

CLAUSE 6

If any of the vessels are lost, hire shall be paid up to and inclusive of the day of loss, or if missing, up to and inclusive of the estimated date of arrival at the next intended port of call, but not exceeding 15 days from the date the vessel was last reported. Should any of the vessels become a constructive total loss, such loss shall be deemed to have occurred on and hire hereunder shall cease as from the day of the casualty resulting in such loss.

CLAUSE 7

Subject to the agreement on the Settlement of War Claims dated 6th March, 1946, and made between the parties hereto, in the event of the actual or constructive total loss of any of the vessels during its service under this Agreement, the Charterer shall pay to the Owners in full and final settlement the sum of 500,000 Canadian dollars for each vessel so lost, less depreciation at the rate of 6% per annum from 1st September, 1945, until the date of loss.

CLAUSE 8

(1) In ascertaining whether any of the vessels is a constructive total loss for the purposes of this Agreement, the sum of 500,000 Canadian dollars, less depreciation at the rate of 6% per annum from 1st September, 1945, until the date of loss, shall be taken as the repaired value and nothing in respect of the damaged or breaking up value of the vessel shall be taken into account, and the vessel may for such purposes be treated as a constructive total loss notwithstanding that no notice of abandonment has been given by the Owners. Should any of the vessels, although not a constructive total loss, sustain such damage or be in such a position as would appear to the Charterer to render it inadvisable that the vessel should be repaired or salvaged, the Charterer shall forthwith notify the Owners and, if the Owners so agree, the vessel shall be deemed to have become a constructive total loss.

CLAUSE 9

All risk and expense of the vessels and their stores shall be borne by the Charterer during the continuance of the vessels' service under this Agreement, and in the event of any vessel becoming a wreck or obstruction to navigation the Charterer agrees to indemnify the Owners against any sum which the Owners shall become liable to pay and shall pay in respect of the removal or destruction of the wreck or obstruction under statutory powers.

CLAUSE 10

The vessels may be registered in the name of the Charterer during the period of their service under this Agreement but such registration will not affect the title to the vessels which will remain vested in the Owners.

CLAUSE 11

The Charterer shall have the right of sub-letting any of the vessels to persons having their principal place of business in the United Kingdom, the Channel Islands or the Isle of Man, the Charterer remaining responsible to the Owners for the due fulfilment of his obligations hereunder.