

IMPORTANT ADVICE

These Terms and Conditions contain provisions by way of indemnity and also exclusion and limitation of liability in favour of Portland Port Group (PPG), its subsidiary and associated companies, which undertakes no obligation to effect insurance (and makes no charge for insurance) in respect to the customers, their servants, goods or liabilities. Customers are therefore advised to effect insurance themselves.

Where inconsistent with Terms and Conditions previously applying or understood to apply these Terms and Conditions will prevail.

1 DEFINITIONS

In these Terms and Conditions, unless otherwise expressly provided, or unless the context shall otherwise require, the following expressions shall have the meanings hereby assigned to them.

‘PPG’ shall mean Portland Port Group, its successors in title, or any subsidiary companies and any associated companies of Portland Port Group.

‘PPG Manager’ shall mean the General Manager, or the Marine Manager and Harbourmaster, or the Operations Manager, or the Financial and Administration Manager, all of whom being full time employees of PPG and acting within the limits of their designated authorities.

‘Customer’ shall mean any person, corporation, firm or body of persons whether incorporated or unincorporated who has or brings any vessel within PPG’s harbour jurisdiction or visits the premises of PPG and/or who delivers or brings goods or plant onto or whose goods or plant come howsoever to be on those premises and/or who by themselves, their servants or agents avail themselves of any facility or service provided by PPG.

‘Goods’ shall mean cargo of any description whatsoever together with any plant (as defined hereunder), package, case, pallet, container or other thing which conveys, carries, contains, protects or supports cargo or is designed or made to do so.

‘Hover Vehicle’ means a vehicle, however propelled, designed to be supported on a cushion of air.

‘Hydrofoil Vessel’ means a vessel, however propelled, designed to be supported on foils.

‘Plant’ shall mean any vehicle, trailer (whether or not carrying or incorporating any tank or container), machine, container, fender, mooring device, or Linkspan bridge.

‘**Vessel**’ includes any ship, boat, raft or craft of every class or description however navigated or propelled and a hover vehicle and a hydrofoil vessel.

Where the context permits words in the singular shall include the plural and words in the plural shall include the singular.

2 APPLICATION OF TERMS AND CONDITIONS

These Terms and Conditions shall apply to all legal relationships between PPG and any customer whether in respect of contract, bailment or licence (whether to enter or remain or otherwise). These Terms cannot be varied otherwise than in writing and signed by an authorised Director of PPG. The acceptance by the customer of these Terms and Conditions may be express but even if not made expressly, acceptance will be implied from the entry by the customer into any legal relationship with PPG. In particular such acceptance will be deemed to have been made in the event of the entry or delivery of any person, vessels, goods or plant into the harbour jurisdiction of PPG or onto or upon the premises of PPG and/or of any Shipping or Unit Load Note or the making of any other written or oral application to PPG for entry to the premises of PPG or for any service or the use of any facility by or on behalf of the customer.

3 WARRANTY OF AUTHORITY BY CUSTOMER

The customer expressly warrants to PPG that he is either the owner or the authorised agent of the owner of the goods the subject matter of the transaction and of any plant brought onto PPG’s premises and further warrants that he accepts these conditions not only for himself but also as duly authorised agent for and on behalf of every other person, firm or corporation who is interested in the goods.

4 ORDERS IN WRITING

PPG will only store or perform or provide any service or accommodation in connection with the goods or plant on receiving orders in writing to do so from the customer, either at the time each service is required or in accordance with any contractual arrangement to provide such services over a period of time. PPG will, on application, supply forms of request to persons using its premises for the various services undertaken by or facilities provided by PPG. All orders by telephone must be immediately confirmed in writing and PPG will not, in any case, be responsible for its servants failure to comply, or for any errors by its servants in complying with such orders where they are communicated by telephone and are not promptly so confirmed in writing. Orders for shipment of goods and for delivery of imported goods can be acted upon only after receipt of written authority from the ship’s owners or agents, and proof of compliance with all Customs and other official formalities.

5 QUANTITY AND DESCRIPTION OF GOODS

- (a) An account of the contents and quantities of each vessel discharging or loading goods in the docks shall be supplied by the shipowner to PPG before the discharge commences or immediately after the loading has been completed.
- (b) Prior to (or on) delivery of the goods to PPG, the customer shall ensure that PPG is given a full description of the goods sufficient to identify it and in addition is given full particulars of the goods and any hazards connected therewith.
- (c) PPG shall be permitted by the customer to give any particulars furnished under (a) and (b) above to whosoever PPG deems necessary. The customer shall be bound by and deemed to warrant the accuracy of all descriptions, values and other particulars furnished to PPG and undertakes to indemnify PPG against all losses, damages, expenses and fines arising from the inaccuracy in or omission from the above particulars even if such inaccuracy or omission is due to any negligence on behalf of PPG, its employees, servants, agents, contractors or sub-contractors.

6 CONDITION OF GOODS AND PLANT

The customer warrants that any goods or plant which he delivers to or causes to be upon PPG premises:-

- (a) Will not contaminate or cause danger, injury, pollution or damage to any person or any goods or plant or PPG's premises or the water and air adjacent thereto.
- (b) Are not infested, verminous, rotten or subject to fungal attack or are liable to become so while at PPG's premises.
- (c) Are not overheated or liable to become so while at PPG's premises.
- (d) Require for their safekeeping no special protection (other than as may be agreed in writing between PPG and customer) arising from vulnerability to heat, cold, natural or artificial light, moisture, salt, pilferage, vandalism or proximity to other goods or from their inflammability.
- (e) Contain no controlled drugs (unless the customer is licensed or otherwise lawfully authorised in respect thereof), contraband, pornographic or other illegal matter.
- (f) Are properly and sufficiently packed to ensure the safety of the goods and to allow mechanical handling without damage or danger.

- (g) Are properly and sufficiently marked, documented and labelled for all shipping, cargo handling, dispatch, customs and like purposes.
- (h) Are properly marked with warnings as to the hazardous nature of any contents and the precautions to be taken in handling the same and with such warnings as may be necessary for ensuring the safety and health of all persons likely to handle or come into contact with the goods or their contents in the event of the escape of anything injurious therefrom.

Where PPG incurs any expense due to the customer's breach of any of the warranties set out in this Condition or in taking any steps which PPG shall consider to have been reasonably required to remedy the same, or to comply with the lawful requirements of The Department of Transport HM Customs and Excise, the Police, the Health and Safety Executive, the Public Health Authority or any similar body, its officers and agents in respect to the goods, the same shall be chargeable to and payable by the customer concerned.

Where they reasonably suspect that a breach of any warranty under this clause has been, or might be, committed PPG is entitled to refuse to accept any goods or plant into its premises, and if goods or plant have been accepted PPG may nonetheless reject them and require their removal; and in that event the customer shall be entitled to no recompense other than a refund of charges made, less the value of any damage caused by such goods or plant and any handling or other operating costs incurred by PPG.

7 PROMPT SHIPPING AND REMOVAL OF GOODS

All goods deposited upon any of the quays or wharves, or in any of the sheds or premises of PPG shall be shipped or removed therefrom with all due diligence and at latest within 4 days from time of final discharge of the vessel for incoming traffic or 12 days from the time of their being first brought or deposited thereon for outgoing traffic and any goods remaining beyond that time shall incur rent charges in accordance with the tariff and may be removed and dealt with PPG in accordance with Condition 11 and, where appropriate, Conditions 16, 17, 18 and 19.

