

GRAND HARBOUR MARINA RULES

All use of the marina is subject to these rules.

1 DEFINITIONS

1.1 'Company' means Grand Harbour Marina Ltd, its employees and agents.

1.2 'Marina' means the yacht marina including its berths, moorings, land, quays, breakwaters, buildings, pontoons and any other things under the control of the Company.

1.3 'Owner' means the person named on the Licence (even if he is not the legal owner of the Vessel) or, in his absence, the captain, charterer, agent or other person (other than the Company) who is acting in command of the Vessel. If there are two or more Owners they shall be deemed to be acting jointly and severally.

1.4 'Vessel' means any vessel (including its tender and equipment) using the Marina.

1.5 'Marina User' means any person (other than the Company) using the Marina.

1.6 'Licence' means a Berth licence issued to the Owner for the Vessel.

1.7 'Berth' means a berth, mooring, or onshore storage place.

1.8 'Hot Work' means any activity generating a naked flame, spark, or hot gas.

1.9 'Health & Safety Policy' means the health and safety policy below which shall be deemed to be an integral part of these Rules.

1.10 'Work Permit' means a valid permit issued by the Company to a contractor or other person permitting him to provide services at the Marina.

2 LIABILITY AND INSURANCE

2.1 All persons use the Marina at their own risk and, to the extent permitted by law, the Company shall not, except in the case of its own negligence, be liable for the death or injury of any Marina User, nor for any loss, theft or any other damage caused to any Vessel, vehicle, or personal possessions. The Company shall not be under any general duty to provide safety watch, weather watch, or security services to prevent or reduce the likelihood of injury, theft or damage.

2.2 To the extent permitted by law the Owner shall indemnify the Company against all loss, damage, costs, claims or proceedings incurred by or instituted against the Company that may be caused by his Vessel, his crew, family or guests, except where these result from the Company's negligence.

2.3 The Owner shall maintain with a reputable insurer third party insurance cover for his Vessel, himself, his crew, family and guests for a sum of not less than £2.000.000 (two million pounds sterling or equivalent currency) in respect of each incident. Prior to the issue of the Licence, and at any time during its term if requested to do so, the Owner shall provide a copy of the insurance cover note to the Company. The Owner shall promptly advise the Company of any subsequent material changes to the insurance cover.

2.4 Before accepting a Licence the Owner shall satisfy himself that the Berth and all other relevant parts of the Marina are in all respects satisfactory for his Vessel.

3 COMMERCIAL ACTIVITY & SALE OF A VESSEL

3.1 The Owner shall not use the Marina or his Vessel for any commercial purpose without the Company's prior approval which will not be unreasonably withheld.

3.2 The occasional use of a Vessel by a friend of its Owner who then pays a bone fide contribution towards its actual running costs shall not be deemed a commercial use.

3.3 The Owner may sell his Vessel whilst it is at the Marina providing that he or his representative is present at all times when the Vessel is being viewed or demonstrated. 'For Sale' notices shall not be displayed on the Vessel unless first authorised by the Company in writing. Before the completion of any sale the Owner shall (if applicable) seek the Company's permission, in accordance with Rule 6.1, to assign the Licence. Even if the Vessel is scheduled to depart from the Marina upon completion of the sale the Owner shall nevertheless promptly notify the Company in writing of the name and address of the new Owner.

4 REPAIRS & MAINTENANCE & CONTRACTORS

4.1 The Owner shall maintain his Vessel in a clean and tidy state and in a sufficiently seaworthy condition to enable it to move from the Marina under its own power, or using its own resources, at reasonably short notice.

4.2 Only repair and maintenance work of a minor and routine nature may be done on a Vessel unless it is in designated technical services area or on a designated repair berth. Subject to complying with the Health & Safety Policy such work may be done by the Owner or by his regular crew, or by the holder of a Work Permit.

4.3 The Company reserves the right to order any repair or maintenance work to cease if it considers that it is causing damage, inconvenience, nuisance or a health and safety risk to the Marina, to Marina Users, or to persons or premises nearby.

4.4 Hot Work is expressly prohibited unless specifically authorised by the Company in writing. 4.5 For health, safety and insurance reasons the Company operates a policy whereby contractors and service providers may not work or provide services on the

Marina unless in possession of a Work Permit issued by the Company. However, with the exception of fuel deliveries, a Work Permit is not required for routine collections from, and deliveries to a Vessel.

5 PAYMENTS

5.1 Berthing fees and charges for other goods and services shall be calculated by reference to the Company's current tariff. In the event of an increase or reduction in the rate of VAT or other tax the Company shall have the right of adjustment and recovery from the Owner.

