



**Registration of a Charge**

Company Name: **LOCH DUART LIMITED**

Company Number: **SC195923**



Received for filing in Electronic Format on the: **29/09/2023**

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**Details of Charge**

Date of creation: **22/09/2023**

Charge code: **SC19 5923 0021**

Persons entitled: **HSBC EQUIPMENT FINANCE (UK) LIMITED**

Brief description: **N/A**

**Contains fixed charge(s).**

**Contains negative pledge.**

**Authentication of Form**

This form was authorised by: **a person with an interest in the registration of the charge.**

**Authentication of Instrument**

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S. 859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **ADDLESHAW GODDARD LLP**



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

Company number: 195923

Charge code: SC19 5923 0021

The Registrar of Companies for Scotland hereby certifies that a charge dated 22nd September 2023 and created by LOCH DUART LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 29th September 2023 .

Given at Companies House, Edinburgh on 29th September 2023

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



**Companies House**



**THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES**

DATED

22 September

2023

- (1) LOCH DUART LIMITED
- (2) HSBC EQUIPMENT FINANCE (UK) LIMITED

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**DEED OF COVENANTS**  
**LIMITED COMPANY**  
**SUPPLEMENTAL TO A MORTGAGE OF A SHIP**

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## DEED OF COVENANTS

DATE: 22 September 2023

### PARTIES:

- (1) **Loch Duart Limited** a company incorporated in Scotland with company number SC195923 whose registered office is at Floor 3 1 West Regent Street, Glasgow, G2 1RW ("the Owner"); and
- (2) **HSBC EQUIPMENT FINANCE (UK) LIMITED** a private company limited by shares incorporated in England and Wales under number 1503727 whose registered office is at 1 Centenary Square, Birmingham, B1 1HQ ("the Lender").

### 1. PURPOSE

The Lender and the Owner have entered into the Financial Agreement pursuant to which the Lender agrees to make a loan of £486,710 available to the Owner to fund the purchase of the Vessel named "Lady Hazel". In order to secure the due payment of the Indebtedness to the Lender, the Owner as the absolute, beneficial and unencumbered Owner of all the shares in the Vessel agrees (*inter alia*) to grant to the Lender the Mortgages and to enter into this Deed which is collateral thereto.

### 2. DEFINITIONS

2.1. In this Deed the following terms shall have the following meanings (unless the context otherwise requires):

"Approved Brokers"	means the insurance brokers appointed by the Owner with the Lender's prior approval;
"Authorisation"	means any authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration
"Business Days"	means a day other than a Saturday, Sunday or public holiday on which banks in England and Wales are open for business;
"Classification Society"	means in relation to any Vessel, the classification society with respect to each Vessel specified in Schedule 2 or such other classification society as may be approved in writing by the Lender;
"DOC"	means a valid document of compliance issued pursuant to paragraph 13.2 of the ISM Code;
"Earnings"	means all of the Owner's right, title, benefit and interest in and to any charter, sub-charter, contract of carriage, pooling agreement or other contract relating to any

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

**“Environmental Approvals”**

means all Authorisation or approvals, consents, licences, permits, certifications, exemptions or authorisations required for the operation of any Vessel or the business of the Owner and the charterer or operator of any Vessel under applicable Environmental Laws;

**“Environmental Laws”**

means all laws, regulations, conventions and agreements whatsoever relating to the pollution, contamination or protection of the environment including (but not limited to) those relating to discharges of oil, petroleum, petroleum products and distillates, chemicals, Pollutants and other substances, the pollution and protection of the environment or to the carriage of material which is capable of polluting the environment (including, but not limited to, the Merchant Shipping Act 1995, the IMO document International Convention for the Prevention of Pollution from Ships (MARPOL) (including a Ship Energy Efficiency Management Plan (SEEMP)), the International Convention on Liability and Compensation for Damage in connection with the Carriage of Hazardous and Noxious Substances by Sea 1996, the United States Oil Pollution Act 1990 and the United States Comprehensive Environmental Response Compensation and Liability Act);

<b>“Event of Default”</b>	means the events referred to in clause 9;
<b>“Excess Risks”</b>	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 each Vessel is assessed for the purpose of such claims exceeding her insured value;
<b>“Financial Agreement”</b>	means the loan agreement dated 22 September 2023 between the Lender and the Owner pursuant to which the Lender has agreed to make available a loan of £486,710 to the Owner to fund the purchase of each Vessel, a copy of which is attached in Schedule 1;
<b>“Indebtedness”</b>	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 and owing actually or contingently from the Owner (whether as principal, surety or otherwise) to the Lender under the Security Documents or under any other agreement, arrangement or account between the Owner and the Lender;
<b>“Insurance Documents”</b>	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;
<b>“Insurances”</b>	means all policies and contracts of insurance (which expressions includes all entries of the Vessels 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 taken out or entered into in respect of or in connection with the Vessels pursuant to clause 6 and including all benefits thereof and all claims of whatsoever nature and return of premiums;
<b>“Insurers”</b>	means the underwriters, insurance companies, mutual insurance associations or other associations or companies with or by which the Insurances are effected;
<b>“Interest Rate”</b>	means the interest rate specified in the Financial Agreement and if more than one the higher of such rates;

<b>"ISM Code"</b>	means the International Safety Management Code for the Safe Operation of Ships and for Pollution Prevention constituted pursuant to Resolution A.741(18) of the International Maritime Organisation and incorporated into the Safety of Life at Sea Convention and includes any amendments or extensions thereto and any regulation issued pursuant thereto;
<b>"ISPS Code"</b>	means the International Ship and Port Facility Security Code constituted pursuant to Resolution A.942(22) of the International Maritime Organisation and incorporated into the Safety of Life at Sea Convention and includes any amendments or extensions thereto and any regulation issued pursuant thereto;
<b>"ISSC"</b>	means an International Ship Security Certificate issued in respect of each Vessel under the provisions of the ISPS Code
<b>"Loss Payable Clause"</b>	means a loss payable clause in the form of Schedule 4;
<b>"Mortgages"</b>	means the statutory mortgages of each Vessel executed by the Owner in favour of the Lender and dated the same date as this Deed;
<b>"Registry"</b>	means the UK Ship Register;
<b>"Requisition Compensation"</b>	means all compensation payable by reason of requisition for title or other compulsory acquisition of each Vessel other than requisition for hire;
<b>"Security Documents"</b>	means the Financial Agreement, the Mortgages, this Deed of Covenants, and all other documents executed as security for the Indebtedness or any part thereof whether pursuant to clause 7.1.34 of this Deed or otherwise;
<b>"Security Period"</b>	means the period commencing on the date hereof and ending on the date on which the Indebtedness is repaid in full to the Lender;
<b>"SMC"</b>	means a safety management certificate issued in respect of any Vessel in accordance with paragraph 13.7 of the ISM Code;