8 DESTRUCTION OR DISPOSAL OF HARMFUL GOODS

Where any goods are, or while in the custody of PPG or its employees, agents, independent contractors, sub-contractors or sub-agents become noxious, hazardous, inflammable, explosive or in any way dangerous or otherwise likely to cause damage (which includes goods which are infectious, diseased or verminous or likely to harbour or encourage infection or disease or vermin or other pests) whether alone or in combination with other goods and whether or not by reason of the act or omission of any person, PPG or the person in whose custody the goods then are shall be at liberty to destroy or otherwise deal with the goods as in its or

his discretion may seem desirable for the purpose of rendering the goods harmless. Where this Condition applies the customer shall indemnify PPG against all loss, damage, costs and expenses arising out of or in connection with the fact or matter by reason whereof this paragraph applies.

9 DANGEROUS GOODS

Goods of an inflammable, explosive, dangerous or offensive nature shall not be brought into or dealt with at PPG's premises unless and until a declaration by the owner or depositor in writing shall have been given to an authorised PPG Manager of their nature, quality and quantity, and the PPG Manager's consent shall have been first obtained, in writing, and then only upon such terms and conditions as may have been arranged, or by or under statute.

10 EXPLOSIVES

Without prejudice to Condition 9, where PPG undertakes to handle explosives (defined as substances and articles listed under Class 1 of the International Maritime Dangerous Goods Code as published by the International Maritime Organisation) or consents to the handling of explosives on its premises by others, the customer shall, subject to the undernoted limit, bear and pay for any damage or injury which may be caused to any property belonging to PPG and for any expense to which PPG may be put by reason of or in consequence of a fire or explosion involving the explosive. Further, the customer shall, subject to the said limit, indemnify and keep indemnified PPG from and against all actions, claims, demands, costs, losses, charges, damages and expenses which may be brought or made upon PPG or which may pay, bear or be incurred or in connection with the handling of the explosives. The customer shall be required to provide a letter of confirmation from their insurance company that the said indemnity is underwritten by a policy of insurance, quoting the policy number and the period of insurance.

The limit under the foregoing paragraph shall be £3,000,000 in respect of any one accident or series of accidents arising out of one occurrence. This indemnity shall apply whether or not any accident or occurrence is caused by the negligence or default of PPG or its servants or agents, contractors or sub-contractors.

11 PPG's DISCRETION OVER HANDLING METHODS

Subject to specific written instructions given to PPG by the customer and accepted by PPG in writing, PPG reserves to itself complete freedom in respect of the means and procedure to be employed in the receipt, collection, unitisation, stuffing, stripping, storage, packing, carrying, handling, tallying, loading, discharging or delivery of goods. If in PPG's opinion, the interests of the customer so require, PPG may deviate from the customer's instructions (whether or not accepted by PPG) in any respect and any expenses reasonably incurred thereby shall be for the customer's account.

12 ARRIVAL OF VESSELS AND VEHICLES

PPG will not be bound to admit vehicles to its premises or to allow vessels to enter the harbour limits, berth or anchor thereat except by prior arrangement with the customer.

13 SEQUENCE OF HANDLING VESSELS AND VEHICLES

Vessels moored and vehicles arriving at PPG's premises or berths will be dealt with in order determined by PPG at its sole discretion.

PPG shall not be liable to pay or refund demurrage or any other compensation for the loss of use of vessels or vehicles or for their not being ready in time, nor to make good any other loss or damage suffered as a result of delay or interruption in the handling of vessels or vehicles or in receiving goods into or delivering them out of PPG's premises.

The customer shall ensure that the vessels and vehicles arrive and are handled and depart in conformity with the requirements and regulations of PPG, its Marine and Operations Staff, and other officials as well as the lawful requirements of The Department of Transport HM Customs and Excise, the Police, the Health and Safety Executive, the Port Health Authority or any similar body.

14 HOURS OF WORK

PPG shall not be bound to do any work outside the normal hours of 0800 to 1700 Mondays to Fridays, or on UK Bank and Public Holidays, unless otherwise agreed in writing by PPG, and PPG shall be entitled to make additional charges for any work done outside such hours, and days, at the customer's request.

15 PAYMENT OF DUES AND CHARGES

The rate of PPG's charges shall be those published in the Port Office under the title 'Standard Port Tariff' and they are those prevailing at the time that the facilities or services of PPG are actually utilised by the customer, PPG may from time to time revise these rates and charges by publishing any such revisions in the Port Office.

PPG's standard Terms of Payment are as follows:-

(a) Ship Dues:

payable on demand before sailing or on receipt of invoice (whichever is the earlier).

(b) Goods and Passenger Dues and other trade accounts:

payable on demand unless special credit facilities have been agreed.

Upon application by customers to PPG and the signing by them of the prescribed request, PPG in its discretion, may allow them a credit account subject to any special conditions which may from time to time be applicable. Invoices charged to approved credit accounts shall be paid without deduction within 21 days of the invoice date, excepting that ship dues are payable in advance or on demand, and charges for services shall be payable on the agreed dates or on demand. Payment thereof shall not in any case be delayed pending the settlement of any questions as to the accuracy of any particular item or items of the account or the allowance of any counter claim or set-off by the customer.

PPG reserves the right to charge interest at the rate of **4%** per annum above the base rate of Lloyds Bank plc on all accounts overdue and such interest shall accrue on a daily basis until payment is received.

PPG may, subject to any statutory requirements to the contrary, at any time demand payment by standing order or prepayment of the whole or part of its charges.

No undertaking by PPG to collect from a consignee or any other person any sum payable to the customer and no demand by PPG on such person shall constitute a waiver or release by PPG of any rights against the customer.

No vessel will normally be permitted to leave the berths until all dues and charges have been paid and a pass has been obtained from PPG's General Manager, which must be lodged with PPG's Operations Manager, prior to the departure of the vessel.

PPG may refuse to deliver or release goods until all charges incurred in relation hereto have been paid but pending such delivery or release any charges accruing on a daily basis or other periodic basis shall continue to accrue.

16 GENERAL LIEN WITH POWER OF SALE

PPG may exercise, upon all goods and plant in its possession a lien, not only for any charges and expenses due thereon, but also for moneys owing by the owners to PPG on any account, and in the event of any such charges, expenses and moneys not being paid within 10 days of the notice of the exercise of any such lien, PPG may sell the goods and apply the proceeds towards the satisfaction of all such charges, expenses, and moneys on whatsoever account owing and also such charges and expenses arising during the exercise of any such lien. If the customer has sold or shall sell the goods being the subject of the lien, PPG may at their option accept the proceeds of such sale or some interest or charge in or over such proceeds in substitution of their lien as a condition for releasing the goods.

17 DISPOSAL OF PERISHABLE GOODS

Where PPG is in possession of perishable goods of any nature which are not taken up immediately upon arrival or which are liable for any reason to perish before shipment or delivery which, in the opinion of PPG are insufficiently addressed or marked or are otherwise so unidentifiable that PPG cannot determine on what vessel they should be shipped or to whom they should be made available for collection, PPG may sell or otherwise dispose of such cargo without any notice to the customer, sender, owner or consignee of the goods. All charges and expenses arising in connection with the sale or disposal of the goods shall be payable by the customer, and, in event of a sale, payment or tender of the net proceeds of sale, after deduction of the aforesaid charges and expenses and all other sums due to PPG under these conditions, shall discharge all liability of PPG to any person, firm or corporation in respect of the goods.

