



SGB FINANCE
TERMS AND CONDITIONS
(SIMPLE VARIABLE)
Valid as from 05/2018

BACKGROUND:

- (1) You wish to purchase the Boat pursuant to a boat sale agreement made between you and the Supplier (the “**Boat Sale Agreement**”).
- (2) To facilitate the purchase of the Boat, you wish to borrow funds from us, the Lender.
- (3) By signature of this Agreement the Lender has agreed to extend the Credit to you to enable you to purchase the Boat on the terms set out in this Agreement.

OPERATIVE TERMS:

1. Definitions and Interpretation

- 1.1 The meanings of words beginning with an initial capital letter are set out in clause 29 of these Terms, where they are not defined in another part of this Agreement.

- 1.2 Clause 29 also sets out the rules of interpretation of this Agreement.

2. Duration

This Agreement shall commence on the date of signature of the Agreement by you (the “**Commencement Date**”) and shall continue in force until:

- (a) all amounts owed by you to the Lender under this Agreement have been paid in full; or
- (b) such other date as it may be terminated in accordance with the provisions of this Agreement.

3. Amount

- 3.1 The maximum principal amount of the Credit is set out under the “Key Features of the credit product above on page 2 (the “**Credit Amount**”).

4. Guarantee

- 4.1 We may require your obligations under this Agreement to be supported by a guarantor where this is specified under “Key Features” above. In such circumstances the guarantor must execute a guarantee, in a form set out in a separate document to this Agreement, before the Drawdown Date (as defined in clause 7 below).

5. Relationship between this Agreement and the Boat Sale Agreement

- 5.1 You are entering into the Boat Sale Agreement with the Supplier solely in order to purchase the Boat. You will not use the Credit for any other purpose.

- 5.2 You will provide an executed copy of the Boat Sale Agreement to us promptly upon receipt of it by you.

6. What we require before making the Credit available (“Conditions Precedent”)

- 6.1 We are not obliged to make the Credit available to you until we have received as Conditions Precedent, in each case in form and substance satisfactory to us:
 - (a) a signed copy of the invoice for the Boat issued by the Supplier to you;
 - (b) an unsigned copy of the bill of sale for the Boat;
 - (c) a signed copy of the Mortgage Deed in the form set out in Appendix 1;
 - (d) a signed copy of the Deed of Assignment of Earnings and Insurances (if applicable) in the form set out in a separate document to this Agreement;
 - (e) proof that insurance has been arranged in accordance with clause 16.1 below;
 - (f) a copy of the letter of trust naming the Lender as the payee under the Policy (as defined in clause 16.1 below) and confirmation of the Lender being named on the Policy in accordance with clause 16.2 below;
 - (g) copies of your constitutional documents (where you are a partnership, unincorporated association or other form of undertaking);
 - (h) a signed personal guarantee in a form set out in a separate document to this Agreement, if applicable;
 - (i) any documents, items or other evidence or information from you as we have told you is

necessary to assess your suitability or eligibility for the Credit;

- (j) a signed standing order/direct debit mandate giving authority for collection of any and all amounts due to us under this Agreement in accordance with clause 13.4 below; and
- (k) any other conditions stated in the letter of offer or other communication issued and made known to you before the signature of this Agreement.

- 6.2 We may waive any of the requirements in clause 6.1 in writing in our absolute discretion and on such terms as we think fit.

- 6.3 The Lender's extension of the Credit to you is also conditional upon your complying at all times with the terms of this Agreement and the Security Documents.

- 6.4 You agree and acknowledge that we may register ownership of the Boat in your name and may register the Mortgage on Part 1 of the UK Shipping Registry. For those purposes, and as additional Conditions Precedent you agree:
 - (a) to issue to the Lender or to the Lender's agents or sub-contractors as many powers of attorney as may be required in the process of the Boat's registration, including powers of attorney: (i) to receive the original documents concerning the sale and purchase of the Boat from the Supplier and, as the case may be, the Supplier's agents or sub-contractors; (ii) to arrange for technical documentation and the Boat's survey; (iii) to apply for the Boat's name (of your choice); (iv) to obtain any certificates we require; and (v) to register ownership of the Boat on your behalf;
 - (b) to advance the costs of registration of the Boat and the Lender's rights arising from the Mortgage, including the reasonable costs of the Lender's agent(s) or sub-contractor(s), as set out in the breakdown provided by the Lender before execution of this Agreement.

- 6.5 In addition to the powers of attorney which you will be required to give pursuant to clause 6.4(a), you give your explicit consent to the Lender to request and to receive from the Supplier or its agents or sub-contractors, the original documents concerning sale and purchase of the Boat, including but not limited to, the executed original(s) of the Boat Sale Agreement, bill(s) of sale and other documents which we reasonably consider to be relevant. The Lender's right stipulated in this clause 6.5 shall be exclusive and you unconditionally waive your right to request from the Supplier, its agents or sub-contractors, the original documentation related to the sale and purchase of the Boat. We will give you the original documentation when we have registered both the Boat and our rights arising from the Mortgage.

7. **Drawdown and extension of the Credit**
- 7.1 Subject to the Conditions Precedent set out in clause 6 above, you may draw down the Credit in a single amount on a Business Day not later than 8 months from the Commencement Date (or such later date as the Lender may in its discretion agree in writing) (the “**Drawdown Date**”) provided that you shall have given the Lender, by no later than 9.00am (London time) four (4) Business Days before the date of the proposed drawdown, notice of the intended drawing (a “**Drawdown Notice**”), such notice to be irrevocable and in the form set out in Appendix 3 of this Agreement.
- 7.2 If the full amount of the Credit is not drawn by the Drawdown Date the Credit shall be automatically cancelled and the Lender shall be immediately released from its obligation to lend any further amount pursuant to this Agreement.
- 7.3 Upon receiving the Drawdown Notice, the Lender will recalculate the Interest Rate payable under this Agreement and will notify you of the revised fixed

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Interest Rate within 2 Business Days of receipt of the Drawdown Notice (the “**Interest Notification Date**”). You will confirm the drawdown on the basis of the revised Interest Rate. If the Interest Rate payable under this Agreement has increased between the Commencement Date and the Drawdown Date, and you do not wish to proceed with the drawdown on the basis of the revised Interest Rate, you shall have a one-off right to terminate this Agreement upon immediate written notice of the same to the Lender. This right to terminate will expire at 4.00pm (London time) on the Business Day following the Interest Notification Date. For the avoidance of doubt, any entitlement you may have to reimburse any fees, expenses or other charges already incurred by you (whether paid or owing) with respect to this Agreement if you terminate the Agreement in accordance with this clause 7.3, will be at the sole discretion of the Lender.