<b>"SMS"</b>	means a safety management system for any Vessel developed and implemented in accordance with the ISM Code and including the functional requirements duties and obligations that follow from the ISM Code;
<b>"SOLAS"</b>	means the International Convention for Safety of Life at Sea Convention, as amended and as the same may be further amended or supplemented, consolidated or replaced from time to time;
<b>"Sterling"</b>	means the lawful currency of the United Kingdom from time to time;
<b>"Total Loss"</b>	means <ul style="list-style-type: none"> <li>(a) the actual or constructive or compromised or arranged or agreed total loss of a Vessel; and/or</li> <li>(b) the requisition for title or other compulsory acquisition of a Vessel other than requisition for hire; and/or</li> <li>(c) the capture, seizure, arrest, detention or confiscation of a Vessel by any government or by a person acting or purporting to act on behalf of any government where a Vessel is not released or discharged within thirty (30) days after the occurrence thereof;</li> </ul>
<b>"Vessel"</b>	means each Vessel listed in Schedule 2 hereto, registered in the name of the Owner at the Registry and including any share or interest therein and the hull, machinery, equipment, fuel and stores thereof whether now owned or hereafter acquired and all additions, improvements and replacements hereafter made in or to each Vessel or any part thereof and/or the said machinery and equipment, such to be together referred to as the "Vessels";
<b>"War Risks"</b>	means the risk of mines and all risks excluded from hull and machinery marine risks policies by clause 29 of the International Hull Clauses (1.11.2002).

## 2.2.

- 2.2.1. clause headings are inserted for ease of reference only and are not to affect the interpretation of this Deed;

- 2.2.2. words importing the singular number shall include the plural and vice versa and words of the male gender shall include the female gender and vice versa;
- 2.2.3. references to a person are to be construed to include corporations, firms, companies, partnerships, individuals, associations, states and administrative and governmental and other entities whether or not a separate legal entity;
- 2.2.4. 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, supplemented, replaced or novated;
- 2.2.5. references to clauses, paragraphs and schedules are to the clauses, paragraphs and schedules to this Deed;
- 2.2.6. 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;
- 2.2.7. fees, costs and expenses shall be exclusive of any value added tax or similar tax; and
- 2.2.8. 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.

### **3. CHARGE AND ASSIGNMENT BY OWNER**

- 3.1. In consideration of the premises and in order to secure the payment of the Indebtedness to the Lender the Owner with full title guarantee has mortgaged and charged each Vessel in favour of the Lender and hereby:
  - 3.1.1. assigns absolutely to the Lender, the Earnings, the Insurances and the Requisition Compensation; and
  - 3.1.2. covenants and agrees that each Vessel shall be held subject to the Mortgages which shall be held by the Lender for the payment of the Indebtedness so that the charge thereby created shall be a continuing security, but this Deed shall continue in full force and effect notwithstanding the discharge of the Mortgages until the Indebtedness has been paid to the Lender in full.
- 3.2. Notwithstanding the foregoing, the Owner shall remain liable to perform all the obligations to be performed by it in respect of the Vessel and shall discharge fully its obligations thereunder as they become due and the Lender shall not have any obligation of any kind whatsoever thereunder or be under any liability whatsoever in the event of any failure by the Owner to perform its obligations thereunder and the Owner hereby indemnifies and agrees to keep indemnified the Lender from and against any such liability.

### **4. PAYMENT BY OWNER**

- 4.1. The Owner hereby covenants to pay the Indebtedness to the Lender in accordance with the terms of the Financial Agreement and this Deed.

- 4.2. All payments to be made by the Owner under this Deed shall be made in full, without any set-off or counterclaim whatsoever and free and clear of any deductions or withholdings, in immediately available freely transferable cleared funds in the relevant currency not later than 11 a.m. on the due date.

## 5. WARRANTY

- 5.1. The Owner warrants to the Lender that it is the sole, absolute, legal and beneficial owner of the Vessels and that prior to the execution of the Mortgages and this Deed it has not assigned, transferred, pledged or charged or otherwise disposed of the Insurances and/or the Requisition Compensation and further undertakes with the Lender that it will not do so during the Security Period without the prior written consent of the Lender which it shall have full power to withhold.
- 5.2. The Owner represents and warrants to the Lender that it is a private limited company duly incorporated and validly existing under the laws of Scotland and has power to carry on its business and to own its property and other assets;
- 5.3. The Owner represents and warrants to the Lender that it has power and authority to execute, deliver and perform its obligations under the Security Documents; all necessary action has been taken (and not revoked) to authorise the execution, delivery and performance of the Security Documents and the Security Documents constitute, or when executed and delivered will be, its valid and legally binding obligation enforceable in accordance with the terms thereof.
- 5.4. The Owner represents and warrants to the Lender that the execution, delivery and performance of the Security Documents do not and will not contravene any law, regulation, directive, judgment or order to which it is subject; or
- 5.4.1 result in any actual or potential breach of or default under any obligation, agreement, instrument or consent to which it is a party or by which it is bound or which it requires to carry on its business; or
- 5.4.2 contravene any provision of its memorandum and articles of association and/or statutes and/or constitutional documents; or
- 5.4.3 result in any limitation on its powers to borrow or incur debt being exceeded.
- 5.5. The Owner represents and warrants to the Lender that no Event of Default has occurred and is continuing.