18 DISPOSAL OF UNDELIVERABLE GOODS

PPG shall be entitled to sell or otherwise dispose of all non-perishable goods which, in the opinion of PPG, are insufficient or incorrectly addressed or marked or are otherwise so unidentifiable that PPG cannot determine on what vessel they should be shipped or to whom they should be made available for collection or which are not collected or accepted by the consignee, upon giving 21 days notice in writing to the customer (if known) or the publication of such notice in the Port Office at Portland Port, Dorset.

All charges and expenses arising in connection with the storage, sale or disposal of the goods shall be payable by the customer, and, in the event of a sale, payment or tender of the net proceeds of the sale after deduction of

the aforesaid charges and expenses, and all other sums due to PPG under these conditions, shall discharge all liability of PPG to any person, firm or corporation in respect of the goods.

19 DISPOSAL OF EMPTY CASES, PACKAGING ETC

After shipment or other removal of goods from PPG's premises any package, case, pallet, container or other thing which conveys or supports cargo, remaining empty or substantially empty and unused shall be removed by the customer within 28 days of such shipment or other removal of the goods or their becoming empty or substantially empty (as the case may be). If the customer fails to remove those items within that period or such further period as PPG may in writing agree to allow, PPG may for their sole benefit dispose of them (whether by sale, gift, destruction or otherwise) and shall not be liable, answerable or accountable to the customer or any person interested in such items for so doing or for the proceeds of any such disposal.

20 LIABILITY - PROOF OF NEGLIGENCE

PPG shall be liable for loss or misdelivery of or damage to goods or plant or any deficiency therein if, it be proved by the customer (otherwise than by evidence only of such loss, misdelivery, damage or deficiency of or to the goods or plant when in PPG's possession or power) to have been caused by the negligence of PPG or their directly employed salaried staff.

21 FORCE MAJEURE

- (a) PPG shall not be liable for any breach of obligation to the extent that performance thereof is delayed, hindered or prevented by force majeure.
- (b) Force Majeure means any circumstances or conditions beyond PPG's control or which it is not reasonably practicable for PPG to control or alleviate.
- (c) Without prejudice to the generality of sub-conditions (a) and (b) above and without being thereby limited, force majeure includes any one or more of the following:-

- i. Act of God, storm, tempest or flood.
- ii. Fire (including steps taken for the extinguishment thereof), explosion, smoke, ionising radiation, radioactive contamination.
- iii. Impact by aircraft or objects dropped or falling from them.
- iv. Strikes, combinations, lockouts, go-slows, or any other industrial action for any person or anything done in the furtherance of a trade dispute.
- v. Scarcity of labour, plant, machinery, fuel or power.
- vi. War, revolution, riot or civil commotion.
- vii. Restrictions imposed directly or indirectly by HM Government or any person, corporation or body acting under statutory powers.
- viii. Theft or wilful damage unless proved by the customer to have been committed by the directly employed salaried staff of PPG.
- ix. Inherent vice of the goods; specifically to include sprouting and greening of potatoes.
- x. Vermin, insects, fungal attack, rot or corrosion.
- xi. Heat or cold including heat within the goods themselves and unintended exposure to natural or artificial light.
- xii. Improper or insufficient packing, marking, documentation or labelling.
- xiii. Any act of PPG , it's servants or agents, which though deliberate, are reasonably necessary for the safety or preservation of persons, the premises and or any goods thereat.
- xiv. Late receipt of Customs entries or delivery or landing orders, disputes in respect of documents or declarations made for entry purposes by or on behalf of any person, delay in passing Customs entries or obtaining clearance of any goods or omission of information from or a misstatement in any order to PPG relating to the goods.

22 LIMITATION OF LIABILITY - CONSEQUENTIAL LOSS

PPG shall be under no liability whatsoever (whether for negligence or otherwise) for goods, plant or vessels being delayed or for loss of any market thereof or for any other consequential loss.

23 LIABILITY - MONETARY LIMIT

The liability under Condition 20 hereof shall be limited to the cost of the goods or plant lost, misdelivered or damaged or the market value thereof or the cost of replacing or repairing the same or £1,300 per tonne of the gross weight of the goods or plant concerned, whichever shall be the least.

24 LIABILITY - TIME BAR FOR CLAIMS

It is a condition precedent to the liability of PPG under Condition 20 hereof that PPG be notified in writing, in the case of damage, deficiency or partial loss, before the goods are removed from PPG's premises and in the case of total loss or misdelivery, within 30 days in the case of import goods or 60 days in the case of export goods of the delivery of the goods by PPG or their removal from PPG's premises, with particulars of the nature and amount of any claim to be made. Any claim not made in accordance with the terms of this condition shall be deemed to be waived, extinguished or absolutely barred.

25 LIABILITY LIMITS AVAILABLE TO THIRD PARTIES

By delivering the goods to PPG, the customer shall be deemed to confer severally upon the employees and agents of PPG, and upon its or their independent contractors, the benefit of all warranties, representations, limitations and exclusions of, or exemptions from liability indemnities, defences, amenities and rights herein provided for the benefit of PPG, upon any such person as aforesaid providing any services whether or not of a stevedoring nature in relation to the goods. This Condition also constitutes a separate contract made by PPG on its own behalf and as agent for all persons who are its servants or agents from time to time whether or not as stevedore providing services as aforesaid in relation to the goods.

26 REGULATIONS AND CONDITIONS APPLICABLE TO SHIP DUES AND RENT

(a) Ship dues will be charged according to the prevailing standard port tariff at the date of the commencement of the commercial contract or the date of entry of the ship into the port, whichever is the earlier.

(b) Ship dues cover one entering of the port limits to use PPG berths, jetties,

or anchorages, following by one departure therefrom. Any subsequent use of berths, jetties or anchorages will be subject to supplementary ships dues and berthing charges, except when the ships movement is upon orders given by the PPG Manager.

- (c) In calculating the rent both the day of entry and the day of departure will be included.
- (d) In calculating ship dues fractions of a day or week or gross tonne will be reckoned as day or week or gross tonne respectively.
- (e) In case of foreign vessels not issued with a Certificate of British Tonnage or an International Tonnage Certificate (1969), charges shall, except to the extent PPG declare otherwise, be related to such tonnage as is measured in accordance with the Regulations applicable to ships registered in the United Kingdom.
- (f) Basis for Charge:
 - i. For new vessels, ie those of which the keel has been laid on or after the 18 July 1982, as well as for existing vessels which have been the subject of extensive rebuilding, only the gross tonnage (GT) which has been computed according to the International Convention of Tonnage Measurement of Ships 1969 and which is mentioned on the International Tonnage Certificate (1969) will be the assessment basis.
 - ii. For other ships the gross registered tonnage (GRT) as indicated on the National Certificate of Measurement will be the assessment basis with 1 GRT being treated as equivalent to 1 GT for the purpose of charges.

27 TERMS AND CONDITIONS OF CRANE, GRAB, PLANT AND VESSEL HIRE/USAGE

- (a) Applications for hire of cranes with or without grabs must be made upon the appropriate PPG Crane and Grab Order Form.
- (b) PPG shall operate all cranes (including ships cranes) and grabs and the charges quoted will include the provision of drivers; except if an authorised and valid PPG Permit to Work has been issued by PPG's Operations Manager.
- (c) PPG reserve to themselves the right of supplying all cranes and grabs and of limiting the time of their employment as well as of deciding whether grabs may be used with any particular cranes or cargoes.
- (d) PPG shall not be liable for the delay or the consequence of delay which may arise from breakdown of the cranes and grabs or failure of power

supplies or for the consequences of any delay caused through their inability to make available a crane or grab at the time requested from whatever cause arising.