5.2 If money owing to the Company is not paid by the date on which it is due then interest will be added to the balance at 2% above the base rate of the HSBC Bank Malta PLC. This shall be calculated monthly using the interest rate applicable on the first day of the relevant month.

5.3 Without prejudice to its rights under Rule 11, the Company reserves the right to exercise a general lien upon (or otherwise retain) a Vessel until such time as its Owner has paid any money he owes the Company.

5.4 Licence fees will not be refunded except in exceptional circumstances, and then only at the Company's discretion.

6 USE OF THE BERTH

6.1 The Licence is personal to the Owner and is valid only for the Vessel named on it. The Licence may not be assigned, nor may it be used for an alternative Vessel, unless the Company first authorises this in writing. The Company reserves the right, acting reasonably, to refuse an assignment or an alternative Vessel. An authorisation shall only take effect when the Company has amended or re-issued the Licence.

6.2 If the Licence is for berthing afloat then it does not confer any rights to lay-up or storage of the Vessel ashore, and vice-versa.

6.3 The Licence does not entitle the Owner to the exclusive use of any particular Berth and the Company, acting reasonably, may move or require the Owner to move his Vessel from one Berth to another.

6.4 The Owner shall at all times ensure that his Vessel is berthed and secured in a seamanlike manner with mooring lines and fenders that are adequate to withstand all foreseeable weather and tidal conditions. Separate lines shall be used for each function (e.g. head ropes, springs, breast ropes) to ensure that they can be adjusted easily at all times. If the Owner uses any of the Company's moorings or lines then he shall satisfy himself that these are adequate for his Vessel and he shall take seamanlike precautions to protect them from chafe and other damage.

6.5 The Company may board, enter (by force if necessary), move, or carry out emergency work on an unattended Vessel if this is necessary for safety or urgent operational reasons. The Owner shall be liable to pay the Company for the reasonable costs incurred if they are a consequence of any breach of these Rules.

6.6 The Owner shall ensure that the Company has a duplicate set of all the keys of his Vessel and any written instructions that may be needed to enable the Company to enter safely and move the Vessel on a dead-ship basis.

6.7 The Owner shall inform the Company in advance if he expects his Vessel to be absent from the Marina for more than 24 hours. The Owner shall subsequently endeavour to inform the Company at least 24 hours before his Vessel's expected return to the Marina. Subject to this, as soon as the Vessel returns to the Marina the Company will use reasonable endeavours to make its usual Berth available or, failing this, an alternative Berth.

6.8 When a Licensed Vessel is absent from the Marina, the Company shall be entitled to use its Berth for other Vessels and retain any berthing fees arising.

6.9 The Owner shall ensure that his Vessel's connections to the utility supplies are properly designed, fitted and maintained. Electricity cables must be disconnected from the supply point before being disconnected from the Vessel.

6.10 All water hose-pipes shall be fitted with a spring-loaded nozzle designed to shut-off the water flow when the hose is unattended.

7 GENERAL RULES

7.1 Marina Users shall comply with all reasonable instructions from the Company that relate to the safe and efficient operation of the Marina.

7.2 The Owner shall navigate his Vessel within the Marina in a seamanlike manner and at such a speed (and in any event no faster than 3 knots) that no danger or inconvenience is caused to other Vessels. Vessels shall not drop anchor in the Marina except in emergency or unless directed to do so by the Company.

7.3 On behalf of himself and his crew, family and guests, the Owner agrees to comply with these Rules. The Owner further agrees not to allow anything to take place at the Marina or aboard his Vessel that might cause annoyance, nuisance or offence to the Company or any reasonable Marina User, or to persons or property nearby. Potentially offensive things include the extended running of engines, loud audio equipment, outdoor cooking, unsecured halyards and sail covers, and anti-social behaviour.

7.4 Animals are only permitted on the Marina on the strict understanding that they are at all times under control and do not cause concern, disturbance or inconvenience to other Marina Users and do not foul the Marina. In case of any breach of this rule the Company

reserves the right to have the offending animal removed immediately (by force if necessary) and thereafter banned from the Marina.

7.5 A Vessel's tender, gear, equipment, stores and other things shall (unless they are always stored aboard the Vessel) be clearly marked with the name of the Vessel. These things shall not be left on the pontoons or quays or anywhere else on the Marina unless the place has been designated by the Company as a storage place.

7.6 The Marina shall not be used for swimming or other water contact sports. Fishing is only allowed on the basis that the line is not cast and that the fishing does not cause any inconvenience or nuisance to other Marina Users or to persons or property nearby.

7.7 Any times given by the Company for launching, lifting, or moving a Vessel, or for providing other services are given in good faith but are not guaranteed.

7.8 No person, other than a listed and bona fide crew member, shall live habitually or permanently aboard any Vessel unless the Owner has obtained the written authorisation of the Company for him to do so.