## 6. INSURANCE

- 6.1. The Owner hereby covenants with the Lender:
- 6.1.1. to insure and keep the Vessels insured during the Security Period, in Sterling or such other currency as may be approved in writing by the Lender, at its own expense in the full insurable value of the Vessels agreed with the Lender or such other figure as the Lender may approve against fire, marine and other risks (including Excess Risks) and War Risks covered by hull and machinery policies;
- 6.1.2. to effect such additional Insurances as shall (in the reasonable opinion of the Lender) be necessary or advisable.
- 6.2. The Owner further covenants with the Lender during the Security Period:

- 6.2.1. to effect the Insurances in such amounts and upon such terms as shall from time to time be approved in writing by the Lender and through the Approved Brokers and with such Insurers as shall from time to time be approved in writing by the Lender;
- 6.2.2. to renew the Insurances at least fourteen (14) days before the relevant Insurances expire and to procure that the Approved Brokers shall promptly confirm in writing to the Lender as and when each such renewal is effected;
- 6.2.3. 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 Lender;
- 6.2.4. to pay to the Lender on demand all premiums and other amounts payable by the Lender in effecting and maintaining in such amounts and with such insurers as the Lender shall consider appropriate a mortgagees' interest insurance (including additional perils) policy in the name of the Lender;
- 6.2.5. to arrange for the execution of such guarantees as may from time to time be required by any war risks association;
- 6.2.6. to procure that the Insurance Documents shall be deposited with the Approved Brokers and that such brokers shall provide the Lender with certified copies thereof and/or the Insurers shall issue to the Lender a letter or letters of undertaking in such form as the Lender may request;
- 6.2.7. to procure that the war risks associations in which each Vessel is entered shall provide the Lender with a letter or letters of undertaking (in such form as the Lender may request) and shall provide the Lender with a copy of the certificate of entry;
- 6.2.8. to procure that the Insurance Documents shall provide that the lien or set off for unpaid premiums or calls shall be limited to only the premiums or calls due in relation to the Insurances on the Vessels and for twenty eight (28) days prior written notice to be given to the Lender by the Insurers (such notice to be given even if the Insurers have not received an appropriate enquiry from the Lender) in the event of non-renewal, cancellation or termination of the Insurances and in the event of the non-payment of the premium or calls the right to pay the said premium or calls within a reasonable time;
- 6.2.9. promptly to provide the Lender with full information regarding any casualties or damage to a Vessel in any amount in excess of 15% of the agreed insured value of any Vessel in question or in consequence whereof the Vessel has become or may become a Total Loss;
- 6.2.10. at the written request of the Lender, to provide the Lender with a detailed report issued by a firm of marine insurance brokers or consultants appointed by the Lender in relation to the Insurances at the cost of the Owner;
- 6.2.11. 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 a Vessel to engage in any voyage not permitted under the Insurances in effect without first covering such Vessel to the amount herein provided for with insurance satisfactory to the Lender for such voyage;

- 6.2.12. (without limitation to the generality of the foregoing) in particular not to permit any Vessel to enter any zone which is declared a war zone by any government or by a Vessel's War Risks Insurers unless the Lender shall first have been given its consent thereto in writing and there shall have been effected by the Owner and at their expense such special insurance as the Lender may require;
- 6.2.13. to procure that all amounts payable under the Insurances are paid to the Lender in accordance with this Deed and 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.

## **7. OWNER'S COVENANTS**

- 7.1. The Owner hereby further covenants with the Lender that during the Security Period the Owner will:
- 7.1.1. keep each Vessel registered as a British ship at the Registry (or under such other registration to which the Lender may agree) and not do or suffer to be done anything whereby such registration may be forfeited or imperilled;
  - 7.1.2. maintain the corporate existence of the Owner under the laws of Scotland and comply with all relevant legislation applicable to the Owner;
  - 7.1.3. pay when due and payable all taxes, assessments, levies, governmental charges, fines and penalties lawfully imposed on and enforceable against any Vessel unless contested in good faith by the Owner by the appropriate proceedings;
  - 7.1.4. not sell, transfer, mortgage, charge, pledge or abandon (save in the case of maritime necessity) any Vessel or any share or interest therein nor assign the Insurances without the prior written consent of the Lender which it shall have full power to withhold;
  - 7.1.5. not cause or permit any Vessel to be operated in any manner contrary to law and at all times comply with all legal requirements whether imposed by enactment, regulation, common law or otherwise (including, without limitation, all port state control requirements) and have on board each Vessel as and when legally required valid certificates showing compliance therewith;
  - 7.1.6. not create or permit to be created or continued any lien or encumbrances (except the Mortgages and this Deed and any other security as may be approved in writing by the Lender) whatsoever on any Vessel and/or the Insurances (other than any lien on any Vessel as a result of any necessary salvage or arising in the ordinary course of operation of the Vessel) 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 on any Vessel;
  - 7.1.7. on the written request of the Lender provide satisfactory evidence that the wages, insurance and pension contributions of the Captain and crew of each Vessel are being paid in accordance with their contracts of employment and the relevant regulations, and that all deductions from the remuneration of the Captain and crew of each Vessel 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 Captain of each Vessel has no claim for disbursements other than those properly incurred by him in the ordinary operation of the relevant Vessel on the voyage then in progress;