- (e) Hirers shall provide their own slings or other lifting gear, and all labour required in respect of craneage and grabbing operations except the crane driver (unless authorised to do so by a valid PPG Permit to Work) and PPG shall not incur any responsibility therefrom.
- (f) The hirers shall be responsible for all consequences arising from the overloading of cranes with or without grabs or failure from hirers, their servants or agents to observe directions for the use of the cranes or grabs which may be given by PPG Manager.
- (g) The hirers shall be responsible for the cleaning up and removal of spillage from the quay on completion of crane and grab operations.
- (h) Where it is necessary to cant the same article during lifting, the work will be done at the hirer's risk.
- (i) No allowance on charges will be made during the period of hire except in respect of lost time amounting to half an hour or more on each occasion during which the crane and/or grab cannot be worked by reason of mechanical failure.
- (j) Hirers will make good all loss of or damage to cranes or grabs from whatever cause arising and fully indemnify PPG in respect of all claims by any claimant for personal injury, death or damage to property howsoever arising out of the use of the cranes or grabs and in respect of all costs and charges in connection therewith arising under statute or common law.
- (k) Hirers will insure against breach of any of these conditions with a reputable insurance company, notifying PPG when such insurance has been effected and if called upon to do so, produce the Policy or a copy of it to PPG.
- (l) Charges for the hire of cranes and grabs will be recovered through the Company completing the Order Form ('the hirer'). Hire charges may be obtained on application to the General Manager.
- (m) Hirers will be responsible for the repair of any damage to plant, goods, vessels and premises of PPG howsoever caused when under hire from PPG.
- (n) The Terms and Conditions (a) to (m) above will equally apply to PPG Plant and Vessel Hire and Usage.

- (a) Rent-free periods shall commence on (and including) the day of commencement of discharge for import cargoes from vessels.
- (b) Rent-free periods are on a calendar day basis and shall include Saturdays, Sundays and UK Bank Holidays, unless specifically agreed in writing otherwise.

(c) Rent-free periods shall be:

i. All export cargo *3 days*

ii. All import cargo *1 day*

except for shipments of softwoods, lumber, hardwoods, logs and board materials which require open storage, for which the periods shall be:

Shipments up to 2000 cubic metres *3 days*

Shipments 2001 - 5000 cubic metres *5 days*

Shipments over 5001 cubic metres *7 days*

(d) After expiry of the rent-free period, rent shall be charged per tonne or per cubic metre depending on the basis on which wharfage or cargo dues are paid for the cargo, or container for unitised cargo.

(e) The rent charges shall be charged on the basis of:

i. Part weeks will be charged pro-rata on a daily basis.

ii. Rent shall be chargeable to/from and including the day of delivery or receipt of cargo.

29 ENGLISH LAW AND JURISDICTION

Any legal relationship between PPG and the customer shall be governed by and interpreted in accordance with English Law and the customer submits to the jurisdiction of the High Court of Justice in England but PPG may enforce any contract between PPG and the customer in any court of competent jurisdiction.

30 GIVING OF NOTICE

Any notice required to be given hereunder shall unless otherwise specified be sufficiently given if sent by registered or recorded delivery post or left at the principal or registered office for the time being of the party to be served. Any such notice shall be deemed to be served at the time the same is handed to or left at the address of the party to be served and if served by post on the third day (not being a Sunday or Public Holiday) following the day of posting.

31 PPG STANDARD BERTHING AGREEMENT

All vessels berthing at any alongside berth within the limits of Portland Harbour will be entirely subject to PPG's Standard Berthing Agreement as attached in Annex 1 of these Standard Terms and Conditions of Trade unless any variation of such has been expressly agreed in writing between a PPG Director and the Customer.

32 PPG STANDARD ANCHORING AGREEMENT

All vessels anchoring within the limits of Portland Harbour, either in the Inner Harbour or the Outer Harbour, will be entirely subject to PPG's Standard Anchoring agreement as attached in Annex 2 of these Standard Terms and Conditions of Trade unless any variation of such has been expressly agreed in writing between a PPG Director and the Customer.

33 PORTLAND HARBOUR REVISION ORDER 1997

These Standard Terms and Conditions of Trade will be subject to the specific Provisions, Articles, Orders, Bylaws, General and Specific Directions of the Portland Harbour Revision Order 1997.

34 HEADINGS

The headings set out in these Conditions are provided for convenience and they shall not limit, control or affect the meaning of the provisions to which they refer.

By Order of the Board of Directors, Portland Port Group, dated 31st December 1998.



S J Davies
Director and General Manager
PORTLAND PORT GROUP

ANNEX 1: PPG STANDARD BERTHING AGREEMENT

1. PPG offers to provide facilities at Portland harbour for the Customers Vessel (the “Vessel”) on the terms set out below.

Provision of Berth and facilities

2. PPG agrees that the Vessel may be moored alongside any berth marked on the enclosed plan or such other berths within Portland harbour as PPG may designate from time to time pursuant to 4 below (the “Berth”). Acceptance and allocation of the Berth is dependent on availability as determined by PPG’s Operations Manager 12 hours prior to Vessel arrival at Portland harbour, and duration of stay alongside the Berth is subject to other commercial users requirements for the occupancy and duration of occupancy of the Berth. PPG’s Operations Manager at his sole discretion will determine the duration of occupancy of the Berth and will serve notice on the Customer 12 hours prior to the Customers required vacation of the Berth. The Customer warrants to fully comply in all respects with this notice and vacate the Berth according to PPG’s Operations Managers requirements.
3. The Berth is to be used only for the berthing of the Vessel and while at the Berth lay-by, cargo handling, repair or refurbishment activities (the “Activities”) to the Vessel may be carried out. The Vessel shall not be permitted to be used other than in connection with the Activities.
4. If required to do so by PPG at any time and from time to time, the Vessel will be relocated to such other position within Portland harbour as PPG may specify.
5. While the Vessel is at the Berth, the Customer will have the following additional rights;
 - 5.1 the right for all reasonable purposes connected with the Vessel but not for any other purposes of access to the Berth from the landward side along such routes as PPG may specify from time to time provided that the exercise of this right shall be subject to the following conditions:
 - 5.1.1 the Customer will at all times allow priority in the exercise of the right to other users of Portland Port;
 - 5.1.2 the Customer will not interfere with other activities at Portland Port or access to Portland Port by others;
 - 5.1.3 the right may be suspended or terminated by PPG if PPG reasonably consider necessary or desirable to do so in the interests of the operation of Portland Port;
 - 5.1.4 the right may be limited and/or restricted in such manner as PPG’s security arrangements may require;
 - 5.1.5 the Customer will not permit or suffer any person visiting the Vessel to obtain access to the Vessel save if accompanied at all times by a member of PPG’s security staff or Vessels crew.

ANNEX 1: PPG STANDARD BERTHING AGREEMENT

- 5.2 the right to the free and uninterrupted passage and running of water, drainage, electricity, telephone and other utilities (the “Services”) required by the Vessel or its users only from the landward side, provided such services have previously been ordered in writing by the Vessels Master to PPG’s Operations Manager.
6. In relation to the terms of PPG’s Standard Berthing Agreement (the “Agreement”), the Customer warrants that they do not do so on the basis of, and do not rely on, any representation, warranty or other provision except as expressly provided in the Agreement and all conditions, warranties or other terms implied by statute or common law are excluded to the fullest extent permitted by law.
7. Without limiting the terms of 6 above, PPG gives no representation or warranty as to:
- 7.1 the Customers right to moor or berth the Vessel within Portland harbour or at the Berth including, without limitation, as to whether such mooring or berthing shall cause any disturbance or nuisance in relation to the bed of Portland harbour or shall result in any unlawful impediment to the public right of free navigation in Portland harbour; or
- 7.2 the safety or suitability of Portland harbour or the Berth, in either case as a location for the mooring or berthing of the Vessel or for any use to which the Customer intends to put the Vessel or the safety or suitability of the mooring scheme for the Vessel which the Customer employs.