8 VEHICLES

8.1 Marina Users shall park their vehicles in accordance with the Company's instructions. During busy periods, the Company reserves the right to limit the number of car parking spaces available for the crew of each Vessel. 8.2 If a vehicle is to be left unattended at the Marina for more than 24 hours then its owner shall ensure that the keys are deposited with the Company so that the Company can move the vehicle if necessary.

8.3 The Company reserves the right for itself and its contractor to enter a vehicle (by force if necessary), or remove it by lifting or towing if it is parked in breach of the above. The Company specifically reserves the right for itself and its contractor to enter a vehicle (by force if necessary) to arrange the deactivation of its audible alarm if this continues to sound for longer than 30 minutes. The owner of the vehicle shall reimburse the Company any costs that it may have incurred.

9 PRECAUTIONS AGAINST FIRE

9.1 Marina Users shall take all reasonable precautions against the outbreak of fire. No Hot Work shall be carried out at the Marina without the specific written authorisation of the Company.

9.2 No fuel, gas, pyrotechnic or other highly flammable or explosive substance shall be brought onto the Marina unless it is in an appropriately designed, secure container. The Owner shall ensure that if the container is kept aboard his Vessel it is stowed in a seamanlike manner, and in a suitably drained and ventilated place. Gas bottles shall be turned off when not in use.

9.3 Lead-acid batteries shall only be charged at the Marina if they are housed in a properly ventilated compartment.

9.4 The Owner shall maintain adequate fire fighting equipment aboard his Vessel ready for immediate use in the event of fire. When the Vessel is occupied at least one suitable fire extinguisher shall be kept clearly visible and readily accessible above decks.

9.5 Vessels shall not be refuelled anywhere at the Marina except at the fuel berth or other place designated by the Company for the purpose. It shall be the responsibility of the Owner to ensure that the fuel is delivered onboard his Vessel in a manner that minimises the risk of fire. Fuel suppliers must hold a Work Permit.

10 PRECAUTIONS AGAINST POLLUTION

10.1 Marina Users shall take all reasonable precautions to prevent pollution. No garbage, toilet effluent, dirty bilge water or other pollutant shall be discharged or thrown overboard, or left anywhere on the Marina. These substances shall be disposed of carefully in the receptacles provided by the Company (and in accordance with any instructions marked on or adjacent these receptacles), or by their removal from the Marina.

10.2 No fuel, paint, chemical or other potential pollutant shall be brought onto the Marina unless it is in an appropriately designed, secure container. The Owner shall ensure that if the container is kept aboard his Vessel it is stowed in a seamanlike manner and in a suitably drained and ventilated place.

10.3 Vessels shall not be refuelled anywhere at the Marina except at the fuel berth or other place designated by the Company for the purpose. It shall be the responsibility of the Owner to ensure that the fuel is delivered onboard his Vessel in a manner that minimises the risk of pollution. Fuel suppliers must hold a Work Permit.

11 TERMINATION

11.1 In the case of force majeure the Company shall have the right to terminate a Licence by serving the Owner with such notice as is reasonable in the circumstances. Force majeure will be deemed to apply if at any time the Marina is so badly damaged or affected by any natural or man-made occurrence or intervention, or by any other thing beyond the Company's reasonable control, such that the Company can no longer provide the Berth and/or its associated services in accordance with the Licence. In the event of such a termination the Company will refund the Owner the unexpired portion of his Licence fee.

11.2 In the event of any breach of these Rules, the Company shall have the right to terminate an Owner's Licence in accordance with the following procedure: (a) If the Company determines that the breach is serious then the Company may terminate the Licence without notice.

(b) Otherwise the Company will first serve legal notice on the Owner, specifying the breach and requiring him to remedy it within 14 days. If the Owner fails to remedy the breach within 14 days, the Company may at any time thereafter serve a further notice on the Owner terminating his Licence and requiring him to remove his Vessel from the Marina within 14 days.

11.3 If the Owner fails to remove his Vessel from the Marina upon termination of his Licence then the Company may:

(a) Continue to charge the Owner the Berthing fees and other charges (in accordance with the Company's tariff, where applicable) for keeping his Vessel at the Marina, and/or

(b) At the Owner's risk, move his Vessel out of the Marina and charge the Owner for this move and for any subsequent berthing, storage and other costs properly incurred, and/or

(c) Give 28 days written notice to the Owner of its intention to recover the amounts due to it by disposing of his Vessel in accordance with rule 11.4.

11.4 If a Vessel appears to have been abandoned, or if its Owner fails to respond to notices that have been properly served, then the Company may dispose of the Vessel as follows: (a) The Company shall serve a further notice on the Owner at his last known address and shall publish a notice in a Malta national daily newspaper and shall fix a notice to the mast or superstructure of the Vessel. These shall be 3-month notices of the Company's intention to dispose of the Vessel at public auction.