- 7.1.8. if any writ or proceedings shall be issued against any Vessel or if any Vessel 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 Lender thereof by facsimile confirmed by letter and as soon as practicably possible thereafter cause the relevant Vessel to be released and all liens or encumbrances thereon (except for the Mortgages and this Deed) to be discharged;
- 7.1.9. not without the prior written consent of the Lender (which it shall have full power to withhold) to time charter any Vessel for any period in excess of six months (including the exercise of any optional extensions) or to bareboat charter any Vessel for any period whatsoever;
- 7.1.10. not without the prior written consent of the Lender (which it shall have full power to withhold) deliver any Vessel into the possession of any person or persons for effecting repairs or renewals to such Vessel the cost of which will exceed 15% of the agreed insured value of the Vessel in question unless either such person or persons shall have given a written undertaking to the Lender not to exercise any lien or right of detention on such Vessel in respect of the cost of such repairs or renewals;
- 7.1.11. at all times and at its own expense maintain each Vessel in a seaworthy condition and in good running order and repair in accordance with first-class ownership and management practice of a financed vessel of the same type as will entitle it to be classed as specified in Schedule 1 with the relevant Classification Society free from recommendations and notations and provide the Lender annually with a certificate issued by the Classification Society confirming that such classification is maintained and with copies of all other classification and international trading certificates as the Lender may request in writing;
- 7.1.12. submit each Vessel regularly to such periodical or other surveys as may be required for classification purposes or by applicable law or regulation and provide the Lender with copies of all survey reports issued as a result thereof and notify the Mortgagee immediately of any condition, recommendation or requirement imposed by the Classification Society, Insurers or any other competent authority that is not complied with in accordance with its terms;
- 7.1.13. procure that the Classification Society issues a letter to the Lender undertaking to notify the Lender of any condition, recommendations or requirement imposed on any Vessel by the Classification Society and authorise the Classification Society and all other regulatory authorities to disclose to the Lender any information or documents requested by the Lender relating to the classification, repair, maintenance or seaworthiness of each Vessel;
- 7.1.14. not without the prior written consent of the Lender, de-activate or lay-up any Vessel;

- 7.1.15. not without the prior written consent of the Lender, remove or permit or suffer the removal of any part of any Vessel or any equipment belonging to any Vessel, nor make or permit or suffer to be made any alteration in the structure, type or speed of any Vessel which materially reduces the value of such Vessel (unless such removal or alteration is required by the Classification Society or by law or regulation);
- 7.1.16. at all reasonable times permit the Lender or its authorised representative full and complete access to each Vessel for the purpose of inspecting the state and condition of such Vessel and its cargo and papers and, if so requested by the Lender, deliver for inspection copies of any and all contracts and documents relating to any Vessel whether on board or not and allow full access to the Lender to all financial information of the Owner;
- 7.1.17. promptly provide the Lender with any documentation and information requested by the Lender concerning the use, employment and position of any Vessel or the classification, status (including a copy of the log book), condition, maintenance, insurance, employment and the position of any Vessel;
- 7.1.18. not appoint a manager of any Vessel without the Lender's prior written consent
- 7.1.19. comply or procure compliance (where appropriate) with the ISM Code, the ISPS Code and the International Convention for Safety of Life at Sea 1974 (as amended) including (but not limited to) the maintenance and renewal of the ISSC pursuant to the ISPS Code and will immediately inform the Mortgagee if there is any actual or threatened withdrawal of the ISSC;
- 7.1.20. procure, where appropriate, that each Vessel remains subject to an SMS, that a valid SMC is maintained and that a valid DOC is maintained;
- 7.1.21. notify the Mortgagee of any actual or threatened withdrawal, suspension, cancellation or modification of any Vessel's SMC or the DOC and of a Spill, any "accident" or "major non-conformity" as each of those terms is defined in the Guidelines in the application of ISM issued by the International Chamber of Shipping and the International Shipping Federation;
- 7.1.22. not remove any Vessel from UK or Northern European waters without consent of the Mortgagee;
- 7.1.23. give the Lender prior notice of any proposed dry docking or any underwater survey so that the Lender (if it so desires) can arrange for a representative to be present;
- 7.1.24. comply with, and procure that all servants and agents of the Owner comply with, all Environmental Laws in relation to the Vessels; and obtain, comply with and procure that all servants and agents of the Owner comply with all Environmental Approvals in relation to the operation and/or management of the Vessels;
- 7.1.25. comply with all requirements of the ISM Code and the ISPS Code as they relate to the Owner, any of the Vessels and any operator, charterer or manager of any Vessel in all material respects;

- 7.1.26. duly perform and discharge all duties and liabilities imposed on the Owner under any charterparty or other contract of employment relating to any Vessel;
- 7.1.27. promptly provide the Lender with information concerning the status and insurance of the Vessels and the use and the position of the Vessels;
- 7.1.28. when so requested by the Lender (but not more often than once every twelve (12) months) provide the Lender with an independent valuation of each Vessel in Sterling (or such other currency as may be approved in writing by the Lender) such valuation to be made without physical inspection (unless otherwise required by the Lender) and on the basis of an arm's-length purchase by a willing buyer from a willing seller, the valuations to be carried out by a broker approved by the Lender, at the cost of the Owner;
- 7.1.29. in the event of requisition of any Vessel by any government authority or other competent authority, execute any assignment that the Lender may request in relation to any and all amounts which such government authority shall be liable to pay as compensation for such Vessel or for her use and if received by the Owner to pay such amounts immediately to the Lender, provided that if such requisition applies only to the use of such Vessel the provisions of this clause 7.1.22 shall not apply if there has been no Event of Default;
- 7.1.30. not appoint a manager of any Vessel without the Lender's prior written consent;
- 7.1.31. not occupy any Vessel as their full or part-time residence and will not allow any third party to do the same;
- 7.1.32. comply with the carving and marking requirements and all other requirements of the Registry in order for the Vessels to be and remain registered at the Registry;
- 7.1.33. execute and deliver to the Lender such documents of transfer as the Lender may require in the event of sale of any Vessel pursuant to any power of sale contained in this Deed or which the Lender may have in law;
- 7.1.34. execute any further document or documents required by the Lender in order to perfect or complete the security created by the Security Documents; and
- 7.1.35. carry on board each Vessel with such Vessel's papers a properly certified copy of the applicable Mortgage and exhibit the same to any person having a legal interest in or having business with the applicable Vessel and to any representative of the Mortgagee, and place prominently in the bridge and in the master's cabin of each Vessel a framed notice printed in plain type of such size that the paragraph of reading matter shall cover a space not less than 6 inches wide and 9 inches high reading as follows:

NOTICE OF MORTGAGE

*This Vessel is covered by a first priority Statutory Mortgage and Deed of Covenants collateral thereto in favour of HSBC EQUIPMENT FINANCE (UK) LIMITED. Under the terms of the said Mortgage and Deed of Covenants, neither the Owner, any charterer, the Master of the Vessel nor any other person has any right, power or authority to create, incur, permit to*



*be imposed or suffer the imposition upon this Vessel any lien or any security interest of any kind other than liens for crew's wages and salvage; and*

- 7.1.36. as long as it is in a banking relationship with the Lender, will ensure that any vessel controlled by it (including, without limitation, the Vessel(s)) or sold to an intermediary with the intention of being scrapped, is recycled at a recycling yard which conducts its recycling business in a socially and environmentally responsible manner, in accordance with the provisions of The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 and EU Ship Recycling Regulation 2013, any amendment thereof, and any equivalent enactment in the United Kingdom.

