilities (or any part thereof) are made available to the Owner by the Bank or pursuant to which the Secured Obligations (or any part thereof) are incurred to the Bank;

“Insurances” means all policies and contracts of insurance (which expression includes all entries of the Ship in a protection and indemnity or mutual hull or war risks association) which are from time to time taken out or entered into in respect of or in connection with the Ship pursuant to Clause 5 and including all benefits thereof including all claims of whatsoever nature and return of premiums;

“Mortgage” means the first priority statutory mortgage on the Ship of even date herewith granted by the Owner to the Bank as the same may be amended and/or supplemented from time to time to secure the payment of the Secured Obligations to the Bank;

“Receiver” means any one or more receivers and/or managers appointed by the Bank in respect of the Owner or over all or any part of the Charged Property;

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

“Secured Obligations” means all monies, obligations and liabilities covenanted or guaranteed to be paid or discharged by the Owner under this Deed;

“Security” means the security from time to time constituted, or intended to be constituted, by or pursuant to this Deed and the Mortgage;

“Security Period” means the period during which the Finance Documents remain in effect and ending when the Secured Obligations are repaid in full;

“Ship” means “Unity” registered at the port of Newry with official number [C21060] and including any share or interest therein and the hull, machinery, equipment, fuel and stores thereof and all other interests of the Owner in the Ship including, without limitation, and for the avoidance of doubt, all interest of the Owner in and to tonnage, capacity and other associated rights where used in connection with Havilah or otherwise, in each case, whether now owned or hereafter acquired and all additions, improvements and replacements hereafter made in or to the Ship or any part thereof and/or the said equipment;

"Taxes" means all or any tax, levy, impost, duty, or other charge or withholding of a similar nature (including any interest payable in connection with any failure to pay or any delay in paying any of the same);

"Total Loss" means:

- (a) the actual or constructive or compromised or arranged or agreed total loss of the Ship; and
- (b) the requisition for title or other compulsory acquisition of the Ship other than requisition for hire; and
- (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 or discharged within thirty days or such lesser period provided in the War Risk Insurances.

1.2 All other terms not herein specifically defined shall (where the context so admits) have the same meaning as in the Facility Letter.

1.3 In the Mortgage, the term "principal" shall mean all amounts payable by the Owner to the Bank other than interest.

1.4 Any reference in this Deed to:-

- (a) the **"Bank"** or the **"Owner"** shall be construed as a reference to their respective and any subsequent successors and assigns;
- (b) **"Banking Day"** shall be construed as a reference to a day (other than a Saturday or a Sunday) on which banks are generally open for business in Belfast;
- (c) a **"Clause"** or **"Schedule"** shall, unless otherwise stated, be construed as a reference to a clause or schedule hereof;
- (d) **"encumbrance"** shall be construed as reference to a mortgage, charge, pledge, lien, hypothecation, assignment or deposit by way of security or any other encumbrance or security interest of any kind (other than a lien arising in the ordinary course of business by operation of law) or any other type or preferential arrangement (including title transfer, defeasance and retention arrangements) having a similar effect;
- (e) **"tax"** shall be construed so as to include any tax, levy, impost, duty or other charge of a similar nature (including any penalty or interest payable in connection with any failure to pay or delay in paying any of the same);
- (f) **"value added tax"** shall be construed so as to include any similar tax which may be imposed from time to time; and

1.5 Save where the contrary is indicated, any reference in this Deed:

- (a) to any statute or provision of any statute shall be deemed also to refer to any statutory modification, substitution or re-enactment thereof or any statutory instrument, order, regulation, bye-law, permission or direction made thereunder or under such modification, substitution or re-enactment;
- (b) to this Deed or to any other agreement (including, without limitation, the Facility Letter) or document shall be construed as a reference to this Deed or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, amended, varied, novated, substituted or supplemented (and so that any reference to this Deed shall include, unless the context otherwise requires, any agreement or document expressed to be supplemental hereto or expressed to be collateral herewith or which is otherwise entered into pursuant to or in accordance with the provisions hereof); and
- (c) to a “**person**” or “**persons**” include, without limitation, individuals, firms, corporations, government agencies, authorities and other bodies, incorporated or unincorporated and whether having direct legal personality or not.

1.6 Clause and schedule headings are for ease of reference only.

1.7 Words denoting the singular number shall include the plural number also and vice versa.

2. **COVENANT TO PAY**

2.1 The Owner hereby covenants that it will on demand by the Bank discharge each and every liability which it may now or hereafter have to the Bank (whether solely or jointly with one or more persons, whether under the Finance Documents or otherwise, whether as principal or as surety or in some other capacity and whether originally incurred by it or by some other person) and pay to the Bank every sum (of principal, interest or otherwise) now or hereafter owing, due or incurred by the Owner in respect of such liabilities.

2.2 If any liability referred to in 2.1 becomes due (whether upon the making of a demand or otherwise) the Owner shall pay interest on such sums (after as well as before judgement) from the date of demand until the date of payment calculated on a daily basis at the rate and in the manner agreed in writing between the Owner and the Bank in respect thereof.

3. **CHARGE AND ASSIGNMENT BY OWNER**

In consideration of the availability of the Facilities and in order to secure the payment of the Secured Obligations to the Bank, the Owner as beneficial owner and as a continuing security for the payment, performance and discharge of the Secured Obligations hereby:

- (a) mortgages and charges the Ship in favour of the Bank; and
- (b) covenants and agrees that the Ship shall be held subject to the Mortgage which shall be held by the Bank for the payment of the Secured Obligations so that the charge thereby and hereby created shall be a continuing security, but this

Deed shall continue in full force and effect (save to the extent only that this Deed constitutes a mortgage on the Ship) notwithstanding the discharge of the Mortgage until the Secured Obligations have been paid to the Bank in full.