- 7.4 Upon receipt of the Drawdown Notice by the Lender, and the Lender’s satisfaction of your completion of all Conditions Precedent, the Lender shall transfer the Credit Amount to the Supplier as soon as reasonably practicable.
- 7.5 Immediately upon receipt of funds by the Supplier and the subsequent execution of the bill of sale for the Boat, you will immediately provide the Lender (or its agent or sub-contractor) with the executed bill of sale to enable the Lender (or its agent or sub-contractor) to register the Lender’s first priority marine mortgage over the Boat.
- 7.6 Upon receipt of the Credit Amount, title in the Boat will pass from the Supplier to you in accordance with the terms of the Boat Sale Agreement.
- 7.7 At the same time as funds are received by the Supplier and title in the Boat passes to you in accordance with clause 7.6 above, the Lender shall become entitled to its Security in the Boat and the Security Documents shall become effective. You agree to sign any and all documentation required to register the Boat and the Mortgage, and you will comply with all the Lender’s instructions (or those of its agent or sub-contractor) to ensure these registrations are effected at the earliest possible opportunity.
- 7.8 The Lender reserves the right to transfer the Credit Amount into a designated escrow account until such time as the Mortgage has been confirmed as registered with the relevant registry. In such circumstances, the Credit Amount will be released from the escrow account and paid to the Supplier upon confirmation of such registration.
- 8. Interest Rate and Interest Period**
- 8.1 The Interest Rate during each Interest Period shall be the rate as set out under “Costs of the Credit” above, as varied pursuant to this Agreement.
- 8.2 Interest is calculated on the basis of the actual number of days elapsed and a 365 calendar day year.
- 8.3 Throughout the period of this Agreement, the Lender may increase or reduce the Interest Rate to reflect a change in the EURIBOR or LIBOR rate, as applicable on giving you such notice as is required by this Agreement and by law.
- 8.4 If for any reason the European Money Markets Institute cease to publish a base rate or we can no longer determine the London Interbank Offered Rate, the Interest rate (and any variation of it) will be based on an alternative rate which in our reasonable opinion best matches the relevant rate. We will give you notice of any alternative or substitute rate used.
- 8.5 The period during which any part of the Credit shall be outstanding pursuant to this Agreement shall be divided into consecutive Interest Periods. If we have specified

“EURIBOR or LIBOR 1 month, Interest Periods will be of one months’ duration. If we have specified EURIBOR or LIBOR 3 months” Interest Periods will be of three months’ duration. This means:

- (a) the first Interest Period shall begin on the Drawdown Date and shall end on the commencement of the second Interest Period; and
 - (b) the second Interest Period shall be approximately one month (in the case of EURIBOR or LIBOR one month) and three months (in the case of EURIBOR or LIBOR three months) following the Drawdown Date; and
 - (c) each subsequent Interest Period shall commence at the end of the previous Interest Period.
- 8.6 In the event of a variation in the Interest Rate we shall confirm in writing no later than two (2) Business Days following the start of the relevant Interest Period:
- (a) the new Interest Rate, such Interest Rate being the EURIBOR or LIBOR rate, for that day plus Margin;
 - (b) the new total amount payable based on the new Interest Rate;
 - (c) the duration of the payment plan;
 - (d) the amount of each instalment;
 - (e) the number of instalments;
 - (f) the APR; and
 - (g) the total charge for Credit.
- 8.7 If there is an increase in the Interest Rate, we shall increase the amount of your monthly/quarterly instalments with effect from the start of the next Interest Period and will inform you of this in accordance with clause 8.6.
- 8.8 If there is a reduction in the Interest Rate, we shall reduce the amount of your monthly/quarterly instalments with effect from the start of the next Interest Period and will inform you of this in accordance with clause 8.6.
- 9. Security**
- 9.1 In consideration of our making the Credit available to you, you agree to enter into the Mortgage and (where required by us) the Deed of Assignment of Earnings and Insurances.
- 9.2 For the avoidance of doubt, the Lender confirms that the Security Documents are security for payment or repayment as the case may be of all funds provided in this Agreement and all other indebtedness.
- 9.3 You hereby agree to reimburse the Lender for all and any costs and expenses reasonably incurred by it (or by its agent or sub-contractor) in registering the Boat, the Mortgage and the Deed of Assignment of Earnings and Insurances.
- 10. Enforcement of Security**
- 10.1 In the event of an Event of Default and the Security becoming enforceable, we shall be entitled, subject to Applicable Law but otherwise without further notice or further demand, immediately to put into force and exercise all our rights, powers and remedies according to law as mortgagee of the Boat and in particular:
- (a) to take possession of the Boat and for that purpose to enter into or upon any premises or place under your control or to which you have access where the Boat is or is reasonably thought to be situated without being liable to you for or by reason of such entry;
 - (b) to appoint a person from time to time to act as receiver of the Boat subject to the provisions of clause 11 whereupon the receiver shall become a receiver of the Boat upon reasonable terms as to remuneration and otherwise as we shall think fit and to remove a person so appointed and appoint another in his place;

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- (c) to discharge, release or compromise any claims in respect of the Boat which have given or may give rise to any legal rights of any third party (including any lien or encumbrance) on or in respect of the Boat in priority to the Mortgage or which are or may become enforceable by proceedings against the Boat;
- (d) to sell the Boat by private or public treaty or by auction at any place in the world with or without advertisement or notice to you and upon such terms as we in our discretion (but subject to Applicable Law) may determine so that we shall have power in our absolute discretion to postpone any such sale or to proceed to a forced sale provided that we shall have reasonable regard to our obligations as mortgagee and shall comply with all requirements of Applicable Law); and
- (e) pending sale of the Boat, to manage, navigate, charter, demise, insure, maintain and repair the Boat and to employ or lay up the Boat or in such manner and for such period as we may think fit and to do all acts incidental or conducive thereto as if we were the owner of the Boat and to recover any losses incurred as a consequence of taking such action as aforesaid.
- 11. Appointment of a Receiver**
- 11.1 The appointment of a receiver (the “**Receiver**”) under clause 10 shall be deemed to be subject to the following provisions (subject to Applicable Law):
- (a) The Receiver shall act on your behalf and you shall be responsible for his acts, defaults and remuneration (as set out in the list of Fees and Charges at Appendix 2).
- (b) Neither we nor any Receiver shall be liable to account as a mortgagee in possession of the Vessel and neither we nor any Receiver shall be liable for any loss arising from or in connection with the realisation of the Boat.
- (c) Any Receiver so appointed shall have power:
- (i) to take possession of the Boat;
- (ii) to sell the Boat or dispose of the Boat or concur in so doing or otherwise deal with the Boat on such terms in our interest as he shall think fit. Any sale or disposal may be for cash or on hire purchase or credit sale terms or for such other terms as we may determine;
- (iii) to carry any such sale or disposal into effect by delivering, conveying or assuring the Boat in your name on your behalf; and
- (iv) to make arrangements or compromise which we think shall be expedient.
- 11.2 The above provisions shall take effect by way of variation and extension of Sections 101 and 104 to 109 inclusive of the Law of Property Act 1925 and the provisions of those sections and the powers conferred on a mortgagee or receiver by these sections as so varied and extended shall apply to and be exercisable by the Receiver in so far as they are applicable.
- 11.3 All monies received by the Receiver in exercise of the rights, power and remedies conferred upon him in the Mortgage or by law shall (subject to the claims of creditors ranking in priority to us) be applied;
- (a) first, in or towards payment of all costs, charges and expenses of, and incidental to the appointment of, such Receiver or incurred by him in or about or in pursuance or purported pursuance of the exercise by him of such rights, powers and remedies;
- (b) secondly, in or towards payment of all outgoings paid by such Receiver in or about or in pursuance or purported pursuance of the exercise by him of the said rights, powers and remedies;
- (c) thirdly, in or towards payment to such Receiver of remuneration at such rate as may be agreed between him and us;
- (d) fourthly, in or towards payment to us of your liability hereunder;
- (e) fifthly, to any other party legally entitled to such proceeds; and
- (f) sixthly, in payment to you of any balance of such amounts.
- 12. Power of Attorney**
- 12.1 You irrevocably and by way of security appoint us and any Receiver appointed pursuant to clause 10 jointly and severally as your attorney to act in our name and on your behalf and for all or any of the purposes of this Agreement and the Mortgage and in particular to execute, seal and deliver and otherwise perfect any assurance, agreement, instrument or act which may be required or may be deemed proper for any of the purposes hereof.
- 12.2 Such appointment may be made either before or after we shall have entered into or taken possession of the Boat.
- 13. Power of Sale**
- 13.1 Upon any sale of the Boat by us pursuant to clause 10 or by a Receiver appointed by us in accordance with this Agreement, the purchaser shall not be bound or entitled to see or enquire whether our power of sale has arisen or remains exercisable in the manner provided in this Agreement or whether we have given you notice of our intention to sell, the sale shall be deemed for the purposes of this Agreement and the security to be within our power or the Receiver’s power as the case may be and our or the Receiver’s receipt, as the case may be, for the purchase monies 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 therefore.
- 14. Payment**
- 14.1 You agree to pay the Credit, including interest and any other charges, in accordance with this Agreement, including paying the periodic instalments of capital and interest on the dates specified in this Agreement.
- 14.2 If an Event of Default occurs, we may (subject to Applicable Law) demand immediate repayment of the Credit together with accrued interest and all other amounts payable under this Agreement, upon service of notice upon you in accordance with clause 21.1 below.
- 14.3 You will make all payments under or in respect of this Agreement on the due date for value in immediately available funds to us at such account as we may from time to time notify to you.
- 14.4 You authorise us to collect any and all amounts due to us under this Agreement (including instalments, interest, fees, charges and expenses) by standing order, by direct debit or, if the currency of your Credit is the Euro and your bank account is a Euro account, by SEPA direct debit, using the bank details you have provided us with in this Agreement, and you agree to provide us with a signed direct debit/standing order mandate setting out such authority.
- 14.5 We may also take payment of all fees, expenses and other sums due and payable by you under this Agreement by deduction from the Credit in accordance with clause 14.4 above. Where fees or charges set out under “Costs of the Credit” on pages 3-4 of this Agreement are described as estimates, the estimates are based on our experience of these costs in other transactions with different borrowers. The amounts actually payable by you may therefore be more or less than the estimated amounts.
- 14.6 We will notify you of the date and amount of the first instalment at least fourteen (14) days before its due date or its collection by direct debit or standing order.