## **8. PROTECTION OF SECURITY**

- 8.1. The Lender 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 the security created by the Security Documents and the Owner shall pay to the Lender on demand all amounts paid by the Lender in providing such protection of the security with interest at the Interest Rate from the date of payment of the said amounts by the Lender until the date of repayment by the Owner to the Lender whether before or after judgement.
- 8.2. Without prejudice to the generality of clause 8.1:
- 8.2.1. in the event of a default in compliance with the provisions of clause 6 the Lender shall have the right to insure the Vessels as provided in clause 6 and to pay any unpaid premiums or calls then outstanding;
- 8.2.2. in the event of a default in surveys and compliance with clause 7.1.12 the Lender shall have the right to effect such repairs as it considers necessary;
- 8.2.3. in the event of a default in compliance with clauses 7.1.3, 7.1.6 and/or 7.1.8 the Lender 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 Vessel, or Vessels (as applicable).
- 8.3. For the avoidance of doubt in no circumstances whatsoever will the Lender 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.
- 8.4. The Mortgages and this Deed and the security created thereby and hereby created shall remain in full force and effect by way of continuing security and in particular shall not be, nor be considered as, satisfied by any intermediate discharge or payment on account of any liabilities or any settlement of accounts between the Owner and the Lender.
- 8.5. The Mortgages and this Deed and the security thereby and hereby created shall be in addition to and not in substitution for or derogation of any other security (whether given by the Owner or otherwise) now or from time to time held by the Mortgagee in respect of or in connection with the Indebtedness. The Lender shall be under no duty to enforce any other

security held before enforcing the security created by each Mortgage and/or this Deed.

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

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

## **9. EVENTS OF DEFAULT**

9.1. If any one or more of the following events shall occur then the Lender shall have the rights provided in clause 10:

- 9.1.1. the Owner fails to pay any amount (whether in respect of principal, interest or otherwise) due and payable by the Owner to the Lender under the Security Documents on the due date;
- 9.1.2. the Owner defaults in the due performance and discharge of any of its duties or liabilities under the Security Documents which default (in the opinion of the Lender) is not capable of remedy and is not remedied within five Business Days after written notice of such default has been given to the Owner by the Lender;
- 9.1.3. any licence, consent or approval of any public, governmental or judicial authority or agency at any time necessary to enable the Owner to perform and discharge its duties and liabilities under the Mortgages and this Deed or to make the Mortgages and this Deed legal, valid, binding, enforceable or admissible in evidence shall be revoked or withheld or materially (in the opinion of the Lender) modified or shall otherwise not remain in full force and effect;
- 9.1.4. any representation, warranty or statement made or implied by the Owner in this Deed or otherwise given by the Owner to the Lender or any notice, certificate, statement or opinion referred to, delivered or made under or in connection with the Security Documents shall be incorrect or inaccurate when made in any material respect;
- 9.1.5. any other monetary obligation incurred by the Owner as principal, surety or otherwise is not paid when due or is capable of being declared due and payable prior to its stated maturity by reason of a default under the agreement or charge pursuant to which monetary obligation was incurred;
- 9.1.6. the Owner shall admit their inability to pay their debts as soon as they fall due or in full, or shall enter into any composition or other arrangements with their creditors generally or shall declare a general moratorium on the payment of their debts generally;
- 9.1.7. any order shall be made by any competent court or other competent authority or a resolution shall be passed by the Owner, for the appointment of a liquidator of, or otherwise for the winding-up or dissolution of the Owner,

except for the purpose of amalgamation or re-organisation (not involving or arising out of insolvency) the terms of which shall have received the prior written approval of the Lender;

- 9.1.8. a meeting of the Owner is convened for the purpose of considering any resolution for (or to petition for) its winding-up, administration or dissolution or any such resolution is passed;
- 9.1.9. any person presents a petition for the winding-up, administration or dissolution of the Owner (save where such petition is frivolous or vexatious or is not set aside before the petition is advertised and in any event within twenty-one days after presentation);
- 9.1.10. an application to appoint or a notice of intention to appoint an administrator of the Owner is made or filed, or any other step is taken to appoint an administrator of the Owner;
- 9.1.11. any distress or execution is levied or enforced against any of the assets and undertaking of the Owner;
- 9.1.12. the Owner ceases or threatens to cease to carry on business or (without the prior written consent of the Lender) disposes or threatens to dispose of a substantial (in the opinion of the Lender) part of its assets or undertaking otherwise than for full value and for a cash payment;
- 9.1.13. a substantial part (in the opinion of the Lender) of the assets or undertaking of the Owner is seized, expropriated or compulsorily acquired by or under the authority of any government;
- 9.1.14. it becomes impossible or unlawful (in the opinion of the Lender) for the Owner to perform and discharge any of its duties and liabilities contained in the Security Documents or for the Lender to exercise any of its rights and powers under the Security Documents;
- 9.1.15. a material adverse change occurs in the financial condition of the Owner which, in the opinion of the Lender, may result in the Owner being unable to perform and discharge any of its duties and liabilities under the Security Documents;
- 9.1.16. anything is done or omitted to be done by the Owner which in the reasonable opinion of the Lender prejudices the security created by the Security Documents;
- 9.1.17. any Vessel becomes a Total Loss and the Lender shall not have received within ninety (90) days following the occurrence of such Total Loss (or such earlier date as the Total Loss claim is paid by the Insurers) payment of the Indebtedness in full; or
- 9.1.18. any event of default occurs under the Financial Agreement.