4. PAYMENT

- 4.1 The certificate of an officer of the Bank as to the amount of the Secured Obligations shall (save for manifest error) be conclusive and binding on the Owner.
- 4.2 All payments by the Owner to the Bank hereunder shall be made on the due date, without any deduction or set off for any taxes, duties, charges, withholding restrictions or conditions whatsoever now or hereafter imposed.
- 4.3 Where the Owner is liable to make any deductions, set offs or withholdings referred to in Clause 4.2 the Owner shall pay such additional amounts as may be necessary, so that the net amount received by the Bank shall be equal to the full amount payable to the Bank hereunder.

5. INSURANCE

The Owner hereby covenants with the Bank during the Security Period:

- (a) to insure and keep insured, for such amounts and upon such terms as shall from time to time be approved by the Bank, the Ship in euro or such other currency as may be approved in writing by the Bank, at its own expense in the full insurable value of the Ship but in no event for an amount which is less than 110% of the Secured Obligations against fire, marine and other risks (including Excess Risks) covered by hull and machinery policies and to ensure that the Bank is noted as co-insured with the Owner and procure that the terms of such policy require the insurer not to invalidate that policy as against the Bank by reason of any act or default of an other joint named insured and not to cancel the policy without giving at least 30 days' prior notice to the Bank;
- (b) to give notice to the relevant insurers in the form set out in annexure 1 to this deed of the assignment of the Borrower's rights and interests in and under the Insurances (including the proceeds of any claims under that policy);
- (c) to procure that each insurer will promptly provide to the Bank an acknowledgement of the notice in the form set out in annexure 1 of the Bank's interest in the Insurances;
- (d) to renew the Insurances at least fourteen (14) days before the relevant Insurances expire and to procure that the Bank is promptly notified in writing as and when each such renewal is effected;
- (e) punctually to 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 the Bank;
- (f) promptly to provide the Bank with full information regarding any casualties or damage to the Ship in an amount in excess of £5,000 or in consequence whereof the Ship has become or may become a Total Loss;

- (g) at the written request of the Bank, to provide the Bank with a detailed report issued by a firm of marine insurance brokers or consultants appointed by the Bank in relation to the Insurances;
- (h) not to do any act nor voluntarily suffer nor permit any act to be done whereby any Insurance shall or may be suspended or avoided and not to suffer nor permit the Ship to engage in any voyage nor to carry any cargo not permitted under the Insurances in effect without first covering the Ship to the amount herein provided for with insurance satisfactory to the Bank for such voyage or the carriage of such cargo; and
- (i) to apply all amounts as are paid to the Owner to the repair of the damage and the reparation of the loss in respect of which the said amounts shall have been received.

6. REPRESENTATIONS AND WARRANTIES

The Owner represents and warrants to the Bank that:-

- (a) it was duly organised and is now existing as a corporation under Northern Irish law in good standing, that it has duly authorised the Mortgage and this Deed, and that all corporate and shareholder action necessary for the execution and delivery of the Mortgage and this Deed has been taken; and
- (b) it is not necessary to ensure the legality, validity, enforceability or admissibility in evidence of the Mortgage or this Deed that either of them be filed, recorded or enrolled with any governmental authority or agency or stamped with any stamp or similar transaction tax, except for the registration of the Mortgage at the Ship's Ship Registry; and
- (c) it is the sole legal and beneficial owner of the Ship with power to register the Ship, and that the Ship is not under arrest or in the possession of any person (other than her master and crew) who may become entitled to assert a maritime or possessory lien on her; and
- (d) the Ship is insured and classed in accordance with the requirements of this Deed; and
- (e) prior to the execution of this Deed it has not assigned, transferred, pledged or charged the Charged Property (or any part thereof) and further undertakes with the Bank that it will not do so during the Security Period, without the prior written consent of the Bank which the Bank shall have full power to withhold.

7. OWNER'S COVENANTS

The Owner hereby further covenants with the Bank that during the Security Period the Owner will:

- (a) keep the Ship registered and not do or suffer to be done anything whereby such registration may be forfeited or imperilled;

- (b) maintain the corporate existence of the Owner under the laws of Northern Ireland and comply with all relevant legislation applicable to the Owner;
- (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 Owner by the appropriate proceedings;
- (d) not 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 Insurances or the Requisition Compensation without the prior written consent of the Bank 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 to engage in any unlawful trade or carry any cargo that will expose the Ship to penalty, forfeiture or capture and in the event of hostilities in any part of the world (whether a war be declared or not) not employ the Ship or voluntarily suffer her employment in carrying any contraband goods;
- (f) not create or permit to be created or continued any lien or encumbrances (except the Mortgage and this Deed) whatsoever on the Ship and/or the Insurances and/or the Requisition Compensation (other than any lien on the Ship as a result of any necessary salvage or arising in the ordinary course of operation of the Ship) and in the ordinary course of business discharge and/or satisfy all claims and demands which if unpaid might in law or by statute or otherwise create a lien or encumbrance;
- (g) 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 the Bank thereof by fax confirmed by letter and as soon as practicably possible thereafter cause the Ship to be released and all liens or encumbrances (except for the Mortgage and this Deed) thereon to be discharged;
- (h) not without the prior written consent of the Bank (which it shall have full power to reasonably withhold) to voyage or time charter the Ship or place it under contract for employment for any period longer than 12 months;
- (i) not without the prior written consent of the Bank (which it shall have full power to withhold on such grounds as it in its absolute discretion considers reasonable) to demise charter the Ship for any period whatsoever;
- (j) not without the prior written consent of the Bank (which it shall have full power to withhold) deliver the Ship into the possession of any person or persons for effecting repairs or renewals to the Ship the cost of which will exceed the amount of £5,000 unless either such person or persons shall have given a written undertaking to the Bank not to exercise any lien or right of detention on the Ship in respect of the cost of such repairs or renewals or the cost of the repairs or renewals is payable by the Owner's insurer's under the Insurances and the Owner's insurers have approved the proposed repairs or renewals in terms satisfactory to the Bank;