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- 14.7 In the event the currency of your Credit is the Euro and your bank account is a Euro account, in accordance with the rules applicable to SEPA direct debits, we will send you at least fourteen (14) days prior to collection of the first instalment a repayment schedule detailing the date and amount of payments. The aforementioned fourteen (14) day period will be reduced to seven (7) days in the event of a change to your repayment schedule (further to a variation in the Interest Rate) or should any other payments become due and payable under the terms of this Agreement.
- 14.8 If you fail to pay any sum payable under this Agreement on its due date you will pay to us interest on such sum from the date of such failure to the date of actual payment (after as well as before judgment) at a rate equal to the Interest Rate then applicable to the Credit. Such interest shall be payable at any time on demand.
- 14.9 You agree to pay us charges at the rates set out in Appendix 2 to this Agreement (as may be amended from time to time) for any changes made to the details contained in this Agreement including any change of address, any information request, any change to the final instalment date, or any extension of the final instalment date. You must give us thirty (30) Business Days' prior written notice of any changes to your personal details. Any charges levied in accordance with this clause will be added to any monies collected by us in the calendar month following the month in which the change was notified to us.
- 14.10 You will pay us on demand all expenses (including legal and out-of-pocket expenses together with Value Added Tax if any thereon) reasonably and properly incurred by us (or our agent or sub-contractor) in connection with: (i) the negotiation, preparation and execution of this Agreement and the Security Documents; (ii) the preparation, administration and execution of any registrations, surveys or other documentation or processes undertaken under this Agreement; (iii) the fulfilment of all conditions of this Agreement; (iv) any amendment or extension of and the granting of any waiver or consent under this Agreement or the Security Documents; (v) the discharge of this Agreement and/or the Security Documents; and/or (vi) in contemplation of or otherwise in connection with the enforcement of or preservation of any rights under this Agreement and/or the Security Documents or otherwise in respect of any monies owing under or in respect of this Agreement.
- 14.11 If an Event of Default occurs we may charge you a fee in respect of management time spent in the recovery of any amount owing under this Agreement and/or the realisation of any Security under the Agreement or the Security Documents. Such fee shall be reasonable and in line with actual costs incurred by the Lender (or its agent or sub-contractor) in recovering the relevant amount and/or realising such security.
- 14.12 Any certificate or determination by us as to the Interest Rate or other amount payable under Agreement shall (except in the case of manifest error) be conclusive.
- 14.13 You will make all payments under this Agreement without set-off or counterclaim and free and clear of any withholding or deduction (except as required by law) for any present or future taxes, levies, imposts, duties or other charges.
- 14.14 We will maintain an account or accounts evidencing the amounts from time to time lent by, owing to and paid to us under this Agreement. Such account or accounts shall (except in the case of manifest error) be conclusive evidence of the amounts from time to time owing to us by you under this Agreement.
- 14.15 Any transaction request or payment made by you which seems unusual in terms of amount, origin of funds and/or complexity, may lead to a request for further information, supplementary to that already held by us. You agree that such additional information, provided in relation to the transaction in question, may be communicated to a company within the Societe Generale Group. You further acknowledge that, where appropriate according to Applicable Law from time to time, we may refuse to accept such a payment or any part of it or refuse to perform any such transaction.
15. **Early repayment**
- 15.1 You have the right to pay off the Credit, in part or in full, at any time. If you wish to repay part or all of the Credit early you must give us notice of your intention to do so. This notice must be received by us at least ten (10) Business Days before an instalment date and must be in writing if you intend to redeem only part of the Credit.
- 15.2 In the event of early repayment to Credit, whether in part or in full, you shall not be liable to pay any early repayment compensation.
16. **Insurance**
- 16.1 You agree that at the latest at the date of the Drawdown Notice you will have arranged and paid in full for comprehensive Insurance cover of the Boat, and that the Lender will be the named payee under the terms of the Insurance policy (the "**Policy**"). If such Insurance is not put in place before the Credit is made available to you, we will be entitled to obtain the appropriate Insurance on your behalf and invoice you the cost of the Insurance. Payment of the invoice shall be due from you as part of the following month's repayment instalment. This provision shall apply throughout the term of the Credit at each renewal of the Insurance. We shall have no obligation to obtain the best deal in terms of cost should we need to obtain the Insurance on your behalf.
- 16.2 You agree to provide us with:
- proof of such Insurance;
 - a letter of trust setting out the status of the Lender as payee under the Policy;
 - evidence that the Lender will be named on the Policy as the payee under the Policy, and we must be satisfied with the level of the Insurance and our status as payee under the Policy, before we make the Credit available.
- 16.3 You must maintain the Insurance for the term of this Agreement. You must immediately provide a copy of the Insurance certificate to us if we request it.
- 16.4 You must not do anything which would invalidate or render void the Insurance.
- 16.5 You must notify the Lender within seven (7) calendar days of an incident occurring which will result in a claim on the Insurance.
- 16.6 If the Insurance is not sufficient to cover any depreciation in value of the Boat caused by an adverse event covered by the Policy, you shall still be obliged to pay us all sums due under this Agreement, irrespective of the value of the Boat.
17. **Application of Insurance Monies**
- 17.1 You irrevocably authorise us to collect, sue for recovery and give good discharge for all or any of the claims under the Insurance and to compromise any such claim or otherwise deal with such claims on such terms as we reasonably consider to be appropriate.
- 17.2 Any sums received by us in respect of any such claim or claims shall, after deducting commissions, brokerage fees and any other costs or charges reasonably incurred in the recovery of such monies, be applied as follows:
- any monies payable in respect of a Total Loss shall be received by us and applied in accordance with clause 198. If such monies are insufficient to discharge the total amount due to us under this Agreement then you will immediately on our