## **10. POWERS OF SALE ETC**

- 10.1. If any one or more Event of Default shall occur then the Lender shall have the right and power to:
  - 10.1.1. take possession of the Vessels and exercise all the rights and powers of a mortgagee;

10.1.2. institute legal proceedings to recover judgement against the Owner for the Indebtedness;

10.1.3. order the Vessels to proceed forthwith at the Owner's risk and expense to a port or place nominated by the Lender: the Owner shall give the necessary instructions to the master of each Vessel to comply with any such order of the Lender and if the Owner fails to give such instructions for any reason whatsoever the Lender shall have the right and power to give such instructions direct to the master;

10.1.4. sell the Vessels or any shares therein (whether as mortgagee, attorney-in-fact for the Owner or otherwise) either by public auction or private contract and whether or not on deferred terms of payment with the power to the Lender 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. The Lender shall give the Owner prior written notice of any proposed sale and in the case of a public auction the time, date and place of such auction;

10.1.5. pending the sale of the Vessels, insure, manage, maintain and repair each Vessel and operate or employ or lay up each Vessel or otherwise use each Vessel 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;

10.1.6. recover from the Owner on demand all losses, expenses, payments and disbursements incurred by the Lender in or about or incidental to the exercise by it of any of the powers aforesaid together with interest thereon at the Interest Rate from the date when such losses, expenses, payments or disbursements were incurred or made by the Lender until the date of reimbursement whether before or after judgement;

10.1.7. require all Insurance Documents and all claims correspondence to be delivered to the Lender or to the broker or adjuster nominated by it;

10.1.8. defend, discharge, compound, release or compromise all claims against the Owner in respect of the Vessels 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 any Vessel or which are or may be enforceable by proceedings against any Vessel;

10.1.9. recover, institute, pursue, discharge, compound, release or compromise all claims by the Owner in respect of the Vessels and/or the Insurances and/or the Requisition Compensation against the Insurers or any other third party whatsoever; and

10.1.10. pay all amounts as the Lender considers appropriate in order to maintain and enforce its rights and powers under the Security Documents.

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

## **11. PROCEEDS OF SALE ETC**

11.1. The proceeds of a sale of any Vessel, the net earnings of any operation or other use of any Vessel by the Lender under any of the rights or powers herein specified, all other amounts including insurance recoveries in respect of a Total Loss received by the Lender pursuant to or under the terms hereof or in any

proceedings hereunder 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 whatsoever (together with interest thereon as previously provided for) incurred by the Lender in or about or incidental to the exercise by the Lender of the powers specified or otherwise referred to in clause 10 hereof or any of them;
- SECOND in payment of the Indebtedness;
- THIRD in payment of the balance (if any) to the Owner or to whomsoever shall be entitled thereto.

- 11.2. In the event that the proceeds referred to in clause 11.1 are insufficient to pay the amounts specified in paragraphs FIRST and SECOND above the Lender shall be entitled to collect and recover the balance from the Owner or any other person liable therefor.

## **12. INDEMNITY**

- 12.1. The Owner hereby undertakes to indemnify the Lender against all liabilities whatsoever which the Lender may incur reasonably and in good faith at any time in relation to any Vessel or otherwise in relation to the security created by the Security Documents.
- 12.2. Without prejudice to the generality of clause 12.1 the Lender 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 any Vessel and the Insurances, and the Lender shall have the right to demand payment from the Owner of all amounts actually or contingently due under any such guarantee, the amount so payable being secured by the security created by the Security Documents.

## **13. INVALIDITY**

- 13.1. In the event that any term or condition of the Mortgages 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 Mortgages or this Deed which (save as aforesaid) will remain in full force and effect and the Owner undertakes (in addition to the duties imposed by clause 7.1.38) to execute such further document or documents as the Lender may reasonably require to complete and give effect to the security constituted by the Mortgages and this Deed.

## **14. PROTECTION OF THIRD PARTIES**

No purchaser, assignee or other person dealing with the Lender 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 Mortgages and this Deed or as to the application of any amount paid or borrowed or as to the regularity of any sale by or other dealing with the Lender. 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 the Lender as if the Indebtedness had become due and the power of sale in relation to the Vessels had arisen on the date of this Deed.

## **15. POWER OF ATTORNEY**

- 15.1. The Owner by way of security irrevocably appoints jointly and severally the Lender and each and every receiver appointed by the Lender under the provisions of this Deed to be the attorney of the Owner (with full powers of substitution and delegation) for the Owner and in its name or otherwise and on its behalf and as its act and deed to sign, seal, execute and deliver and do all instruments, transfers, notices, documents and acts which the Owner may or ought to do under the terms contained in the Mortgages and this Deed 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 the Mortgages and this Deed or by the Law of Property Act 1925 on the Lender or such receiver and to execute and deliver any Bill of Sale, Protocol of Delivery and any other document or agreement, or do any act which it may deem proper in the exercise of all or any of the powers, authorities or discretions conferred on the Lender or such receiver pursuant to the Mortgages and this Deed.
- 15.2. The Owner ratifies and confirms and agrees to ratify and confirm anything such attorney shall lawfully and properly do or purport to do under clause 15.1 and all amounts expended by any such attorney shall be deemed to be expenses incurred by the Lender under this Deed.

## **16. RECEIVER, ETC**

- 16.1. The Lender shall have the power at any time after the occurrence of an Event of Default which is continuing or when requested by the Owner to appoint any one or more persons to be a receiver and manager whose powers shall include (but not be limited to) those provided in Schedule 1 of the Insolvency Act 1986 and all powers given to the Lender under this Deed (including without limitation those detailed in Clause 10), all powers granted to a receiver by the Law of Property Act 1925 and the following additional powers:-
  - 16.1.1. to borrow from the Lender or others such moneys as he may require on the security of the Vessels or otherwise upon such terms as he may in his absolute discretion think fit;
  - 16.1.2. to carry on any business carried on by the Owner;
  - 16.1.3. to appoint managers, officers, contractors and agents to assist him in the performance of his functions upon such terms as to remuneration or otherwise as he may determine;
  - 16.1.4. to do all such other acts and things as may be considered to be incidental or conducive to any of the matters or powers aforesaid and which he lawfully may or can do.
- 16.2. A receiver so appointed shall be deemed to be the agent of the Owner and the Owner shall be solely responsible for his costs, defaults and remuneration.
- 16.3. The Lender shall have the right at any time and as often as it considers appropriate to delegate all or any of the rights and powers granted to it by this Deed on such terms, in such manner and to such persons as the Lender considers appropriate.