PPG’s charges

8. In consideration of PPG providing the Berth and the facilities described in 5 above the Customer agrees to pay PPG the Standard Port Tariff Rate under “Section B1: Berthing Dues” prevailing at the time, or such other rate as expressly agreed in writing between a PPG Director and the Customer, together with Value Added Tax thereon. These charges are payable in full on arrival of the Vessel within the limits of Portland Harbour.
9. Sums payable to PPG under the Agreement are exclusive of:-
- 9.1 such other sums if any, which may be payable by the Customer while the Vessel is within Portland harbour including, without limitation, any sums payable to the Crown Estate, and any harbour authority having at any time jurisdiction over Portland harbour (which sums the Customer will pay); and
- 9.2 all charges for gangways, mooring, labour, water, gas, electricity, telephone or other Services supplied to the Vessel (which charges the Customer will pay to Portland Harbour Services Limited on demand).
10. If the Customer defaults in the payment of any sum due to PPG under the Agreement, such sum shall bear interest before as well as after any judgement from its due date until payment is received by us, at four per cent per annum over the base lending rate of Lloyds Bank plc from time to time in force.

ANNEX 1: PPG STANDARD BERTHING AGREEMENT

Compliance with laws and regulations

11. The Customer will ensure at his/her own expense that the Vessel and the mooring scheme for the Vessel which the Customer chooses to employ and all of the Customers Activities carried on within Portland harbour and/or under or in connection with this Agreement strictly comply with:-
 - 11.1 all applicable statutes, statutory instruments, regulations, safety standards and codes of practice in force from time to time including, without limitation, the terms of the Portland Harbour Revision Order 1997 and all relevant merchant shipping regulations;
 - 11.2 all applicable regulations, directions, terms and conditions and byelaws, issued by any harbour authority or other person having at any time jurisdiction over Portland harbour, any governmental department or agency and/or PPG (including, without limitation, any relating to security at Portland Port) and in force from time to time; and
 - 11.3 Portland Port Group's Permit to Work System.
12. The Customer shall forthwith produce to PPG for approval details of the mooring and/or fendering scheme which the Customer proposes to employ for the Vessel. If at any time the Customer wishes to change such scheme the Customer shall before implementing any change obtain PPG's approval to the change proposed and shall supply such information concerning the proposed change as PPG may reasonably require.
13. During any period in which there is any ambiguity or conflict between the provisions of the Agreement and the provision of any regulations, directions, terms and conditions and byelaws of the nature referred to in 10 above, the provisions of the Agreement shall (to the maximum extent permitted by law) prevail between the Customer and PPG.

The Customers liability

14. The Customer shall ensure that at all times the Vessel shall while within Portland harbour be:
 - 14.1 when berthed or lying the Berth be properly, safely and effectively moored for all prevailing tidal and meteorological conditions; and
 - 14.2 provided with a sufficient number of fenders adequate for the size of the Vessel and, when berthed or lying at the Berth be fended off from the Berth so as to prevent damage to any property and other vessels.
 - 14.3 will provide a safe means of access to and from the Vessel to the Berth for personnel, ships stores and equipment when undertaking the Activities.
 - 14.4 will comply fully with any safe systems of work or local working practices as determined by PPG's Operations Manager.

ANNEX 1: PPG STANDARD BERTHING AGREEMENT

- 14.5 will be properly crewed at all times at the Berth, to regularly tend her moorings, to provide her own motive power, and to safely navigate from the Berth if required to do so by PPG's Marine Manager and Harbourmaster.
15. The Customer will not do or omit to do or permit or suffer to be done or omitted to be done any act or thing which could cause damage or deterioration to any of PPG's property and in particular the Customer will not stop up or obstruct in any way or permit oil, grease or other noxious or deleterious matter or substance or enter any Services media serving the Vessel. The Customer will employ such plant for treating any noxious or deleterious effluent before permitting it to enter any drains, sewers, and watercourses as PPG may require in accordance with best modern practice. If any such obstruction or injury is caused to the drains, sewers or watercourses the Customer will make good all damage to PPG's reasonable satisfaction.
16. The Customer will not carry on or do on the Vessel any act or trade in consequence of which PPG would or might be prevented from insuring any other property which PPG own at the ordinary rate of premium or whereby any insurance effected in respect of such property would be or might be vitiated or prejudiced and the Customer will not to anything whereby any additional premium may become payable for such insurance.
17. The Customer will not do or permit or suffer to be done anything on the Vessel which may be or become a nuisance, annoyance, disturbance or cause damage or inconvenience to PPG or PPG's tenants or other occupiers of adjoining or nearby premises.
18. The Customer will not bring onto the Vessel or place, keep, handle or store on the Vessel any petrol or substance or material of a radioactive, explosive, dangerous, offensive, combustible or inflammable nature, without the prior approval in writing of PPG's Operations Manager, and in such event be subject to whatever terms and conditions of storage or handling that he/she may specify in writing.
19. The Customer will not cause, permit or suffer to be done or omit to do or permit or suffer to be omitted to be done any act or thing whereby any land, air, water or service media may be subjected to pollution. In this paragraph "pollution" means the release of substances which are capable of causing harm to man or any other living organism or to any building or other structure, including sewage.
20. The Customer accepts liability for and will keep PPG, its employees, agents and duly Authorised representatives, fully and effectually indemnified and held harmless from and against all actions, proceedings, costs, expenses, loss and damage whatsoever arising out of or in connection with the Agreement and the arrangements permitted by it and the carrying out of the Activities and, in particular, the Customers use of Portland harbour and the Berth and the access to it and the actions or omissions of any visitor to the Vessel except where the same shall be proven only to arise from PPG's negligence or wilful misconduct, or that of PPG's employees, agents or duly authorised representatives, in which event PPG shall be solely responsible. In this paragraph, the expression "costs, expenses, loss and damage" shall be given the widest interpretation lawfully possible.

ANNEX 1: PPG STANDARD BERTHING AGREEMENT

PPG's liability

21. PPG shall not (to the maximum extent permitted by law) be liable under or in connection with the Agreement, whether in contract, tort, (including negligence) or otherwise, except as provided in 22 below. Notwithstanding anything else provided in the Agreement, under no circumstances shall PPG be liable for any indirect or consequential loss or damage suffered by the Customer, or for any loss or damage, direct or indirect, howsoever caused and whether or not caused or contributed to by PPG's negligence or wilful misconduct or that of PPG's employees, agents or duly authorised representatives arising out of the Vessel resting on, or coming into contact with or disturbing or causing nuisance to the bed of Portland harbour or impeding unlawfully the public right of navigation in Portland harbour.
22. PPG accepts liability for:
 - 22.1 death or personal injury resulting from PPG negligence or that of PPG's employees, agents or duly authorised representatives; and
 - 22.2 loss or damage suffered by the Customer under or in connection with the Agreement where the Customer can prove that such loss or damage was caused by PPG's negligence or wilful misconduct or that of PPG's employees, agents or duly authorised representatives, provided that PPG shall in no circumstances have any liability in respect of loss or damage howsoever caused arising out the Vessel resting on, or coming into contact with or disturbing or causing nuisance to the bed of Portland harbour or impeding unlawfully the public right of navigation in Portland harbour.
23. PPG's liability for any claim which the Customer may have against PPG under or pursuant to the Agreement shall not exceed such amount as is equal to the aggregate fees received from the Customer under 8 above.