- (k) at all times and at their own expense maintain the Ship in a seaworthy condition and in good running order and repair and provide the Bank with copies of all other classification certificates as the Bank may request in writing;
- (l) submit the Ship regularly to such periodical or other surveys as may be required for classification purposes and, if so required by the Bank in writing, supply to the Bank copies of all survey reports issued in respect thereof;
- (m) at all times comply with all legal requirements whether imposed by enactment, regulation, common law or otherwise and have on board the Ship as and when legally required valid certificates showing compliance therewith;
- (n) duly perform and discharge all duties and liabilities imposed on the Owner under any charter, bill of lading or other contract relating to the Ship;
- (o) 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 statute or by the Classification Society) without the prior written consent of the Bank which it shall have full power to withhold;
- (p) at all reasonable times and on reasonable notice permit the Bank or its authorised representative full and complete access to the Ship for the purpose of inspecting the state and condition of the Ship and her cargo and papers provided that such inspection shall not unreasonably delay or otherwise interfere with the operation of the Ship and at the written request of the Bank deliver for inspection copies of any and all contracts and documents relating to the Ship whether on board or not and allow full access to the Bank to all financial information of the Owner;
- (q) keep the Bank fully informed as to the use, the employment and the position of the Ship and promptly provide the Bank with information concerning the classification, status and insurance of the Ship from time to time as and when so required in writing by the Bank;
- (r) notify the Bank immediately by fax of any recommendation or requirement imposed by the Classification Society, the Owner's insurers or by any other competent authority that is not complied with in accordance with its terms;
- (s) in the event of requisition of the Ship by any government authority, execute any assignment that the Bank may request in relation to any and all amounts which such government authority shall be liable to pay as compensation for the Ship or for her use and if received by the Owner to pay such amounts immediately to the Bank;
- (t) execute any further document or documents required by the Bank in order to perfect or complete the security created by the Finance Documents;

- (u) execute and deliver to the Bank such documents of transfer as the Bank may require in the event of sale of the Ship pursuant to any power of sale contained in this Deed or which the Bank may have in law; and
- (v) if so requested by the Bank, place and maintain on each item of plant, machinery and equipment subject to a fixed charge hereunder, in a conspicuous place, an identification plaque as appears below and not conceal, alter or remove such plaque or permit it to be concealed altered or removed:

“NOTICE OF CHARGE

This machine and additions and ancillary equipment are subject to a first fixed charge in favour of AIB Group (U.K.) P.L.C.”.

8. PROTECTION OF SECURITY

8.1 The Bank shall without prejudice to its other rights and powers hereunder have the right but be under no duty at any time to take such action as it considers necessary for the purpose of protecting or preserving the security created by the Finance Documents and the Owner shall pay to the Bank forthwith upon demand all amounts paid by the Bank in providing such protection or preservation of the security with interest at rate of interest specified in the Facility Letter from the date of payment of the said amounts by the Bank until the date of repayment by the Owner to the Bank whether before or after judgment if not paid forthwith upon demand.

8.2 Without prejudice to the generality of Clause 8.1:

- (a) in the event of a default in compliance with the provisions of Clause 5 the Bank shall have the right to insure the Ship as provided in Clause 5 and to pay any unpaid premiums or calls then outstanding;
- (b) in the event of a default in compliance with Clauses 7(k) and/or 7(l) the Bank shall have the right to effect such surveys and repairs as it considers necessary; and
- (c) in the event of a default in compliance with Clauses 7(c), 7(f) and/or 7(g) the Bank shall have the right to pay and discharge all such debts and liabilities and to take such action as it considers necessary for the purpose of securing the release of the Ship.

8.3 For the avoidance of doubt in no circumstances whatsoever will the Bank be under any liability to the Owner or any third party to pay any amount referred to in Clause 8.2 or otherwise (including unpaid premiums or calls) unless it has specifically agreed so to do in writing.

9. POWER OF SALE ETC.

9.1 Section 20 of the Act shall not apply to this Deed or the Mortgage. On or at any time after the occurrence of an Event of Default the Bank may exercise without further notice to the Owner and without the restrictions contained in the Act and whether or not it shall have appointed a Receiver, all the powers conferred on mortgagees by the

common law and the Act as varied or extended by this Deed and all the powers and discretions hereby conferred either expressly or by reference on a Receiver.

9.2 Notwithstanding any provisions contained in this Deed or the Mortgage, the Secured Obligations shall be deemed for the purposes of Section 19 of the Act to have become due and payable within the meaning of Section 19 of the Act and the power of sale and other powers conferred on mortgagees by the Act as varied or extended by this Deed shall arise immediately on execution of this Deed.

9.3 The restriction on the right of consolidating mortgage securities which is contained in Section 17 of the Act shall not apply to this Deed or the Mortgage.

10. **ENTRY INTO POSSESSION, BANK'S POWERS AND APPOINTMENT AND POWERS OF RECEIVER**

10.1 On or at any time after the occurrence of an Event of Default, the Bank may, without notice to the Owner, take possession of and hold all or any part of the Charged Property and the Bank may, without first appointing a Receiver, exercise all or any of the powers conferred on mortgagees by the Act and the Conveyancing Act, 1911 as varied or extended by this Deed and all the powers, authorities and discretions conferred by this Deed expressly or by implication on any Receiver or otherwise conferred by statute or common law on mortgagees or receivers.

10.2 On or at any time after the occurrence of an Event of Default or if requested by the Owner, the Bank may, without notice to the Owner, in writing under its Common Seal or under the hand of any officer(s) or manager(s) or any other nominated person of the Bank, appoint any person to be a Receiver of all or any part of the Charged Property and may, except as otherwise required by statute, remove any such Receiver and appoint another or others in his or their place or appoint another person or persons to act jointly with any such Receiver.