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- demand pay to us the difference between the total amount due and the amount of the Insurance monies received by us; and
- (b) any monies payable in respect of any loss or damage not amounting to a Total Loss shall be received by us (unless otherwise agreed in writing by us with your insurer); if there has been no Event of Default by you we shall pay the money to you as and when the Boat has been properly restored to its former condition to our reasonable satisfaction and all costs and charges of such restoration have been fully paid. Otherwise such amount shall be retained by us. Any shortfall of such funds shall be made up from your own resources.
- 17.3 If you receive any monies paid under the Insurance or on the Total Loss or sale of the Boat you will immediately pay such sums to us and you will hold them on trust for us until you do so.
- 18. Proceeds of Sale**
- 18.1 We shall hold any monies received by us on the Total Loss of the Boat or by virtue of the sale of the Boat upon trust;
- (a) firstly to pay or retain all costs and expenses incurred in consequence of such loss or as a result of such sale or in or as a consequence of the execution of the powers conferred upon us by the Mortgage; and
- (b) secondly to apply the balance towards payment of all sums due from you to us in such manner and order of appropriation as we may in our absolute discretion determine; and
- (c) then pay the balance (if any) to you.
- 18.2 It is hereby agreed and declared as follows:
- (a) that sections 93 and 103 of the Law of Property Act 1925 shall not apply to the Mortgage and that you shall not be entitled to redeem the Mortgage without at the same time redeeming every or any existing or future mortgage or legal charge for the time being held by us on other property now or at any time hereafter belonging to you or to redeem any other such mortgage without at the same time redeeming the Mortgage;
- (b) that the Mortgage shall be in addition to and shall not be in any way prejudiced or affected by any collateral or other security now or hereafter held, any judgment or order or any lien to which we may otherwise be entitled (including any security, charge or lien on the Boat granted or incurred before the date of the Mortgage) or the liability of any company or companies, person or persons not parties to this Agreement or the Mortgage for all or any part of the monies secured.
- 19. Your Undertakings**
- 19.1 You undertake with the Lender throughout the Security Period to:
- (a) renew the Insurance at least 14 days before it expires and to ensure that the insurers promptly confirm in writing to the Lender as when each such renewal is effected;
- (b) punctually pay all premiums or other amounts payable in respect of the Insurance and produce all relevant receipts when so requested in writing by us;
- (c) take all necessary action and comply with all requirements which may from time to time be applicable to the Insurance and ensure that the Insurance is not made subject to any exclusions or qualifications which we have not specifically approved in writing;
- (d) not allow the Boat to be used otherwise than in conformity with the terms and conditions of the Insurance, without first obtaining the consent of the Lender and the insurers and complying with any requirements (as to extra premium or otherwise) which the insurers may specify; and
- (e) not do any act nor permit any act to be done as a result of which any Insurance shall or may be suspended or avoided nor make any changes relating to the classification or classification society (if any), manager or operator of the Boat approved by the insurer(s).
- 19.2 In addition to the terms set out in clause 19.1, you shall ensure that the Insurance shall provide that if any Insurance is cancelled, or if any substantial change is made in the coverage which adversely affects the interest of the Lender, or if any Insurance is allowed to lapse for non-payment of premium, such cancellation, charge or lapse shall not be effective with respect to the Lender for 14 days (or 7 days in the case of war risks) after receipt by the Lender of prior written notice from the insurers of such cancellation, change or lapse.
- 19.3 It is agreed that until an Event of Default occurs (in which event all claims under the Insurances will be paid to the Lender), all claims payable under the Insurance will be payable as follows:
- (a) every amount received in respect of a Total Loss or Major Casualty shall be paid to the Lender to be applied in accordance with Clause 18 provided that all amounts received by the Lender to you on production of evidence satisfactory to the Lender that the damage resulting from such Major Casualty has been properly repaired and all liabilities have been discharged, and further provided that, with the prior written consent of the Lender, the insurers may make payment an account of repairs being carried out; and
- (b) every other amount payable in respect of a claim under the insurance shall be paid to you and applied for the purposes of repairing the damage, the reparation of the loss or the discharge of the liability in respect of which such amount shall have been paid.
- 19.4 You further undertake and agree that throughout the Security Period you will, except as the Lender may otherwise permit:
- (a) keep the Boat registered in its name under the laws and flag of the UK Maritime and Coastguard Agency and shall not do, nor allow to be done, anything as a result of which, such registration might be cancelled or imperilled and nor shall you change the port of registry of the Boat;
- (b) keep the Mortgage registered against the Boat as a valid first priority UK statutory ship mortgage;
- (c) promptly pay all duties, charges, fees, rates, taxes, fines, penalties and other outgoings payable in respect of the Boat including any crew wages and produce all relevant receipts when so required by the Lender;
- (d) pay when due and payable all duties, charges, fees, taxes, levies, governmental charges, fines and penalties lawfully imposed on and enforceable against the Boat and you shall promptly pay all outgoings in respect of the Boat;
- (e) execute and deliver to the Lender such documents of transfer as the Lender may require in the event of sale of the Boat pursuant to any power of sale contained in this Agreement or the Security Documents or which the Lender may have in law;
- (f) not cause, permit or allow the Boat to be operated in any manner contrary to any applicable law and not to engage in any unlawful trade that will expose the Boat to penalty, forfeiture or capture and not employ the Boat or permit its employment in the carrying of any contraband goods;
- (g) not create or permit to be created or continued any rights of any third party (including any right of security, lien or encumbrance) except for the Mortgage, the provisions of this Agreement, the Deed of Assignment of Earnings and Insurance (if applicable) on the Boat, the Earnings, or the Insurance and agree to discharge or satisfy all

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claims and demands which if unpaid may in law or by statute or otherwise create a lien or encumbrance on the Boat other than a lien for salvage charges or a lien for crews’ wages;

- (h) not without the prior written consent of the Lender (which it shall have the full power to withhold) let, hire, demise charter or part with possession of the Boat for any period whatsoever; and
- (j) not change the name of the Boat without our prior written consent; we will not unreasonably withhold or delay our consent but, if we give our consent, you agree that you will provide us with an updated transcript of the register (or equivalent document) immediately upon the change of name being made.