Commencement and duration

24. The Agreement shall commence on 1st January 1999 and, subject to 25 and 27 below, shall continue in force from that date in perpetuity, or until such times as amended by a PPG Director in line with the general provisions for changes to PPG's Standard Terms and Conditions of Trade.

Termination

25. PPG may terminate the Agreement forthwith by sending a written notice to the Customer if:
 - 25.1 the Customer commits a breach of his/her obligations under the Agreement and, in case of a breach capable of remedy as determined under 26 below, such breach is not remedied within fourteen (14) days of the Customer being specifically required to do so;
 - 25.2 the Customer does not pay monies payable under the Agreement within fourteen (14) days after such monies become payable.

ANNEX 1: PPG STANDARD BERTHING AGREEMENT

- 25.3 in relation to the Customer, a petition is presented for the making of an administration order under part II of the Insolvency Act 1986 (the “IA), or the Customer becomes the subject of any act or other proceeding under the IA;
 - 25.4 an encumbrancer takes possession or an administration receiver or receiver is appointed of the whole or any part of the undertaking or property of the Customer;
 - 25.5 an order is made by the Court for the winding-up of the Customer or a resolution is passed by the shareholders of the Customer for its winding-up except for the purposes of amalgamation or reconstruction in such manner that the resulting company is bound by and assumes the obligations imposed on the Customer under the Agreement;
 - 25.6 the Customer ceases to pay its debts or become unable to pay its debts within the meaning of Section 123 of the IA;
 - 25.7 anything analogous to any of the events referred to in 25.1 to 25.6 above inclusive under the law of any jurisdiction occurs in relation to the Customer;
 - 25.8 the Customer is in breach of any obligation (a) to pay or re-pay money due to any third party or (b) to discharge any guarantee given by the Customer in relation to any such obligation of any third Party;
 - 25.9 an event of default occurs under any agreement to which the Customer is a party as a result of which any obligation on the part of the Customer to pay or re-pay any money to any party becomes or is declared due prior to its normal maturity date;
 - 25.10 the Customer disposes of the whole or any substantial part of its undertaking or assets; or
 - 25.11 the Customer ceases or threatens to cease to carry on all or any substantial part of its business.
26. For the purpose of 25 above, a breach shall be considered capable of remedy if the person in Breach can comply with the provision in question in all respects to the reasonable satisfaction of the other, except as to the time of performance (provided that time of performance is not of the essence).
27. The Customer may terminate the Agreement by sending to PPG thirty working day’s notice in writing.

Effect of termination

28. Any termination of the Agreement howsoever caused shall be without prejudice to any of the Customers or PPG’s respective rights or liabilities which have accrued on or before the date of termination, but subject to 29 below neither the Customer nor PPG shall have rights to require performance of or liabilities to perform the Agreement after such date.

ANNEX 1: PPG STANDARD BERTHING AGREEMENT

29. Upon the termination of the Agreement for any reason:
- 29.1 notwithstanding any other provisions of the Agreement, the terms of this paragraph 29, 13 to 20 inclusive above, and 36 to 39 below shall continue in force in accordance with their respective terms:
 - 29.2 all fees and charges accrued (but unpaid) pursuant to the Agreement shall forthwith become due and payable; and
 - 29.3 the Customer shall forthwith remove the Vessel from Portland harbour.

Representations and warranties

30. The Customer will represent and warrant to PPG as follows:
- 30.1 the Customers entry into the Agreement has been duly and validly authorised and all requisite corporate action has been taken in order to make entry valid and binding upon the Customer in accordance with the terms of the Agreement.
 - 30.2 the Customers entry into the Agreement will not violate any order, judgement or decree of any court or governmental agency to which the Customer is a party or by which the Customer or any of the Customers properties or assets are bound.
31. The representations and warranties set out in 30 above shall continue in full force and effect notwithstanding the Customers entry into the Agreement.

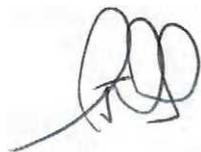
Ancillary provisions

32. Headings used in the Agreement are for convenience only and do not affect its interpretation.
33. No delay or failure by either the Customer or PPG to exercise any of the Customers or PPG's respective powers, rights or remedies under the Agreement shall operate as a waiver of them, nor shall any single or partial exercise of such powers, rights or remedies preclude any other or further exercise of them. The remedies provided in the Agreement are cumulative and not exclusive of any remedies provided by law.
34. The Customer shall not assign, encumber, dispose of or otherwise transfer any of the Customers rights under the Agreement without prior written consent, which PPG shall be fully entitled to withhold.
35. If any part of the Agreement is found by a court or other competent authority to be invalid, unlawful or unenforceable then such part shall be severed from the remainder of the Agreement which shall continue to be valid and enforceable to the fullest extent permitted by law.

ANNEX 1: PPG STANDARD BERTHING AGREEMENT

36. Any notice required or permitted under the terms of the Agreement or required by statute, law or regulation shall (unless otherwise provided by the Agreement or the statute, law or regulation concerned) be in writing and shall be sufficiently given if sent by first class pre-paid mail or facsimile to the intended recipient. PPG shall send such notice to the registered office of the Customer and the Customer shall send such notice to Portland Port Group, Castletown, Portland, Dorset (attention General Manager) or to such other address or facsimile number as may from time to time be designated in writing by the Customer or PPG to the other.
37. Any such notice shall be in the English language and shall be deemed to have been received and given (a) in the case of first class pre-paid mail, three days after the date of mailing and (b) in the case of facsimile, at the time of transmission and receipt of the correct transmission report from the sending facsimile machine if within normal business hours of the addressee and, if not, at 0930 hours local time on the next following business day.
38. The Agreement shall be construed and take effect in all respects in accordance with English law, so that any dispute or difference between the Customer and PPG as to the interpretation of the Agreement or in respect of any matter arising under, out of or in connection with the Agreement or its termination or any other matter arising out of its termination shall be governed in all respects by English law.
39. The Customer and PPG agree to submit to the non-exclusive jurisdiction of the English courts.

By Order of the Board of Directors of Portland Port Group, dated 31st December 1998.



.....
S J Davies
Director and General Manager
Portland Port Group

ANNEX 2: PPG STANDARD ANCHORING AGREEMENT

1. PPG offers to provide facilities at Portland harbour for the Customers Vessel (the “Vessel”) on the terms set out below.