10.3 Such an appointment over part only of the Charged Property shall not preclude the Bank from making any subsequent appointment of the same or another Receiver over any part of the Charged Property over which an appointment has not been previously made.

10.4 Where more than one Receiver is appointed they shall have power to act severally unless the Bank shall in the appointment specify to the contrary.

10.5 A Receiver shall be deemed at all times and for all purposes to be the agent of the Owner and the Owner shall be solely responsible for his acts or defaults and for the payment of his remuneration and the Receiver shall at no time act as agent for the Bank.

10.6 Neither the Bank nor any Receiver shall be liable to account as a mortgagee in possession in respect of all or any part of the Charged Property or be liable for any loss upon realisation or for any neglect or default of any nature whatsoever in connection with all or any part of the Charged Property to which a mortgagee in possession might as such be liable.

- 10.7 The restrictions contained in Section 24(1) and 24(6) of the Act shall not apply to this Deed or the Mortgage.
- 10.8 A Receiver shall have all the powers conferred from time to time on receivers by statute and in the case of the powers conferred by the Act without the restrictions contained in such Act and, in addition, power on behalf and at the cost of the Owner (notwithstanding liquidation of the Owner) to do or omit to do anything which the Owner could do or omit to do in relation to the Charged Property or any part thereof and in particular (but without limitation) a Receiver shall have the power to do all or any of the following:
- (a) enter upon, take possession of, collect and get in all or any of the Charged Property, and bring, defend or discontinue any proceedings (including, without limitation, proceedings for the winding up of the Owner) or submit to arbitration in the name of the Owner or otherwise as may seem expedient to him;
 - (b) carry on, manage, develop, reconstruct, amalgamate or diversify the business of the Owner or any part thereof or concur in so doing, lease or otherwise acquire and develop or improve properties or other assets without being responsible for loss or damage;
 - (c) raise or borrow any money from or incur any other liability to the Bank or others on such terms with or without security as he may think fit and so that any such security may be or include a charge on the whole or any part of the Charged Property ranking in priority to this security or otherwise;
 - (d) sell by public auction or private contract, let, surrender or accept surrenders, grant licences or otherwise dispose of or deal with all or any of the Charged Property or concur in so doing in such manner for such consideration and generally on such terms and conditions as he may think fit (including, without limitation, conditions excluding or restricting the personal liability of the Receiver or the Bank) with full power to convey, let, surrender, accept surrenders or otherwise transfer or deal with such Charged Property in the name and on behalf of the Owner or otherwise and so that the covenants and contractual obligations may be granted and assumed in the name of and so as to bind the Owner if he shall consider it necessary or expedient so to do; any such sale, lease or disposition may be for cash, debentures or other obligations, shares, stock, securities or other valuable consideration and be payable immediately or by instalments spread over such period as he shall think fit and so that any consideration received or receivable shall ipso facto forthwith be and become charged with the payment of all Secured Obligations; plant, machinery and fixtures may be severed and sold separately from the premises containing them and the Receiver may apportion any rent and the performance of any obligations affecting the premises sold without the consent of the Owner;
 - (e) promote, procure the formation or otherwise acquire the share capital of any body corporate with a view to such body corporate purchasing, leasing, licensing or otherwise acquiring interests in all or any of the Charged Property or otherwise, arrange for companies to trade or cease to trade and to purchase,

lease, licence or otherwise acquire all or any of the Charged Property on such terms and conditions whether or not including payment by instalments secured or unsecured as he may think fit;

- (f) make any arrangement or compromise or enter into or cancel any contracts which he shall think expedient;
- (g) make and effect such repairs, renewals and improvements to the Charged Property or any part thereof as he may think fit and maintain, renew, take out or increase insurances including, without limitation, indemnity insurance;
- (h) appoint managers, agents, officers, and employees for any of such purposes or to guard or protect the Charged Property at such salaries and commissions and for such periods and on such terms as he may determine and dismiss the same;
- (i) make or require the directors of the Owner to make calls, conditionally or unconditionally, on the members of the Owner in respect of uncalled capital and enforce payment of any call so made by action (in the name of the Owner or the Receiver as may be thought fit) or otherwise;
- (j) settle, arrange, compromise and submit to arbitration any accounts, claims, questions or disputes whatsoever which may arise in connection with the business of the Owner or the Charged Property or any part thereof or in any way relating to the Security, bring, take, defend, compromise, submit to and discontinue any actions, suits, arbitrations or proceedings whatsoever whether civil or criminal in relation to the matters aforesaid, enter into, complete, disclaim, abandon or disregard, determine or rectify all or any of the outstanding contracts or arrangements of the Owner in any way relating to or affecting the Charged Property or any part thereof and allow time for payment of any debts either with or without security as he shall think expedient;
- (k) redeem any prior encumbrance and settle and agree the accounts of the encumbrancer; any accounts so settled and agreed shall (subject to any manifest error) be conclusive and binding on the Owner and the money so paid shall be deemed an expense properly incurred by the Receiver;
- (l) generally, at his option, use the name of the Owner in the exercise of all or any of the powers hereby conferred;
- (m) transfer all or any part of the Charged Property to any other company or body corporate, whether or not formed or acquired for the purpose;
- (n) exercise, or permit the Owner or any nominees of the Owner to exercise, any powers or rights incidental to the ownership of the Charged Property or any part thereof in such manner as he may think fit;
- (o) sign any document, execute any deed and do all such other acts and things as may be considered by him to be incidental or conducive to any of the matters or powers aforesaid or to the realisation of the Bank's security and use the name of the Owner for all the above purposes;