(b) If the Owner fails to respond by paying all amounts owing to the Company and (if applicable) removing his Vessel from the Marina or its storage place, then the Company may sell the Vessel at public auction following the expiry of the 3-month notice period.

(c) The Company shall be entitled to deduct from the sale proceeds any costs properly incurred by it under these Rules and/or under the terms of any other agreement it has with the Owner. The Company shall then account to the Owner for any balance. If any amount still remains due from the Owner to the Company then the Company reserves the right to take further action to recover the outstanding amount.

11.5 The Owner may terminate his Licence at any time but will be deemed to have taken account of the provisions of Rule 5.4.

12 VALIDITY

12.1 The Company reserves the right, acting reasonably, to amend or add to these Rules if it deems it necessary to do so for the safe and efficient operation of the Marina. Such amendments or additions shall become effective 28 days after being publicly displayed on the Company's notice board at the Marina or served on the Owner.

12.2 Further to clause 12.1, additional Rules will almost certainly be applied to certain facilities and classes of vessel (e.g. for the fuel berth and the technical services facilities, and to fragatini and commercial vessels).

12.3 Legal notice may be served on the Owner in person, or by sending it by recorded delivery or courier service to his last known address (or in the case of a body corporate to its last known registered address), or by fixing it to his Vessel in a prominent position.

12.4 The Rule headings are for identification only. Where applicable, words signifying the masculine also include the feminine and the singular the plural. In the event that these Rules are translated and a question of interpretation arises or there is any uncertainty as to meaning, then this English version shall prevail.

12.5 Any dispute arising out of these Marina Rules shall be referred for determination to the Malta Arbitration Centre and the arbitrator's decision, including his decision as to costs, shall be binding. The place of arbitration shall be Malta.

12.6 These Marina Rules shall be construed and interpreted in accordance with the law of Malta.

Health & Safety Policy This Health & Safety Policy forms an integral part of the Marina Rules.

1 General Policy Statement The Company will do everything that is reasonably possible to protect its employees and Marina Users from foreseeable hazards, but it expects them to acknowledge that they have a personal responsibility to work safely and to act in a manner that ensures the safety of themselves and others.

2 The Responsibility of the Company towards its Employees

The Company will:

2.1 Maintain safe and healthy working conditions and provide the necessary tools, safety equipment and protective clothing.

2.2 Provide sufficient training, written information and instructions to enable hazards to be avoided, emergencies to be dealt with, and work to be performed safely.

2.3 Establish accident and incident reporting, investigation and remedial procedures.

2.4 Carry out regular equipment inspections and hazard assessments and take prompt action to deal with any faults or hazards that are identified.

2.5 Endeavour to ensure that all contractors and other persons working commercially at the Marina hold a valid Work Permit.

3. Personal Responsibility of Employees and Marina Users

Every Company employee and Marina User accepts that he has a personal responsibility to:

3.1 Work in accordance with recognised safe practice, manufacturers' guidelines (where applicable), the Marina Rules, and any procedures issued by the Company.

3.2 Use appropriate safety equipment and protective clothing.

3.3 Report immediately to the Company any accident, incident, defective equipment and hazard and, if reasonably possible, take prompt action to mitigate any danger.

3.4 Assist the Company to investigate any accident or incident and make suggestions to prevent a re-occurrence.

3.5 Not work when under the influence of alcohol or drugs, even if the drugs are medically prescribed, if the side effects of these may be prejudicial to safety.

3.6 Familiarise himself with emergency procedures and equipment.

4. Safety Organisation

4.1 The Marina manager has day to day responsibility for monitoring and enforcing this policy. He reports to the Company's managing director who has overall responsibility for health and safety.

4.2 In the absence of the Marina manager, the most senior employee on duty is responsible for enforcing this policy to the best of his ability. (When seniority is not clear, it shall be determined by the employees then on duty by reference to their respective lengths of employment with the Company.)

4.3 Marina Users and employees should report any health and safety issues to the Marina manager or, in his absence, to the most senior employee on duty.

5. Implementation

5.1 The Marina manager shall report on health and safety to the Company's managing director at least once per month. This report shall describe any accidents or incidents, and the steps that have been taken and/or are proposed to minimise the risk of any re-occurrence.

5.2 Employees shall deal with any accident or incident in accordance with the Company's applicable procedures.

6. Enforcement Action

6.1 Any employee who breaches this policy may be disciplined.

6.2 Any contractor who breaches this policy may be ordered off the Marina and have his Work Permit revoked.

6.3 Any other Marina User who breaches this policy may be ordered off the Marina and, if applicable and if the breach is serious, have his Berthing Licence terminated.