Provision of Anchorage and facilities

2. PPG agrees that the Customer may anchor the Vessel within the limits of Portland harbour in such location as designated in writing by PPG’s Marine Manager and Harbourmaster, or as PPG may designate from time to time pursuant to 4 below (the “Anchorage”). Acceptance and allocation of the Anchorage will be as determined 12 hours prior to vessel arrival at Portland Harbour by PPG’s Marine Manager and Harbourmaster and is subject to other commercial users’ requirements for the occupancy and duration of occupancy of the Anchorage. PPG’s Marine Manager and Harbourmaster at his sole discretion will determine the duration of occupancy at the Anchorage and will serve notice on the Customer 12 hours prior to the Customers required vacation of the Anchorage. The Customer warrants to fully comply in all respects with the notice and vacate the Anchorage according to PPG’s Marine Manager and Harbourmaster requirements.
3. The Anchorage is to be used only for the anchoring of the Vessel and while at the Anchorage, lay-by, maintaining, repairing, modifying, replenishing and storing activities (“the Activities”) to the Vessel may be carried out. Any other requirements or Activities at the Anchorage need to be specifically authorised in writing by PPG’s Marine Manager and Harbourmaster.
4. If required to do so by PPG at any time and from time to time, the Customer will relocate the Vessel to such other position within Portland harbour as PPG may specify.
5. While the Vessel is within Portland harbour or at the Anchorage, PPG will provide reasonable access to the Anchorage for Vessels operating from the landward side of the Harbour Premises along such routes as PPG may specify from time to time, subject to the provisions of PPG’s Permit to Work System, and the Portland Harbour Revision Order 1997.
6. In relation to the terms of PPG’s Standard Anchoring Agreement (the “Agreement”) the Customer warrants that the Customer does not do so on the basis of, and do not rely on, any representation, warranty or other provision except as expressly provided in the Agreement and all conditions, warranties or other terms implied by statute or common law are excluded to the fullest extent permitted by law.
7. Without limiting the terms of 6 above, PPG gives no representation or warranty as to:
 - 7.1 the Customers right to moor or anchor the Vessel within, or allow her to rest on the bed of, Portland harbour including, without limitation as to whether such anchoring or mooring shall cause any disturbance or nuisance in relation to the bed of Portland harbour or shall result in any unlawful impediment to the public right of free navigation in Portland harbour; or

ANNEX 2: PPG STANDARD ANCHORING AGREEMENT

- 7.2 the safety or suitability of Portland harbour or the Anchorage, in either case as a location for the anchorage, mooring or berthing of the Vessel or for any use to which the Customer intends to put the Vessel or the safety or suitability of the mooring or anchoring scheme for the Vessel which the Customer employs.

PPG's charges

8. In consideration of PPG providing the Anchorage and the facilities described in 5 above, the Customer will pay to PPG the Standard Port Tariff rate under "Section A2: Port and Harbour Dues for Commercial Vessels" prevailing at the time, or such other rate as expressly agreed in writing between a PPG Director and the Customer, together with Value Added Tax thereon. These charges are payable in full on arrival of the Vessel within the limits of Portland Harbour.
9. Sums payable to PPG under this Agreement are exclusive of:
- 9.1 any taxes (other than taxes on our overall net income or profits or gains), charges or remittance fees, whether levied by any government, governmental authority or otherwise and, where relevant, such taxes, charges or remittance fees shall be payable in addition to such sums; and
- 9.2 such other sums, if any, which may be payable by the Customer while the Vessel is within Portland harbour including, without limitations, any sums payable to the Crown Estate, and any harbour authority other than PPG having at any time jurisdiction over Portland harbour.
10. If the Customer defaults in the payment of any sum due to PPG under the Agreement, such sum shall bear interest before as well as after any judgement from its due date until payment is received by us at four per cent per annum over the base lending rate of Lloyd's Bank plc from time to time in force.

Compliance with laws and regulations

11. The Customer will ensure at his/her own expense that the Vessel and the mooring or anchoring scheme for the Vessel which the Customer chooses to employ and all of the Customers Activities carried on in Portland harbour and/or under or in connection with the Agreement strictly comply with:
- 11.1 all applicable statutes, statutory instruments, regulations, safety standards and codes of practice in force from time to time including, without limitation, the terms and the Portland Harbour Revision Order 1997 and all relevant merchant shipping regulations;
- 11.2 all applicable regulations, directions, terms and conditions and byelaws, issued by any harbour authority or other person having at any time jurisdiction over Portland harbour, any governmental department or agency and/or PPG (including, without limitation any relating to security at Portland Port) and in force from time to time; and

ANNEX 2: PPG STANDARD ANCHORING AGREEMENT

- 11.3 PPG's Permit to Work System.
12. The Customer shall forthwith produce to PPG for approval details of the mooring and/or anchoring scheme which the customer proposes to employ for the Vessel. If at any time the Customer wishes to change such scheme the Customer, shall before implementing any change obtain PPG's approval to the change proposed and shall supply such information concerning the proposed change as PPG may reasonably require.
13. During any period in which there is any ambiguity or conflict between the provisions of the Agreement and the provisions of any regulations, directions, terms and conditions and byelaws of the nature referred to in 12 above, the provisions of the Agreement shall (to the maximum extent permitted by law) prevail as between the Customer and PPG.

The Customers liability

14. The Customer shall ensure that at all times while the Vessel is within Portland harbour, the Vessel:
- 14.1 is properly, safely and effectively anchored or moored at the Anchorage, and
- 14.2 is provided with a sufficient number of fenders adequate for the size of the Vessel when undertaking the Activities and, when berthed or lying at a Berth, the Customer shall ensure that the Vessel is fendered off from that Berth so as to prevent damage to any property and other vessels. The Customer shall also ensure that any barge, lighter or Vessel when undertaking the Activities shall be properly, safely and effectively moored to the Customers Vessel.
- 14.3 will provide a safe means of access to and from the vessel to all tenders, barges or lighters for personnel, ship stores and equipment when undertaking the Activities.
- 14.4 will comply fully with any safe systems of work, or local working practices as determined by PPG's Marine Manager and Harbourmaster.
- 14.5 will be properly crewed at all times at the Anchorage to regularly attend to her anchors or moorings, to provide her own motive power, and safely navigate from the Anchorage if required to do so by PPG's Marine Manager and Harbourmaster.
15. The Customer will not do or omit to do or permit or suffer to be done or omitted to be done any act or things which could cause damage or deterioration to any of PPG's property or Portland Harbour and in particular the Customer will stop up or obstruct in any way as to not permit oil, grease or other noxious or deleterious matter or substance from entering the Harbour. The Customer will employ such plant for treating any noxious or deleterious effluent before permitting it to enter the Harbour, in line with best modern practice.

ANNEX 2: PPG STANDARD ANCHORING AGREEMENT

16. The Customer will not carry on or do on the Vessel any act or trade in consequence of which PPG would or might be prevented from insuring any other property which PPG own at the ordinary rate of premium or whereby any insurance effected in respect of such property would be or might be vitiated or prejudiced and the Customer will not do anything whereby any additional premium may become payable for such insurance.
17. The Customer will not bring onto the Vessel or place, keep, handle or store on the Vessel any petrol or substance or material of a radioactive, explosive, dangerous, offensive, combustible or inflammable nature, without the prior approval in writing of PPG's Marine Manager and Harbourmaster and in such event be subject to whatever terms and conditions of storage and handling that he/she may specify in writing.
18. The Customer will not cause, permit or suffer to be done or omit to do or permit or suffer to be omitted to be done any act or thing whereby any land, air or water in the Harbour may be subjected to pollution. In this paragraph, "pollution" means the release of substances which are capable of causing harm to man or any other living organism or to any building or other structure, including sewage.
19. The Customer accepts liability for and will keep PPG, its employees, agents and duly authorised representatives fully and effectually indemnified and held harmless from and against all actions, proceedings, costs, expenses, loss and damage whatsoever arising out of or in connection with the Agreement and the arrangements permitted by it and, in particular, the Customers use of Portland harbour and the Anchorage and the access to it except where the same shall be proven only to arise from our negligence or wilful misconduct, or that of our employees, agents or duly authorised representatives, in which event PPG shall be solely responsible. In this paragraph, the expressions "costs, expenses, loss and damage" shall be given the widest interpretation lawfully possible.