- (p) take possession of the Ship wherever it may be and exercise all the rights and powers of a mortgagee;
- (q) institute legal proceedings to obtain judgment against the Owner for the Secured Obligations;
- (r) sell the Ship or any shares therein (whether as mortgagee, attorney-in-fact for the Owner or otherwise) either by public auction or private contract or on deferred terms of payment with the power to the Bank to make any such special or other stipulations as it shall deem proper and/or to postpone the sale without being liable for any loss occasioned thereby. Upon any sale of the Ship or any share therein by the Bank under this Clause 10.8(r) the purchaser shall not be bound to see or enquire whether the Bank's power of sale has arisen in the manner herein provided and the sale shall be deemed to be within the power of the Bank and the receipt of the Bank for the purchase price shall effectively discharge the purchaser who shall not be concerned with the manner of application of the proceeds of sale or be in any way answerable therefor;
- (s) pending the sale of the Ship, insure, manage, maintain and repair the Ship and charter, operate or employ or lay up the Ship or otherwise use the Ship for such time and upon such terms as it may consider to the Bank's advantage without being responsible for any loss or damage (provided such loss or damage has not been caused by the wilful act or default of the Bank) thereto and accounting only for the net profits if any arising from such use;
- (t) recover from the Owner on demand, all losses, expenses, payments and disbursements incurred by the Bank in or about or incidental to the exercise by it of any of the powers aforesaid together with interest thereon at the rate specified in Clause 8.1 from the date when such losses, expenses, payments or disbursements were incurred by the Bank until the date of reimbursement whether before or after judgment;
- (u) require all documentation relating to the Insurances and all claims correspondence to be delivered to the Bank or to the Owner's insurers or the Owner's insurance broker or any adjuster nominated by it;
- (v) defend, discharge, compound, release or compromise all claims against the Owner in respect of the Ship and/or the Insurances and/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;
- (w) recover, institute, pursue, discharge, compound, release or compromise all claims by the Owner in respect of the Ship and/or the Insurances and/or the Requisition Compensation against the Insurers, any charterer or any other third party whatsoever; and
- (x) pay all amounts as the Bank consider appropriate in order to maintain and enforce its rights and powers under the Finance Documents.

- 10.9 A Receiver shall be entitled to remuneration at a rate to be fixed by agreement between him and the Bank (or, failing such agreement, to be fixed by the Bank).

11. LIABILITY OF THE BANK IN POSSESSION

- 11.1 If the Bank or any Receiver appointed by the Bank or any such delegate (or sub-delegate) as aforesaid shall enter into possession of the Charged Property or any part thereof, the Bank may, from time to time at pleasure, go out of such possession.
- 11.2 The Bank shall not, in any circumstances either by reason of any entry by it into, or taking by it of possession of, the Charged Property or any part thereof or for any other reason whatsoever and whether as mortgagee in possession or on any other basis whatsoever, be liable to account to the Owner for anything except the Bank's own actual receipts or be liable to the Owner for any loss or damage arising from any realisation by the Bank of the Charged Property or any part thereof or from any act, default or omission of the Bank in relation to the Charged Property or any part thereof or from any exercise or non-exercise by the Bank of any power, authority or discretion conferred upon it in relation to the Charged Property or any part thereof by or pursuant to this Deed or the Mortgage or by the Act unless such loss or damage shall be caused by the Bank's own fraud or gross negligence.
- 11.3 All the provisions of Clause 11.2 shall apply in respect of the liability of any Receiver of the Charged Property or any part thereof and in respect of the liability of any such delegate (or sub-delegate) as aforesaid in all respects as though every reference in Clause 11.2 to the Bank were instead a reference to such Receiver or (as the case may be) to such delegate (or sub-delegate).
- 11.4 The Owner shall indemnify the Bank and every Receiver against all actions, claims, demands, losses, expenses or liabilities of whatever nature now or hereafter incurred by them or by any officer, agent or employee for whose liability act or omission they or any of them may be answerable for anything done or omitted in the exercise or purported exercise of the powers herein contained or occasioned by any breach by the Owner of any of its covenants or other obligations to the Bank unless such loss or damage shall be caused by the Bank's or the Receiver's own fraud or wilful neglect or gross negligence.

12. DELEGATION OF POWERS OF THE BANK

The Bank may, at any time and from time to time, delegate by power of attorney or in any other manner (including, without limitation, under the hand of any officer of the Bank) to any person or persons or company or fluctuating body of persons all or any of the powers, authorities and discretions which are, for the time being, exercisable by the Bank under this Deed or the Mortgage or under the Act in relation to the Charged Property or any part thereof, and any such delegation may be made upon such terms and conditions (including power to sub-delegate) and subject to such regulations as the Bank may think fit, and the Bank shall not be in any way liable or responsible to the Owner for any loss or damage arising from any act, default, omission, or misconduct on the part of any such delegate (or sub-delegate).

13. PROCEEDS OF SALE

13.1 All money arising from the exercise of the powers of enforcement of the Security shall be applied, after the discharge of all sums, obligations and liabilities having priority thereto, in the following manner and order:-

- (a) in or towards payment of all costs, charges and expenses of and incidental to the appointment of any Receiver hereunder and his remuneration;
- (b) in payment and discharge of any liabilities incurred or payable by the Receiver whether on his own account or on behalf of the Owner in the exercise of any of the powers of the Receiver including the costs of realisation of that part of the Charged Property in respect of which he was appointed;
- (c) in or towards payment of all such costs, charges, losses expenses and other sums as are mentioned in Clause 27 and interest thereon; and
- (d) in or towards payment or discharge of the Secured Obligations in such order as the Bank in its absolute discretion may from time to time determine (save that the Bank may credit the same to a suspense account for so long and in such manner as the Bank may from time to time determine and the Receiver may retain the same for such period as he and the Bank consider expedient).

13.2 In the event that the proceeds are insufficient to pay the amounts specified in Clause 13.1 the Bank shall be entitled to collect and recover the balance from the Owner or any other person liable therefor.