## **17. DISCHARGE OF SECURITY**

- 17.1. The security constituted by the Mortgages 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 or administration of the Owner and shall be binding until all the Indebtedness has been unconditionally and irrevocably paid and discharged in full.
- 17.2. Upon the irrevocable payment or discharge in full of the Indebtedness the Lender will at the request and cost of the Owner release and discharge the Mortgages and this Deed and transfer and reassign to the Owner all the Lender's right, title and interest in the Insurances and any Requisition Compensation.

## **18. AVOIDANCE OF PAYMENTS**

No assignment, security or payment which may be avoided or adjusted under any statute relating to bankruptcy or insolvency or under sections 339-343 of the Insolvency Act 1986 or similar legislation binding on the Owner in a jurisdiction other than England and Wales and no release, settlement or discharge given or made by the Lender in reliance on any such assignment, security or payment shall prejudice or affect the right of the Lender to recover the Indebtedness from the Owner (including the right to recover any amounts which it may have been compelled by due process of law to refund under the provisions of the Insolvency Act 1986 and any costs payable by it pursuant to or otherwise incurred in connection with such process) or to enforce the security created by or pursuant to the Mortgages and this Deed to the full extent of the Indebtedness.

## **19. COSTS**

- 19.1. The Owner shall on demand and on a full indemnity basis pay to the Lender 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 the Lender incurs in connection with:
- 19.1.1. the preparation, negotiation, execution and delivery of the Mortgages and this Deed;
  - 19.1.2. the payment of stamp duty or stamp duty reserve tax or the registration of the Mortgages and this Deed or any transfer of any Vessel pursuant to the Mortgages or this Deed;
  - 19.1.3. any actual or proposed amendment of or waiver or consent under or in connection with the Mortgage and this Deed;
  - 19.1.4. any discharge or release of the Mortgages and this Deed;
  - 19.1.5. 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 Mortgages and this Deed including (but not limited to) the sale or transfer of any Vessel; or
  - 19.1.6. dealing with or obtaining advice about any other matter or question arising out of or in connection with the Mortgages and this Deed;
- together with interest thereon at the Interest Rate from the date of payment by the Lender until the date of the payment by the Owner whether before or after judgement.

## **20. SET-OFF**

- 20.1. Following an Event of Default, the Lender may without notice to the Owner combine or consolidate all or any amounts standing to the credit of the Owner's accounts with the Lender with the Indebtedness and/or set-off or transfer any such amounts in or towards the satisfaction of the Indebtedness, and may do so notwithstanding that the balances on such accounts and such liabilities may not be expressed in the same currency, and for the purpose of exercising any rights under this clause 20.1 or rights under the general law the Lender is authorised to effect any necessary conversions at the Lender's own rate of exchange then prevailing.
- 20.2. The Owner irrevocably authorises the Lender in its name and at its expense to perform such acts and sign such documents as may be required to give effect to any set-off or transfer pursuant to clause 20.1, including the purchase with the amount standing to the credit of any such account of such other currencies as may be necessary to effect such set-off or transfer.
- 20.3. In this clause "**rights under the general law**" means any right of set-off, combination or consolidation of accounts, lien or similar right which the Lender has under any applicable law.

## 21. NOTICES

- 21.1. Every notice, demand or other communication under the Mortgages and this Deed shall be in writing and may be delivered personally or by letter despatched in each case to the address of the intended recipient as follows

- Owner's address - Floor 3 1 West Regent Street, Glasgow, G2 1RW

email:

- Lender's address - HSBC Equipment Finance (UK) Limited  
80 Hanover Street, Edinburgh, EH2 1EL

email:

Telephone:

or to such other address as may be notified in accordance with this clause by either party to this Deed to the other for such purpose.

- 21.2. Every notice, demand or other communication shall be deemed to have been received (if sent by post) forty-eight hours after being posted first class postage prepaid (if posted from and to an address within the UK) and (if delivered personally or sent by email transmission subject to receiving confirmation that the email has been sent)) at the time of delivery or sending if during normal business hours in the place of intended receipt on a Business Day and otherwise at the opening of business in that place on the next succeeding such Business Day.

## 22. CURRENCY INDEMNITY



If under any applicable law or regulation or pursuant to a judgement or order being made or registered against the Owner or the liquidation of the Owner or without limitation for any other reason any payment under or in connection with the Mortgages and this Deed is made or falls to be satisfied in a currency ("**the payment currency**") other than the currency in which such payment is expressed to be due under or in connection with the Mortgages and this Deed ("**the contractual currency**") then to the extent that the amount of such payment actually received by the Lender when converted into the contractual currency at the rate of exchange falls short of the amount due under or in connection with the Mortgages and this Deed the Owner as a separate and independent liability shall indemnify and hold harmless the Lender against the amount of such shortfall. For the purposes of this clause "**rate of exchange**" means the rate at which the Lender 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 (and the Owner shall be liable for) any premium and other costs of exchange including any taxes or duties incurred by reason of any such exchange.

### 23. WAIVER ETC

- 23.1. No delay or omission on the part of the Lender in exercising any right, power or remedy under the Mortgages 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 Mortgages and/or this Deed of that or any other right, power or remedy.
- 23.2. The Lender's rights under the Mortgages and this Deed are cumulative and not exclusive of any rights provided by law and may be exercised from time to time and as often as the Lender deems expedient.
- 23.3. Any waiver by the Lender of any terms of the Mortgages and this Deed or any consent or approval given by the Lender 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 Mortgages 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 the Lender may now or at any time in the future 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 the Lender in perfecting or enforcing any remedies, securities, guarantees or rights it may now or in the future have from or against the Owner 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 the Lender as to the Indebtedness or without limitation any other matter provided for in the Mortgages and this Deed shall in the absence of manifest error be conclusive and binding on the Owner.
- 23.6. The provisions of this Deed shall be severable and if at any time one or more of such provisions or part of such a provision is or becomes invalid, illegal or unenforceable the validity, legality and enforceability of the remaining provisions shall not in any way be impaired.