19.5 You further undertake and agree that throughout the Security Period you shall:

- (a) at all times and at your own expense maintain the Boat in a safe and seaworthy condition, in good running order and repair in accordance with first class yacht ownership and yacht management practice for a vessel such as the Boat so as to comply with all laws, regulations and official requirements applicable to yachts registered in the UK and to yachts sailing to any jurisdiction which the Boat may sail from time to time;
- (b) submit the Boat regularly to all periodical and other surveys as may be required for coding and/or classification purposes, if and when applicable, to the Boat and, if so requested by the Lender in writing, provide the Lender with copies of all survey reports issued;
- (c) not make any modification or repairs to, or replacement of, the Boat, or equipment installed on the Boat, which would or might materially alter the structure type or performance characteristics of the Boat or materially reduce its value;
- (d) (except in the case of emergency repairs), put the Boat into the possession of any person for the purpose of work being done upon it in an amount exceeding, or likely to exceed, 10% (ten percent) of the insured value of the Boat unless that person has first given to the Lender, in terms satisfactory to the Lender, a written undertaking not to retain, hold, sell or exercise any lien on the Boat for the cost of such work, or other arrangements satisfactory to the Lender are made to ensure that no such rights will be exercised;
- (e) comply, or ensure compliance with, laws or official requirements relating to the Boat, its ownership, operation and management, or to you or your business;
- (f) notify us of any Total Loss of the Boat or of any occurrence as a result of which the Boat has become, or is, by the passing of time, or otherwise, likely to become a Total Loss;
- (g) immediately notify the Lender of any exercise or purported exercise of any right of a third party to retain, hold, sell or exercise any lien on the Boat or if the Boat 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 of this by facsimile or e-mail confirmed by letter; as soon as reasonably practicable after you become aware of any event or circumstance within this sub-clause 19.5(g) you shall cause the Boat to be released and all such rights of third parties in respect of the Boat (except for the Mortgage and this Agreement) to be discharged;
- (h) upon the Lender’s request, provide copies of any current charter, charter guarantee and other contracts relating to the Boat.

20. **Promises, assurances and undertakings you give us (“Representations and warranties”)**

20.1 You represent, warrant and undertake to us, as at the Commencement Date and on the date of each

instalment payment (with reference to the facts and circumstances then existing), as follows:

- (a) your obligations under this Agreement constitute unconditional and unsubordinated obligations on you and rank at least equally with all other of your secured and subordinated indebtedness;
- (b) there are no pending or to your knowledge (after due and careful enquiry) threatened actions or legal proceedings affecting you which may have an adverse effect on your business, assets or financial affairs;
- (c) you are not in breach of or in default under any agreement or obligation relating to (or analogous to) financial indebtedness;
- (d) no Event of Default or other event or circumstance that with the giving of notice or passage of time or both would, unless cured or waived, become an Event of Default has occurred or is likely to occur; and
- (e) with regard to information given to us by you or on your behalf in contemplation of this Agreement:
 - (i) such information was true as at the date on which it was given and did not omit anything material;
 - (ii) no change in such information has occurred since the date on which it was given which renders it untrue or misleading; and
 - (ii) all projections and statements of belief and opinion given by you or on your behalf to us were made in good faith after due and careful enquiry.

In (e)(i), an omission would be material if it would have influenced a reasonable lender in making credit available to you.

20.2 So long as the Credit (or any part of it) is available or outstanding, you undertake to us that you will:

- (a) promptly inform us of any Event of Default and of anything of which you become aware which, with the giving of notice or lapse of time or otherwise, would result in an Event of Default;
- (b) provide us with such financial and other information concerning your business, assets and financial affairs as we may from time to time reasonably require;
- (c) observe and comply with your obligations under this Agreement, the Security Documents and (to the extent applicable) the Boat Sale Agreement; and
- (d) instruct your auditors/accountants for the time being to discuss your financial affairs with us and to disclose to us without further sanction or authority such information as we may require regarding your business, assets and financial affairs.

21. **Events of Default**

21.1 If:

- (a) you fail to pay any sum payable under this Agreement within ten (10) calendar days of the due date; or
- (b) you fail to perform or comply with any other obligation under this Agreement or the Security Documents or you are or become in breach of any representation or warranty by you in this Agreement which we reasonably consider to be material to this Agreement and such failure or breach if remediable is not remedied within the timescales notified by us to you for remedy of such breach; or
- (c) any guarantee or indemnity given by you is not honoured when due and called upon; or
- (d) a third party takes possession of or a trustee, receiver or similar officer is appointed in respect of all or part of your business or assets or a distress execution attachment or other legal process is levied or enforced upon against all or any

TERMS AND CONDITIONS (“Terms”)