13.3 The provisions of Clause 13.1 shall take effect as and by way of variation to the provisions of Section 24(8) of the Act which provisions as so varied and extended shall be deemed incorporated herein as if they related to a receiver of the Charged Property and not merely a receiver of the income thereof.

14. PROTECTION OF PURCHASERS

14.1 No purchaser, mortgagor, mortgagee or other person or company dealing with a Receiver or the Bank shall be concerned to enquire whether any Event of Default has occurred or whether any power exercised or purported to be exercised by him or it has become exercisable or whether any money is due on the security hereof or as to the propriety or regularity of any sale by or other dealing with such Receiver or the Bank but any such sale or dealing shall be deemed to be within the powers hereby conferred and to be valid and effectual accordingly and all the protection to purchasers contained in Sections 21 and 22 of the Act shall apply to any person purchasing or dealing with a Receiver or the Bank.

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

14.3 In Clause 14.1 and 14.2 "**purchaser**" includes any person acquiring for money or money's worth, any lease of, or encumbrance over, or any other interest or right whatsoever in relation to, the Charged Property.

15. ATTORNEY

- 15.1 The Owner hereby by way of security for the performance of its obligations under this Deed and the Mortgage irrevocably appoints the Bank, each and every person to whom the Bank from time to time shall have delegated the exercise of the power of attorney conferred by this Clause 15.1 and any Receiver and each of them jointly and also severally to be the attorney of the Owner (with full powers of substitution and delegation) and in its name or otherwise and on its behalf and as its act and deed to sign, seal, execute, deliver, perfect and do all deeds, instruments, acts and things which the Owner may or ought to do under the covenants and provisions contained in this Deed and the Mortgage and generally in its name and on its behalf to exercise all or any of the powers, authorities and discretions conferred by or pursuant to this Deed and the Mortgage or by any statute or common law on the Bank or any Receiver or which may be required or which the Bank or any Receiver shall deem fit for carrying any sale, lease, charge, mortgage or dealing by the Bank or by any Receiver into effect or for giving to the Bank or any Receiver the full benefit of the Deed and the Mortgage and generally to use the name of the Owner in the exercise of all or any of the powers, authorities or discretions conferred on the Bank or any Receiver and the Owner hereby ratifies and confirms and agrees to ratify and confirm whatsoever any such attorney shall do or purport to do by virtue of this Clause 15.1 and all money expended by any such attorney shall be deemed to be expenses incurred by the Bank hereunder.
- 15.2 The exercise of such power by or on behalf of the Bank shall not put any person dealing with the Bank upon any enquiry as to whether any amount is due under the Finance Documents nor shall such person be in any way affected by notice that any such amount may not have become payable and the exercise by the Bank of such power shall be conclusive evidence of its right to exercise the same.
- 15.3 The Bank shall have the power to demand, claim and receive all amounts due to the Owner in relation to the Ship and to commence legal proceedings (if the Bank considers expedient) to recover such amounts, provided however such power shall not be exercisable by or on behalf of the Bank until there has been an Event of Default.

16. CONTINUING SECURITY

The Security shall be a continuing security for the Secured Obligations and shall not be considered as satisfied or discharged by any intermediate payment or settlement of the whole or any part of the Secured Obligations but shall constitute and be a continuing security for the Secured Obligations notwithstanding any settlement of account or other matter whatsoever and is in addition to and shall not merge with or otherwise prejudice or affect any contractual or other right or remedy or any guarantee, lien, pledge, bill, note, mortgage or other security (whether created by the deposit of documents or otherwise) now or hereafter held by or available to the Bank for or in respect of the Secured Obligations or any other obligations whatsoever and shall not be in any way prejudiced or affected thereby or by the invalidity thereof or by the Bank now or hereafter dealing with, exchanging, releasing, varying or abstaining from perfecting or enforcing any of the same or any rights which it may now or hereafter have or giving time for payment or indulgence or compounding with any other person liable.

17. AVOIDANCE OF PAYMENTS

No assurance, security or payment which may be avoided or adjusted under any applicable law, and no release, settlement or discharge given or made by the Bank or any Receiver on the faith of any such assurance, security or payment, shall prejudice or affect the right of the Bank or any Receiver to recover from the Owner (including any moneys which it may be compelled by due process of law to refund pursuant to the provisions of any law relating to liquidation, bankruptcy, insolvency or creditors' rights generally and any costs payable by it to or otherwise incurred in connection with such process) or to enforce the security created by or pursuant to this Deed and the Mortgage to the full extent of the Secured Obligations.

18. SET-OFF

Without prejudice to any right of set-off or any similar right to which the Bank may be entitled at law or in equity and, without prejudice to anything else herein contained, the Bank may at any time without notice to or further authorisation from the Owner combine and consolidate all or any accounts of the Owner with the Bank anywhere and/or set-off any moneys whatsoever and whether on current, deposit or any other account and in whatever currency or currencies against any moneys or liabilities whatsoever in whatever currency which may be due, owing or incurred by the Owner to the Bank whether actually or contingently and whether or not any period of any deposit or by reference to which interest therein is calculated has expired and any conversion from one currency to another for the purpose of any of the foregoing shall be made at the Bank's then prevailing spot selling rate at its office by which such conversion is made.

19. SUBSEQUENT CHARGES AND NEW ACCOUNTS

~~If the Bank shall at any time receive or be deemed to have received notice of any subsequent mortgage or charge affecting the Charged Property or any part thereof or any assignment or transfer thereof which is prohibited by the terms of this Deed or the Mortgage:~~

- (a) the Bank may open a new account or accounts for the Owner in its books; and
- (b) if the Bank does not in fact open such new account, then unless it gives express written notice to the Owner to the contrary, the Bank shall be treated as if it had in fact opened such account or accounts at the time when it received or was deemed to have received such notice,

and as from such time and when such express written notice shall be given to the Owner, all payments by or on behalf of the Owner to the Bank shall be credited or treated as having been credited to such new account or accounts and not as having been applied in reduction of the Secured Obligations at such time.