PPG's liability

20. PPG shall not (to the maximum extent permitted by law) be liable under or in connection with the Agreement, whether in contract, tort (including negligence) or otherwise, except as provided in 21 below. Notwithstanding anything else provided in the Agreement, under no circumstances shall PPG be liable for any indirect or consequential loss or damage suffered by the Customer or for any loss or damage, direct or indirect, howsoever caused and whether or not caused or contributed to by PPG's negligence or wilful misconduct or that of PPG's employees, agents or duly authorised representatives arising out the Vessel resting on, or coming into contact with the bed of Portland harbour or the Harbour Premises.
- 21 PPG accepts liability for:
 - 21.1 death or personal injury resulting from PPG's negligence or that of PPG's employees, agents or duly authorised representatives; and

ANNEX 2: PPG STANDARD ANCHORING AGREEMENT

- 21.2 loss or damage suffered by the Customer under or in connection with the Agreement where the Customer can prove that such loss or damage was caused by PPG's negligence or wilful misconduct or that of PPG's employees, agents or duly authorised representatives, provided that PPG shall in no circumstances have any liability in respect of loss or damage howsoever caused arising out the Vessel resting on, or coming into contact with, the bed of Portland harbour or the Harbour Premises.
22. PPG's liability for any claim which the Customer may have against PPG under or pursuant to the Agreement shall not exceed such amount as is equal to the aggregate fees received from the Customer under 8 above.

Commencement and duration

23. The Agreement will be deemed to have commenced on 1 January 1998 and, subject to 24 below, shall continue in force from that date in perpetuity, or until such time as amended by a PPG Director in line with the general provisions for changes to PPG's Standard Terms and Conditions of Trade.

Termination

24. PPG may terminate the Agreement forthwith by sending a written notice to the Customer if:
- 24.1 the Customer commits a breach of its obligations under the Agreement and, in the case of a breach capable of remedy as determined under 21 below, such breach is not remedied within fourteen (14) days of that other being specifically required to do so;
- 24.2 the Customer does not pay monies under the Agreement within fourteen (14) days after such monies become payable.
- 24.3 in relation to the Customer, a petition is presented for the making of an administration order under part II of the Insolvency Act 1986 (the "IA"), or the Customer becomes the subject of any act or other proceedings under the IA;
- 24.4 an encumbrancer takes possession or an administrative receiver or receiver is appointed of the whole or any part of the undertaking or property of the Customer;
- 24.5 an order is made by the Court for the winding-up of the Customer resolution is passed by the shareholders of the Customer for its winding-up except for the purposes of amalgamation or reconstruction in such manner that the resulting company is bound by and assumes the obligations imposed on the Customer under the Agreement.
- 24.6 the Customer ceases to pay its debts or becomes unable to pay its debts within the meaning of section 123 of the IA;

ANNEX 2: PPG STANDARD ANCHORING AGREEMENT

- 24.7 anything analogous to any of the events referred to in 20.1 to 20.6 above inclusive under the law of any jurisdiction occurs in relation to the Customer;
- 24.8 the Customer is in breach of any obligation (a) to pay or re-pay money due to any third party or (b) to discharge any guarantee given by the Customer in relation to any such obligation of any third party;
- 24.9 an event of default occurs under any agreement to which the Customer is a party as a result of which any obligation on the part of the Customer to pay or re-pay any money to any party becomes or is declared due prior to its normal maturity date;
- 24.10 the Customer disposes of the whole or any substantial part of its undertaking or assets; or
- 24.11 the Customer ceases or threatens to cease to carry on all or any substantial part of its business.
- 25 For the purpose of 24 above, a breach shall be considered capable of remedy if the person in breach can comply with the provision in question in all respects to the reasonable satisfaction of the other, except as to the time of performance (provided that time of performance is not of the essence).
26. Any termination of the Agreement however caused shall be without prejudice to any of the Customers or PPG's respective rights or liabilities which have accrued on or before the date of termination but, subject to 27 below, neither the Customer nor PPG shall have rights to require performance of or liabilities to perform the Agreement after such date.

Effect of termination

27. Any termination of the Agreement howsoever caused shall be without prejudice to any of the Customers or PPG's respective rights or liabilities which have accrued on or before the date of termination, but subject to 28 below neither the Customer nor PPG shall have rights to required performance of or liabilities to perform the Agreement after such date.
28. Upon termination of the Agreement for any reason:
- 28.1 notwithstanding any other provisions of the Agreement, the terms of this paragraph 28, 13 to 20 inclusive above and 35 to 38 inclusive below shall continue in force in accordance with their respective terms; and
- 28.2 all fees and charges accrued (but unpaid) pursuant to the Agreement shall forthwith become due and payable; and
- 28.3 the Customer shall forthwith remove the Vessel from Portland harbour.

ANNEX 2: PPG STANDARD ANCHORING AGREEMENT

Representations and warranties

29. the Customer represents and warrants to PPG as follows:
- 29.1 the Customer's entry into the Agreement has been duly and validly authorised and all requisite corporate action has been taken in order to make such entry valid and binding upon the Customer in accordance with the terms of the Agreement;
- 29.2 the Customer's entry into the Agreement will not violate any order, judgement or decree of any court or governmental agency to which the Customer is a party or by which the Customer, or any of the Customer's properties or assets, are bound.
- 30 The representations and warranties set out in 29 above shall continue in full force and effect notwithstanding the Customer's entry into the Agreement.

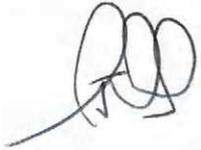
Ancillary provisions

31. Headings used in the Agreement are for convenience only and do not affect its interpretation.
32. No delay or failure by either the Customer or PPG to exercise any of the Customer's or PPG's respective powers, rights or remedies under the Agreement shall operate as a waiver of them, nor shall any single or partial exercise of any such powers, rights or remedies preclude any other or further exercise of them. The remedies provided in the Agreement are cumulative and not exclusive of any remedies provided by law.
33. The Customer shall not assign, encumber, dispose of or otherwise transfer any of the Customer's rights under the Agreement without PPG's prior written consent, which PPG shall be fully entitled to withhold.
34. If any part of the Agreement is found by any court or other competent authority to be invalid, unlawful or unenforceable then such part shall be severed from the remainder of the Agreement which shall continue to be valid and enforceable to the fullest extent permitted by law.
35. Any notice required or permitted under the terms of the Agreement or required by statute, Law or regulations shall (unless otherwise provided by the Agreement or the statute, law or regulations concerned) be in writing and shall be sufficiently given if sent by first class pre-paid mail or facsimile to the intended recipient. PPG shall send such notice to the registered office of the Customer, and the Customer shall send such notice to Portland Port Group, Castletown, Portland, Dorset (attention General Manager) or to such other address or facsimile number as may from time to time be designated in writing by the Customer or PPG to the other.
36. Any such notice shall be in the English language and shall be deemed to have been received and given (a) in the case of first class pre-paid mail, three days after the date of mailing and (b) in the case of facsimile, at the time of transmission and receipt of correct transmission report from the sending facsimile machine if within normal business hours of the addressee and, if not, at 0930 hours local time on the next following business day.

ANNEX 2: PPG STANDARD ANCHORING AGREEMENT

37. This agreement shall be construed and take effect in all respects in accordance with English law, so that any dispute or difference between the Customer and PPG as to the interpretation of this Agreement or in respect of any matter arising under out of or in connection with this Agreement or its termination or any matter arising out of its termination shall be governed in all respects by English law.
38. The Customer and PPG agree to submit to the non-exclusive jurisdiction of the English courts.

By Order of the Board of Directors of Portland Port Group, dated 31st December 1998.



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S J Davies
Director and General Manager
Portland Port Group