## **24. NEW ACCOUNT**

If the Lender receives notice of any subsequent mortgage or interest affecting any Vessel, the Insurances or the Requisition Compensation, the Lender may open a new account or accounts for the Owner in its books and if the Lender does not do so then unless the Lender gives express written notice to the contrary to the Owner as from the time of receipt of such notice by the Lender all payments made by the Owner to the Lender in the absence of any express appropriation by the Owner to the contrary shall be treated as having been credited to a new account of the Owner and not as having been applied in reduction of the Indebtedness at the time when it received such notice.

## **25. REDEMPTION OF PRIOR ENCUMBRANCES**

At any time after this Deed becomes enforceable or after any powers conferred by an encumbrance having priority to this Deed becomes exercisable the Lender may redeem such or any other prior encumbrance or procure the transfer thereof to itself and may settle and pass the accounts of the encumbrancer and any account so settled and passed shall be conclusive and binding on the Owner and all monies paid by the Lender to the encumbrancer in accordance with such accounts shall as from such payment be due from the Owner to the Lender on current account and shall bear interest at the Interest Rate and be secured as part of the Indebtedness.

## **26. PROPER LAW AND JURISDICTION**

- 26.1. This Deed and all claims and disputes (including non-contractual claims and disputes) arising out of or in connection with this Deed, its subject matter, negotiation or formation shall be governed by and construed in accordance with the law of England and Wales, excluding and without giving effect to any conflict of law rules or principles that might refer the matter to another jurisdiction.
- 26.2. The Owner irrevocably agrees for the exclusive benefit of the Lender that the courts of England and Wales shall have jurisdiction to hear and determine any suit, action or proceeding and to settle any dispute which may arise out of or in connection with this Deed and for such purposes irrevocably submits to the jurisdiction of such courts.
- 26.3. Nothing contained in this clause shall limit the right of the Lender to take in rem proceedings against any Vessel or proceedings against the Owner in any other court of competent jurisdiction nor shall the taking of any such proceedings in one or more jurisdictions preclude the taking of proceedings in any other jurisdiction whether concurrently or not (unless precluded by applicable law).
- 26.4. The Owner irrevocably waives any objection which it may have now or in the future to the courts of England and Wales being nominated for the purpose of this clause on the ground of venue or otherwise and agrees not to claim that any such court is not a convenient or appropriate forum.

**SCHEDULE 1**

**Financial Agreement**

## **SCHEDULE 2**

### **The Vessel**

<b>Name</b>	<b>Hull Identification Number</b>	<b>Official Registered Number</b>	<b>Classification Society</b>
Lady Hazel	M21WB0170116	190353	Maritime & Coastguard Agency Workboat Code

### **SCHEDULE 3**

#### **Notice of Assignment of Insurances**

To:    *[insert name and address of Approved Broker]*

Dear Sirs

Lady Hazel (the "Vessel(s)")

We, Loch Duart Limited of Floor 3 1 West Regent Street, Glasgow, Scotland, G2 1RW, the owner of the Vessels, HEREBY GIVE NOTICE that by a Deed of Covenants dated on or about the date of this notice, between us HSBC EQUIPMENT FINANCE (UK) LIMITED (the "Mortgagee"), we have assigned to the Mortgagee, as first priority mortgagee, all the insurances in respect of the Vessels (including the insurance constituted by the policy on which this notice is endorsed) and all amounts payable thereunder, including return of premiums.

.....  
For and on behalf of  
Loch Duart Limited

Name:

Title:

Date:

## SCHEDULE 4

### Loss Payable Clause

Lady Hazel (the "Vessel(s)")

It is noted that by a Deed of Covenants between Loch Duart Limited of Floor 3 1 West Regent Street, Glasgow, Scotland, G2 1RW, ("Owner") and HSBC EQUIPMENT FINANCE (UK) LIMITED ("Mortgagee") the Owner has assigned to the Mortgagee, as first priority mortgagee, its right, title and interest in the insurances on the Vessels (including this policy).

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

#### Hull & Machinery

- 1 there shall be paid to the Mortgagee any and every amount receivable in respect of a total loss (including an actual or constructive or compromised or arranged total loss) or of a major casualty (that is to say any casualty (other than a total loss) in respect of which the claim or aggregate of the claims exceeds the amount set out below for the respective Vessel (inclusive of any deductible)):

Lady Hazel	£
[name of Vessel]	£[•]

- 2 every other amount receivable in respect of this policy of insurance shall be paid to the Owner and shall be applied by it for the purpose of the repair of all the damage, the reparation of the loss and the discharge of the liability in respect of which such amount shall have been paid.

Paragraphs 1 and 2 above shall be subject to any deduction of excess (Deductible) as set out in the Policy Conditions.

#### Protection & Indemnity

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

The above paragraph 3 will be subject to any deduction of excess (Deductible) as set out in the Policy Conditions and under the Collision and Protection and Indemnity clauses or the excess layers thereof where claims shall be negotiated and agreed between the Insurers and the Third Party involved direct and any payment which shall have been agreed to be paid shall be paid by the Insurer direct to the Third Party.

IN WITNESS whereof the Owner has duly executed and delivered this Deed of Covenants as a deed the day and year first above written

EXECUTED as a Deed (but not delivered  
until the date hereof) by  
**LOCH DUART LIMITED**

acting by a Director before this witness

)  
)  
)  
)  
)  
)



.....  
Director

Signature of Witness



Name of Witness

ANNEMARIE MOVEY

Address

MONTROSE BUSINESS CENTRE

BROOMFIELD RD DD10 8SY

Occupation

FINANCE MANAGER