- substantial part of such assets and is not discharged within fourteen (14) calendar days; or
- (e) you are deemed unable to pay your debts within the meaning of (as appropriate) sections 222, 223, 224 or 268 of the Insolvency Act 1986 or you commence negotiations with any one or more of your creditors with a view to the general readjustment or rescheduling of your indebtedness or make a general assignment for the benefit of or a composition with your creditors; or
- (f) you die or become of unsound mind or have a bankruptcy petition presented or order made against you; or
- (g) any guarantee, indemnity or other security for any of your liabilities to us whether under this Agreement or otherwise is or becomes, for any reason, invalid, unlawful, unenforceable, terminated, disputed or ceases to be effective or to have full force and effect; or
- (h) at any time it is or becomes unlawful for you to perform or comply with any or all of your obligations to us under this Agreement or the Security Documents (or any of them); or
- (i) any event occurs (or circumstances exist) which, in the reasonable opinion of the Lender, has or is likely to materially and adversely affect the Borrower's ability to perform all or any of its obligations under, or otherwise comply with the terms of, this Agreement or the Security Documents; or
- (j) any guarantor or surety seeks to determine his obligations to us under his guarantee;
- (k) you fail to provide us with any of the documents, items, other evidence or information required as Conditions Precedent under clause 6.1;
- (l) you fail to provide us with an up to date certificate or other evidence of comprehensive insurance or evidence of the Lender as payee under the Policy in accordance with clause 16.2 and 16.3;
- (m) any event or circumstance occurs in any jurisdiction analogous to any of the events referred to in sub-paragraphs (a) to (i) of this clause 21 in respect of you or your guarantor; or
- (n) any of your audited accounts or net worth statements are qualified in a way to lead us acting reasonably to conclude that such accounts or statements do not accurately and in any material respect reflect your true financial position; or
- (o) Total Loss of the Boat occurs.
- then and at any time thereafter we may send you a default notice, specifying the Event of Default, the action you must take to remedy this and the date by which it must be remedied. If you do not remedy the Event of Default by the date specified in the default notice, we may then terminate this Agreement and/or demand immediate repayment of the Credit together with accrued interest and all other amounts due under the Agreement and you will immediately comply with such demand.
- 22. Your responsibility for our costs, expenses etc.**
- 22.1 You agree that you will pay or reimburse us on our written demand the amount of any loss, cost or expense which we (or our agents or independent contractors) may reasonably incur in consequence of:
- (a) any failure to pay any amount under this Agreement when due; and/or
- (b) the occurrence of any Event of Default and the enforcement of our rights against you; and/or
- (c) any failure by you to maintain the Insurance; and/or
- (d) any action by you which would invalidate the Insurance referred to in clause 16; and/or
- (e) any other action which we reasonably take to protect, enforce or preserve our rights under this Agreement.
- 23. Additional costs**
- 23.1 You will pay us on demand any amount reasonably determined by us to be necessary to compensate us for any increased costs or reduction in return resulting from compliance with any change in, or in the interpretation of, any law or regulation or any official directive or request (whether or not having the force of law). This shall not apply to any increased costs or return which results from our negligence or breach of this Agreement and we shall use reasonable efforts to avoid or eliminate the effects of such increased costs or reduction in return.
- 24. Assignment and transfer**
- 24.1 You may not assign or transfer or otherwise deal in any way with any of your rights or obligations under this Agreement or the Security Documents.
- 24.2 We may on giving written notice to you assign or transfer all or any of our rights and obligations under this Agreement and/or the Security Documents provided that the assignment or transfer does not adversely affect your rights under this Agreement or Applicable Law. You will at our request enter into all documents reasonably specified by us to be necessary to give effect to any such assignment or transfer. We may change our lending office at any time.
- 25. General**
- 25.1 If at any time it is unlawful, or contrary to any request from or requirement of any central bank or other public or regulatory authority, for us to make funds available to you or allow to remain outstanding all or any part of the Credit, then we will promptly after becoming aware of this deliver to you a certificate to that effect and: (i) we shall not thereafter be obliged to make the Credit available; and (ii) if we so require, you shall on such date as we specify repay the Credit together with accrued interest and all other amounts then due to us under this Agreement.
- 25.2 If any term of this Agreement or the Security Documents is found to be unenforceable, this shall not affect the enforceability of all the other terms.
- 25.3 Unless expressly provided in this Agreement, no term of this Agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to it.
- 25.4 This Agreement may be signed and delivered by email or fax or by electronic means (including e-mail).
- 25.5 If at any time we allow any time for remedy of a breach, or if we otherwise do not insist on our strict rights under this Agreement, this will not restrict us from doing so in the future.
- 26. Notices or communications by each party**
- 26.1 Any notice required under this Agreement will be properly served if in writing and sent by e-mail, fax, prepaid letter, post or delivered by hand to the addresses specified on page 1 of this Agreement or the last-known address of the addressee.
- 26.2 If notice is sent by prepaid letter or post to another jurisdiction it must be by air mail.
- 26.3 Notice will be effective subject to Applicable Law:
- (a) in the case of e-mail when sent, provided no error message is received by the sender;
- (b) in the case of fax when confirmation of successful transmission is received by the sender's fax machine;
- (c) if delivered by hand at the time of delivery;
- (d) if sent by prepaid post, 48 hours after posting;
- except that notices received by the Lender on a day which is not a Business Day or at a time after 5pm Paris time shall be effective only at 9am on the start of the next Business Day.

TERMS AND CONDITIONS (“Terms”)

27. Governing Law, language etc.

- 27.1 The provisions relating to data protection are governed by French law.
- 27.2 Otherwise, this Agreement shall be subject to English law unless your address is in Scotland or Northern Ireland in which case Scottish or Northern Ireland laws respectively will apply. Disputes will be subject to the jurisdiction of the English, Scottish or Northern Ireland courts on the same basis.
- 27.3 Clause 27.2 is subject to any overriding requirements of law requiring a different governing law or the jurisdiction of different courts

28. Complaints and regulation

- 28.1 If you would like to make a complaint about the Lender, please call our customer services team on **+33 320 45 66 11** or contact them by e-mail at **yacht.cs@cgifinance.fr**.
- 28.2 If you consider that the complaint has not satisfactorily been resolved or it has not been dealt with satisfactorily within eight weeks, then, unless you are a business debtor, you may refer it to the Financial Ombudsman Service for further attention. If you are a business debtor, you may have a right to complain to the Financial Ombudsman Service.
- 28.3 We are authorised and regulated in France by the Banque de France and on that basis may enter into this Agreement and provide services on a cross-border basis by virtue of our EEA passport.
- 28.4 If any part of this Agreement is inconsistent with Applicable Law, then Applicable Law shall prevail.

29. General – Interpretation

- 29.1 In this Agreement, unless the context otherwise requires, the following expressions shall mean the following:

“Applicable Law”	means any law, statute, ordinance, rule, regulation, order or determination of any governmental or regulatory authority or any requirement of any official body (including any taxation authority) which is binding on you or us including the Consumer Credit Act 1974;
“Business Day”	means a day, other than a Saturday, Sunday, bank holiday or public holiday, on which banks are open in London and Paris for business of the kind contemplated by this Agreement;
“Commencement Date”	means the date of signature of the Agreement by you;
“Credit”	means the credit facility made available to you under this Agreement;
“Deed of Assignment of Earnings and Insurances”	means the Deed of Assignment of Earnings and Insurances to be executed by you in favour of the Lender if the Boat is to be made available by you for charter;

“Earnings”

means all amounts which may at any time be earned by or become payable to or for your account arising out of the ownership, use, operation by you of the Boat including: (i) all hire and other amounts payable under any charter or other contract relating to the Boat; (ii) all payments for any variation or termination of any such contract; and (iii) all damages for any breach of contract (including damages for detention), all general average recoveries and remuneration for towage and salvage;

“EUROS” or “€”

means the lawful currency of each EU member state which participates for the time being in the single currency of the European Union. For the purposes of this Agreement, where the Credit is denominated in Euros and/or payments under this Agreement are required to be made in EUROS. This will not be affected by any changes in the countries which participate in the single currency of the European Union from time to time.

“Event of Default”

Means any one of the events or circumstances referred to in clause 21;

“Insurance”

means the insurance policy referred to in clause 16.1;

“Interest Period”

means, a period the commencement and length of which shall be determined in accordance with clause 7 of this Agreement;

“Interest Rate”

means the rate specified on page 3 of this Agreement, as may be varied from time to time in accordance with this Agreement;

“Mortgage”

means the Mortgage Deed in Appendix 1 and the terms of this Agreement;

“Security”

means the Mortgage and if applicable, the Deed of Assignment of Earnings any guarantee or surety that may be provided in respect of your obligations under the Agreement and in Appendix 1 and the terms of this Agreement;

“Security Period”

means the period beginning on the Commencement Date (as set out in clause 2 of these Terms) and ending on the date on which the Credit is paid in full to the Lender;

“Sterling” or “£”

means the lawful currency from time to time of the United Kingdom;

“Total Loss”

means the actual or constructive

or compromised or arranged total loss of the Boat.

29.2 Interpretation

In this Agreement, unless the context otherwise requires or unless otherwise specified:

- (a) a reference to a statute, statutory provision or regulation is a reference to it as amended or re-enacted. A reference to a statute or statutory provision includes all subordinate legislation made under that statute or statutory provision.
- (b) words in the singular include the plural and vice versa and words in one gender include any other gender;
- (c) any words following the terms including, include, in particular, for example or any similar expression shall be interpreted as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;
- (d) each reference to a document is a reference to that document as amended from time to time.
- (e) a reference to writing or written includes faxes and emails.
- (f) the expressions “we”, “us” “our”, or the “Lender” includes our transferees, assigns and successors.
- (g) words and expressions to which meanings have been given in the first 7 pages of this Agreement shall have the same meanings in these Terms and vice versa;
- (h) headings are for convenience only and shall not affect the meaning of any provision;
- (i) “above” means in the preceding provisions or terms of the Agreement and “below” means the following provisions of the Agreement.