20. INDEMNITY

- 20.1 The Owner hereby covenants to indemnify the Bank against all liabilities whatsoever and whensoever arising which the Bank may incur in good faith in relation to the Charged Property or otherwise in relation to the Security.

- 20.2 Without prejudice to the generality of Clause 20.1 the Bank shall have the power (but be under no duty) at any time to issue guarantees in respect of any liability of the Owner in relation to the Ship, and the Bank shall have the right to demand payment from the Owner of all amounts actually or contingently due under any such guarantees, the amount so payable being secured by the security created by the Finance Documents.

21. WAIVER

- 21.1 Any failure on the part of the Bank to exercise or any delay in the exercise of any right or power under the Finance Documents shall not operate as a waiver thereof.
- 21.2 The granting of time or indulgence by the Bank or compounding with any other person or company liable to the Bank under any agreement or on any guarantee or any security or negotiable instrument for the time being held by the Bank or to which the Bank may be entitled shall not in any way affect the Bank's rights against the Owner under the Finance Documents.

22. SECURITY

It is declared and agreed in relation to the security created by the Mortgage and this Deed:-

- (a) that the charges created hereby shall be first fixed charges and the security assignments effected hereby shall be first ranking security assignments;
- (b) that it shall be held by the Bank as a continuing security for the payment of the Secured Obligations; and
- (c) that the security so created shall not be satisfied or discharged by any intermediate payment or satisfaction of any part of the amount secured thereunder; and
- (d) that the security so created shall be in addition to and shall not in any way be prejudiced or affected by any collateral or other security now or hereafter held by the Bank for all or any part of the amounts thereby secured; and
- (e) that every power and right given to the Bank hereunder shall be in addition to and not in limitation of any and every other power or right of the Bank under the Finance Documents and may be exercised from time to time in such order and as often as the Bank may consider appropriate.

23. RELEASE OF SECURITY

The Mortgage and this Deed shall remain in full force and effect until the Secured Obligations shall have been repaid or paid in full to the Bank (which expression shall not include a payment of a dividend in a liquidation of less than 100%): when the Secured Obligations has been so repaid in full the Bank shall at the cost and expense of the Owner release and discharge the Mortgage and this Deed.

24. **INVALIDITY**

In the event that any term or condition of the Finance Documents or any of them is rendered or declared invalid or inoperative 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 Finance Documents or any of them which (save as aforesaid) will remain in full force and effect and the Owner covenants (in addition to the other duties imposed on it by this Deed) to execute such further document or documents as the Bank may reasonably require to complete the security constituted by the Finance Documents.

25. **CURRENCY INDEMNITY**

The Owner agrees to indemnify the Bank against any loss incurred by it as a result of any judgment or order being given or made for the payment of any amount due hereunder and such judgment or order being expressed in a currency other than that in which the payment was due hereunder and as a result of any variation having occurred in rates of exchange between the date of any such amount becoming due hereunder and the date of actual payment thereof. The foregoing indemnity shall constitute a separate and independent liability of the Owner and shall apply irrespective of any waiver granted to the Owner from time to time and shall continue in force and effect notwithstanding any such judgment or order as aforesaid.

26. **TAX INDEMNITY**

The Owner agrees to indemnify the Bank against any Taxes imposed and/or payable by the Bank in relation to any amount whether principal, interest or otherwise received or receivable by the Bank hereunder.

27. **~~COSTS AND EXPENSES~~**

27.1 All costs and expenses (including any tax liability and any legal costs and, in each case, value added tax or any similar tax charged or chargeable in respect thereof) incurred by the Bank or, as the case may be, any Receiver:

- (a) in the negotiation, preparation and execution of this Deed and the Mortgage and the completion of the transactions contemplated herein;
- (b) in the exercise of any of the rights, remedies and powers conferred on the Bank or, as the case may be, any Receiver, by this Deed and the Mortgage or in the perfection or enforcement of any other security for or guarantee in respect of the Secured Obligations or in connection with any proceedings instituted by or against the Bank in relation to the title to the whole or any part of the Charged Property; and
- (c) as a consequence of holding the Security or the preservation or protection thereof or any claims or proceedings in relation thereto or to any of the Charged Property,

shall be reimbursed by the Owner to the Bank on demand on a full indemnity basis and shall carry interest from the date of such demand until so reimbursed at the rate referred to in Clause 2.2.

27.2 The Owner shall pay all stamp, registration and other taxes to which this Deed and the Mortgage or any judgment in connection herewith is or at any time may be subject and shall indemnify the Bank against any liabilities, costs, claims and expenses resulting from any failure to pay or delay in paying such tax.

27.3 The cost of the Owner complying with any of its obligations under this Deed and the Mortgage (including, without limitation, its obligations under Clause 8) shall be borne by the Owner.

28. ASSIGNMENT

28.1 This Deed and the Mortgage shall be binding upon and inure to the benefit of each of the parties and their respective successors and permitted assigns and references in this Deed and the Mortgage to any of them shall be construed accordingly.

28.2 The Owner may not assign or transfer all or any of its rights, benefits or obligations under this Deed and the Mortgage. The Bank may, without the consent of the Owner, assign all or any part of its rights, benefits or obligations under this Deed and the Mortgage.

28.3 The Bank may disclose to a potential assignee or to any person who may otherwise enter into contractual relations with the Bank in relation to this Deed and the Mortgage such information about the Owner and this Deed and the Mortgage as the Bank considers appropriate.

29. CERTIFICATE OF THE BANK CONCLUSIVE

A certificate signed by an officer of the Bank as to the amount at any time hereby secured or as to any applicable rate of interest shall, as against the Owner be conclusive evidence as to the amount thereof.

30. THE BANK'S DISCRETION

Any liberty or power which may be exercised or any determination which may be made hereunder by the Bank or any Receiver may be exercised or made in its or his absolute or unfettered discretion without any obligation to give reasons therefore.

31. NOTICES

31.1 Every notice, demand or other communication under this Deed shall be in writing and may be given or made by facsimile message and will be effective on the date of receipt thereof by the addressee if received before 5.00 p.m. on a Banking Day and if received after 5.00 p.m. on a Banking Day or on a day which is not a Banking Day it will be effective at 9.30 a.m. on the next following Banking Day.

31.2 Every notice, demand or other communication shall be sent to the Owner at 33 Newcastle Street, Kilkeel, County Down, BT34 4AF (or such other address as the Owner may from time to time notify to the Bank in writing), marked for the attention of Mr Alan Orr.

- 31.3 Every notice or communication shall be sent to the Bank at AIB Group (U.K.) P.L.C., 4 Queen's Square, Belfast, BT1 3DJ marked for the attention of Kathy Wallace (or such other address as the Bank may from time to time notify to the Owner in writing).

32. PROPER LAW AND JURISDICTION

This Deed shall be governed and construed in accordance with the laws of Northern Ireland.

- 32.1 The Owner hereby agrees for the exclusive benefit of the Bank that any legal action or proceeding ("**Proceedings**") brought against it with respect to this Deed may be brought in the High Court in Northern Ireland or such other competent Court of Northern Ireland as the Bank may elect and the Owner waives any objection to Proceedings in such courts whether on the grounds of venue or on the ground that Proceedings have been brought in an inconvenient forum. The Owner undertakes to enter an unconditional appearance within 14 days after the completion of any service or process in any Proceedings. The Owner hereby consents to the service by post of any process issued in that jurisdiction. Nothing herein shall affect the right to serve process in any other manner permitted by law.
- 32.2 Nothing in this Clause shall limit the right of the Bank to take Proceedings to any other court or competent jurisdiction nor shall the taking of Proceedings in any or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

33. COUNTERPARTS

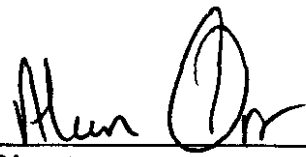
~~This Deed may be executed in two or more counterparts, each of which shall constitute an original.~~

IN WITNESS whereof the Owner and the Bank have duly executed this Deed of Covenants the day and year first above written.

EXECUTED as a Deed by

GLENLUCE FISHING CO. LIMITED

acting by:-



Director

Director/Secretary

SIGNED

for and on behalf of

AIB GROUP (UK) PLC

By: _____

Appendix 1

Part 1. Form of notice of assignment

[NAME OF INSURANCE COMPANY]

[ADDRESS LINE 1]

[ADDRESS LINE 2]

[POSTCODE]

[DATE]

Dear Sirs,

Collateral Agreement incorporating security assignment (Assignment) dated [DATE] between [BORROWER] and [LENDER]

We refer to the [DESCRIBE INSURANCE POLICY AND SPECIFY ITS POLICY NUMBER] (Policy).

This letter constitutes notice to you that under the Assignment we have assigned to [LENDER] (Lender), by way of security, all our rights, title and interest and benefit in and to the Policy.

We irrevocably instruct and authorise you to:

-
- Name the Lender on the Policy as co-insured.
 - Comply with the terms of any written instructions received by you from the Lender relating to the Policy, without notice or reference to, or further authority from, us and without enquiring as to the justification or the validity of those instructions.
 - Hold all sums from time to time due and payable by you to us under the Policy to the order of the Lender.
 - Pay, or release, all monies to which we are entitled under the Policy to the Lender, or to such persons as the Lender may direct.
 - Disclose information in relation to the Policy to the Lender on request by the Lender.

Neither the Assignment nor this notice releases, discharges or otherwise affects your liability and obligations in respect of the Policy.

Subject to the foregoing, you may continue to deal with us in relation to the Policy until you receive written notice to the contrary from the Lender. Thereafter, we will cease to have any right to deal with you in relation to the Policy and you must deal only with the Lender.

The instructions in this notice may only be revoked or amended with the prior written consent of the Lender.

Please confirm that you agree to the terms of this notice and to act in accordance with its provisions by sending the attached acknowledgement to the Lender at [ADDRESS OF LENDER], with a copy to us.

This notice, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), shall be governed by and construed in accordance with the law of Northern Ireland.

Yours faithfully,

.....

[NAME OF BORROWER]

Part 2. Form of acknowledgement of assignment

[On the letterhead of the insurance company]

[NAME OF LENDER]

[ADDRESS LINE 1]

[ADDRESS LINE 2]

[POSTCODE]

[DATE]

Dear Sirs,

Collateral Agreement incorporating Security assignment (Assignment) dated [DATE] between [BORROWER] and [LENDER]

We confirm receipt from [BORROWER] (Borrower) of a notice (Notice) dated [DATE] of an assignment, by way of security, of all the Borrower's rights under [DESCRIBE INSURANCE POLICY AND ITS NUMBER] (Policy).

We confirm that:

- We accept the instructions and authorisations contained in the Notice and agree to comply with the Notice.
- We have noted the Lender's interest on the Policy as Co-Insured.
- There has been no amendment, waiver or release of any rights or interests in the Policy since the date the Policy was issued.

- We will not cancel, avoid, release or otherwise allow the Policy to lapse without giving the Lender at least 30 days' prior written notice.
- We have not, as at the date of this acknowledgement, received notice that the Borrower has assigned its rights under the Policy to a third party, or created any other interest (whether by way of security or otherwise) in the Policy in favour of a third party.
- The Lender will not in any circumstances be liable for the premiums in relation to the Policy.
- The Policy shall not be rendered void, voidable or unenforceable by reason of any non-disclosure by the Lender.

This letter, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), shall be governed by and construed in accordance with the law of Northern Ireland.

Yours faithfully,

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[COUNTERPARTY]