29.3 Where a Borrower and one or more Co-Borrowers are parties to this Agreement:

- (a) any reference to “you”, “your” or similar words shall mean the Borrower and the Co-Borrower(s) unless otherwise stated; and
- (b) any liability of the Borrower and the Co-Borrower(s) shall be on a joint and several basis (which means that each of the Co-Borrowers is responsible for the whole amount of the Credit and the obligations of the Borrower(s) under this Agreement).



APPENDIX 1
Mortgage Deed



Maritime &
Coastguard
Agency

An Executive Agency of the Department for Transport
Merchant Shipping Act 1995



Mortgage of a Ship

to secure Account Current etc/other obligation

- If more than one mortgagor then a separate mortgage is required from each mortgagor, unless shares are jointly held.
- In respect of fishing vessels, mortgages may be registered only against those registered with FULL registration.
- The prompt registration of a mortgage deed with the Registry is essential to establish the priority of the mortgage. This is because the priority of the mortgage is determined by the date on which it is produced for registration and not from the date of the mortgage itself.
- If the mortgagor is a company the mortgage must be registered with the Registrar of Companies within 21 days of its execution.
- It is important that the Registry is informed of any changes.
- Please write in black ink using BLOCK CAPITALS, and tick boxes where appropriate.

The mortgage reference no. (issued by the mortgagee) is:

IS THIS MORTGAGE IN RESPECT OF A FISHING VESSEL?

 s

 b

Name of ship

Official number

SECTION 2: THE MORTGAGE

Whereas
there is¹

A Mortgage Account Current

between²

**as joint mortgagors (hereinafter called the "the mortgagors")*

and²

SGB Finance whose registered office is

situated at 69 Avenue de Flandre, 59708 Marcq en Baroeul, Cedex, France

**as joint mortgagees (hereinafter called the "the mortgagee")*

³

This mortgage secures all amounts for the time being due (whether principal, interest, costs or otherwise) to the mortgagee by the mortgagor or mortgagors including but not limited to principal, interest, costs or otherwise due under a loan agreement between the mortgagee and the mortgagor dated (*date*) (this loan agreement as it may subsequently be amended or supplemented is called 'the Loan Agreement' in this mortgage). The terms of the Loan Agreement are incorporated in this mortgage including but not limited to any terms specifically referring to this mortgage. All amounts for the time being due (whether principal, interest, costs or otherwise) from the mortgagor to the mortgagee under this mortgage may be ascertained by reference to the Loan Agreement, and the accounting records of the mortgagee.

¹ State an "account current" or write in a short description of the obligation.

² Give full name and address, with place of business in respect of a company.

³ Describe fully the nature of the liabilities secured. You may refer to another document.

OFFICIAL USE ONLY
Mortgage
entered in the Register on
(priority)
at
(time)
(date)
officer's initials

SECTION 2: THE MORTGAGE (continued)

* Executed by the mortgagor as a deed (in England, Wales & Northern Ireland)
 * Subscribed by the mortgagor (in Scotland) * Delete as appropriate

on this _____ day of _____ 20 ____ by signing by the following persons

Member _____
 Member _____
 Witnessed by _____
 Name (Print) _____
 Address (Print) _____

NOTE: IN SCOTLAND subscription may be by one member of the Limited Liability Partnership and one witness, or by two members of the Limited Liability Partnership.

*I/we, the above mentioned mortgagee(s), in consideration of¹

this day²

by³

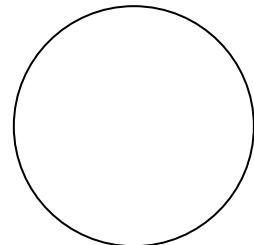
hereby transfer to *him/her/them the benefit of the within written security.

❖ Executed by the transferor as a deed (in England, Wales and Northern Ireland)
 ❖ Subscribed by the transferor (in Scotland)

COMPANY SEAL

_____ day of _____ 20 ____ by:-

** (a) the affixing of the common seal of the transferor in the presence of the following persons signing; or
 ** (b) signing by the following persons;



Director _____
 Director or Secretary _____
 Authorised Signatory _____
 Authorised Signatory _____
 # Witnessed by _____
 Name (Print) _____
 Address (Print) _____
 Address _____

* Delete as appropriate # If the signature must be witnessed the name and address of the witness must be given
 Note: IN ENGLAND, WALES & NORTHERN IRELAND – signature may be by (a) two directors, (b) by the company secretary and a director, or (c) by a director in the presence of a witness who completes the details above to attest the signature. If the common seal is affixed any special requirement of the company's articles about signing must be complied with.
 IN SCOTLAND – signature may be by one director or the secretary of the company or one person authorised to sign the document on behalf of the company, or one member of the Limited Liability Partnership, provided such single signature is witnessed. Alternatively, signature may be effected without a witness by two directors, or a director and the secretary, or two persons authorised to sign the document on behalf of the company, or two members of the Limited Liability Partnership. Note that signature by one authorised signatory and either a director or the secretary of the company is not valid.

OFFICIAL USE ONLY
 Transfer of mortgage (priority)
 entered in the Register on (date)
 at (time)
 officer's initials

- * Executed as a deed (in England or Wales)
- * Subscribed (in Scotland)
- * Signed, sealed and delivered (in Northern Ireland)

* Delete as appropriate



on this _____ day of _____ 20 ____
 by the following person(s) signing as transferor(s)

Signature(s) of transferor(s)		
In the presence of		
Name(s) of witness(es)		
Address(es) of witness(es)		
Occupation(s) of witness(es)		

NOTE: Every signature must have one witness

¹ Enter the sum of money or the nature of the obligation.

³ Give full name and address of the transferee, with place of business in respect of a company

* Delete as necessary

² Enter "paid to *me/us", or narrative suitable to the obligation.

* Executed by the transferor as a deed (in England, Wales & Northern Ireland)

* Subscribed by the transferor (in Scotland)

*Delete as appropriate

on this _____ day of _____ 20 ____ by signing by the following persons

Member _____

Member _____

Witnessed by _____

Name (Print) _____

Address (Print) _____

Note: IN SCOTLAND subscription may be by one member of the Limited Liability Partnership and one witness, or by two members of the Limited Liability Partnership.

SECTION 4: DISCHARGE OF A MORTGAGE

* Received by the within-mentioned *mortgage(s)/transferee(s) of the mortgage,

1

This within written security is now discharged.

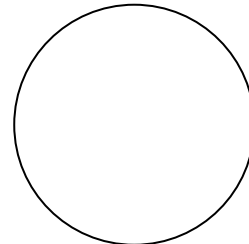
* The within-mentioned *mortgage(s)/transferee(s) have agreed to discharge this within written security and it is therefore discharged.

COMPLETE IF THE DISCHARGE IS GIVEN BY A COMPANY

* Executed by the mortgagee/transferee as a deed (in England, Wales and Northern Ireland)

COMPANY SEAL

* Subscribed by the mortgagee/transferee (in Scotland)



_____ day of _____ 20 ____ by:-

- ** (a) the affixing of the common seal of the mortgagee/transferee in the presence of the following persons signing; *or*
- ** (b) signing by the following persons;

Director _____

Director or Secretary _____

Authorised Signatory _____

Authorised Signatory _____

Witnessed by _____

Name (Print) _____

Address (Print) _____

Address _____

** Delete as appropriate

If the signature must be witnessed the name and address of the witness must be given

Note: IN ENGLAND, WALES & NORTHERN IRELAND – signature may be by (a) two directors, (b) by the company secretary and a director, or (c) by a director in the presence of a witness who completes the details above to attest the signature. If the common seal is affixed any special requirement of the company's articles about signing must be complied with. IN SCOTLAND – signature may be by one director or the secretary of the company or one person authorised to sign the document on behalf of the company, or one member of the Limited Liability Partnership, provided such single signature is witnessed. Alternatively, signature may be effected without a witness by two directors, or a director and the secretary, or two persons authorised to sign the document on behalf of the company, or two members of the Limited Liability Partnership. Note that signature by one authorised signatory and either a director or the secretary of the company is not valid.

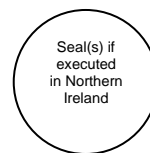
OFFICIAL USE ONLY
Transfer of mortgage
entered in the Register on
(priority)
at
(date)
officer's initials
(time)

* Executed as a deed (in England or Wales)

* Subscribed (in Scotland)

* Signed, sealed and delivered (in Northern Ireland)

* Delete as appropriate



on this _____ day of _____ 20 ____

by the following person(s) signing as mortgagee(s)/transferee(s)

Signature(s) of mortgagee(s)/transferee(s)	of		
In the presence of			
Name(s) of witness(es)			
Address(es) of witness(es)			
Occupation(s) of witness(es)			

NOTE: Every signature must have one witness

¹ Enter "the sum of _____" or narrative suitable to the obligation

WARNING: If the discharged deed is not presented to the Registry the mortgage will remain registered against the ship.

SECTION 4: DISCHARGE OF MORTGAGE (continued)

COMPLETE IF THE DISCHARGE IS GIVEN BY A LIMITED LIABILITY PARTNERSHIP

* Executed by mortgagor as a deed (in England, Wales & Northern Ireland)
* Subscribed by the mortgagor (in Scotland) * Delete as appropriate

on this _____ day of _____ 20 ____ by signing by the following persons

Member _____

Member _____

Witnessed by _____

Name (Print) _____

Address (Print) _____

NOTE: IN SCOTLAND subscription may be by one member of the Limited Liability Partnership and one witness, or by two members of the Limited Liability Partnership.

When the mortgage is originally executed you should send this deed with the correct fee to:	REGISTRY OF SHIPPING & SEAMEN ANCHOR COURT, KEEN ROAD, CARDIFF, CF24 5JW.
When a transfer or discharge or mortgage is executed you should send this deed (without a fee) to:	



APPENDIX 2

Charges, fees and expenses

LIST OF CHARGES, FEES AND EXPENSES

Valid as from January 2018

An updated List may be found at www.sgb-finance.com/uk/

All amounts are stated in Sterling and Euros. Amounts may vary subject to exchange rate fluctuations.

Charges

SGB Finance shall be entitled to make the following charges and to adjust the said charges from time to time:

- Late Payment/default charge £/€100
- Request for copy documents £/€30
- Request for information re: loan £/€20
- Dunning/Default letters £/€30

The above charges, except the Commitment fee, are commensurate with and reflect the actual administrative cost of performing the relevant action.

Fees and expenses

Set out below is a list of the amount of certain of the fees and expenses that may be incurred in connection with this Agreement. This list is indicative only, and the actual fees and expenses charged to the Borrower by the Creditor will depend on a number of factors, including:

- the jurisdiction of registration;
- the length of the Boat (if the Boat is longer than 15 metres then prices may be higher);
- whether the Boat is new or unregistered or there is a change of ownership
- whether preparation, administration and registration is straightforward;
- the time spent by any agents or sub-contractors of the Lender undertaking any of their responsibilities on behalf of the Lender to facilitate the administration required under this Agreement or the Mortgage;
- any bespoke requests by the Borrower;
- any reasonable remuneration, costs, charges or expenses of a Receiver appointed to act on your behalf pursuant to the terms of the Agreement.

Expense	Guide amount (excluding VAT)
Agent's fee for registering the Boat, Mortgage and Notice of Mortgage Intent (if applicable)	Fixed fee – see below
MCA fee for Notice of Mortgage Intent	£25
MCA fee for Registration of Mortgage	£84
MCA fee for Full Registration	£124
Transcript of Registry	£21
Tonnage survey fee (under 15m)	£195
Tonnage Plate (showing official number and net tonnage)	£15
Companies House fee (companies only)	£13 per charge
Five year MCA registration fee	£49
Agents fees for re-registration after 5 years	£160
Agents fees for discharge of the mortgage	£160

Such fees and expenses are subject to change which is outside our control.

The Lender's agent will register the Boat and the Mortgage, and arrange the Tonnage Certificate required for registration of the Boat for a fixed fee to be advised by the Lender, on the basis that the Boat is under 15 metres and is in the United Kingdom. This fee includes the MCA fees. **If the Boat is not in the United Kingdom and/or is over 15 metres there will be an additional charge for the Tonnage Certificate, which is available on request from the Lender.**

Further, if you are a company or limited liability partnership, the Lender's agent will register the Mortgage and Deed of Assignment of Earnings and Insurances (if applicable) at Companies House. The Lender's agent will charge an additional fee of £150 plus VAT and the Companies House fee of £13 for the Mortgage and £13 for the Deed of Assignment of Earnings and Insurances.

The MCA fees set out above are the fees for standard service and registration can take between approximately 2-6 weeks. If you require the Boat to be registered as a priority, the MCA have a premium service, for which there are additional fees. The MCA premium service fees are available on request from the Lender.

Enforcement charges will depend upon the above mentioned factors but in all cases shall reflect the actual costs of our agents.

APPENDIX 3
DRAWDOWN NOTICE

To: SGB Finance
1 Rue Célestin Freinet
Entrée A Nord
BP 5012
44200 NANTES
France

For the attention of:

Date:20.....

Dear Sirs

Credit Agreement (the "Agreement")

We wish to draw down the Credit under the above Agreement as follows:

Drawdown Date:20.....

Currency: Sterling/Euro [delete as appropriate]

Amount: £/€.....

Supplier's bank account to which proceeds are to be paid:

Name of bank	_____
Address of bank	_____
Name of account holder	_____
Sort code	_____
Account number	_____
IBAN	_____
BIC/SWIFT	_____
Amount	_____

Second bank account to which proceeds are to be paid:

Name of bank	_____
Address of bank	_____
Name of account holder	_____
Sort code	_____
Account number	_____
IBAN	_____
BIC/SWIFT	_____
Amount	_____

We confirm that:

- (a) the matters represented by us and set out in clause 20 of the Agreement are true and accurate on the date of this notice as if made on such date; and
- (b) no Event of Default (as defined in the Agreement) or event which with the giving of notice or any certificate or the lapse of time or the making of any determination or the satisfaction of any other condition (or any combination thereof) might or would constitute an Event of Default has occurred and is continuing or would in the drawing of the Credit.

Yours faithfully

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Borrower Co- Borrower Co- Borrower Co- Borrower