



Borgarráð

**Falla frá forkaupsrétti á skipi *Kristrún RE-177***

Óskað er eftir að borgarráð hafni að þessu sinni að nýta forkaupsrétt sinn í fiskiskipið *Kristrúnu RE-177*, skipaskráningarnúmer 2774, skv. kaupsamningi dags. 19. mars 2022.

Greinargerð:

Skipið selst án allra veiðiheimilda hverju nafni sem þær nefnast. Skipið er án aflahlutdeildar. Aflamark sem er á skipi fylgir ekki og verður áfram eign seljanda. Samkvæmt 3. mgr. 12. gr. laga nr. 116/2006 um stjórn fiskveiða á sveitarstjórn forkaupsrétt á fiskiskipum sem hafa leyfi til veiða í atvinnuskyni.

Kaupverð er 17.000.000 DKK. Lagt er til að borgarráð hafni að nýta að þessu sinni lögbundinn forkaupsrétt sinn í fiskiskipið *Kristrún RE-177*, skipaskráningarnúmer 2774.

Ívar Örn Ívarsson  
*Skrifstofa borgarstjóra og borgarritara*

Hjálagt: Kaupsamningur dags. 19. mars 2022

# MEMORANDUM OF AGREEMENT

Norwegian Shipbrokers' Association's  
Memorandum of Agreement for sale and  
purchase of ships. Adopted by BIMCO in 1956.  
Code-name  
**SALEFORM 2012**  
Revised 1966, 1983 and 1986/87, 1993 and 2012

Dated: 19<sup>th</sup> March 2022.

**Fiskkaup ehf., Registration number 620983-0209, Fiskislóð 34, 101 Reykjavík, Iceland.**

hereinafter called the "Sellers" have agreed to sell, and

**Sp/f 31.01.2011, Registration number 5561, undir Götuni 2, FO-210 Sandur, Faroe Islands**

hereinafter called the "Buyers", have agreed to buy:

Name of vessel: **Kristrún**

IMO Number: **8714293**

Call Sign: **TFKE**

Classification Society: **DNV**

Class Notation: **1A1 Fishing vessel Ice(C)**

Year of Build: **1988. Builder/Yard: Solstrand Slip & Båtbyggeri A/S, Norway - Hull yard: Herfjord Slipp & Verksted A/S**

Flag: **Iceland** Place of Registration: **Reykjavík, Iceland** GT/NT: **764,98/273,09**

hereinafter called the "Vessel", on the following terms and conditions:

## Definitions

"Banking days" are days on which banks are open both in the country of the currency stipulated for the Purchase Price in Clause 1 (Purchase Price) and in the place of closing stipulated in Clause 8 (Documentation) (**Iceland**) and in the **Faroe Islands**.

"Buyers' Nominated Flag State" means **Iceland**.

"Class" means the class notation referred to above.

"Classification Society" means the Society referred to above.

"Deposit" shall have the meaning given in Clause 2 (Deposit)

"Deposit Holder" means **Atlantic Shipping A/S, Islands Brygge 26, 2300 Copenhagen S, Denmark, or, if left blank, the Sellers' Bank**, which shall hold and release the Deposit in accordance with this Agreement.

"Deposit Agreement" means an agreement between the Parties and the Deposit Holder.

"Deposit Account" means a bank account in the Deposit Holder's name with the Deposit Holder's bank:

**Danske Bank, Erhverv København, Holbergsgade 2,1057 Copenhagen K, Denmark.  
Account name: Atlantic Shipping A/S  
Account no.: 3001 1330 0305  
IBAN: DK88 3000 0013 303 05  
SWIFT- BIC Code: DABADKKK**

"Deposit Holder's bank" means: **Danske Bank, Erhverv København, Holbergsgade 2,1057 Copenhagen K, Denmark.**

"In writing" or "written" means a letter scanned and sent by email or handed over from the Sellers to the Buyers or vice versa, a registered letter or an e-mail message or telefax.

"Parties" means the Sellers and the Buyers.

"Purchase Price" means the price for the Vessel as stated in Clause 1 (Purchase Price).

"Sellers Account" means **Account no. 0111-38-400249, IBAN IS95 0111 3840 0249 6209 8302 09, SWIFT NBHHSRE** at the Sellers' Bank.

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"Sellers' Bank" means Landsbankinn hf., reg. no. 471008-0280, Austurstræti 11, 155 Reykjavík, Iceland	26
or, if left blank, the bank	27
notified by the Sellers to the Buyers for receipt of the balance of the Purchase Price.	28
<b>1. Purchase Price</b>	29
The Purchase Price is DKK 17,000,000.00 – Danish Kroner Seventeen Million 00/100.	30
<b>2. 2.1. Deposit</b>	31
As security for the correct fulfilment of this Agreement the Buyers shall pay a deposit of	32
% (per cent) or, if left blank, 10% (ten per cent), of the Purchase Price (the	33
"Deposit") in the Deposit Account an interest-bearing account for the Parties with the Deposit	34
Holder's bank three (3)	35
Banking Days after the date that:	36
(i) this Agreement has been signed by the Parties and exchanged in original or by	37
e-mail or telefax; and	38
(ii) a Deposit Agreement has been signed by the Parties and the Deposit Holder and exchanged	
in original or by e-mail; and the Deposit Holder has confirmed in writing to the Parties that the	
account has been	
opened.	
(iii) The Buyers have lifted their subjects pursuant to Clauses 4 and 20 of this Memorandum of	
Agreement.	
<b>2.2. Depositing of the balance of the Purchase price etc.</b>	
<b>2.2.1. Prior to departure of the Vessel from Iceland to the port of delivery in Faroe Islands the</b>	
<b>balance of the Purchase price (90%) shall be paid in full free of bank charges to the Deposit</b>	
<b>Account.</b>	
<b>2.2.2. All other sums payable on delivery by the Buyers in the Sellers under this Agreement i.a.</b>	
<b>for remaining bunkers and lubricating oils (to be measured in the port of delivery in Faroe</b>	
<b>Islands) shall be be paid in full free of bank charges to the Deposit Account prior to delivery of</b>	
<b>the Vessel.</b>	
The Deposit (10%) shall be released in accordance with joint written instructions of the Parties or a	
final and unappealable award or final and unappealable judgement of any competent court of	
law, tribunal or arbitration panel, pursuant to Clause 16 of this Memorandum of Agreement,	
directing the Deposit and any accrued interest to be paid to the Buyers or the Sellers as the	39
arbitration award or the judgement may direct.	40
Interest, if any, shall be credited to the Buyers. Any No fee will be charged for holding and releasing	41
the	42
Deposit shall be borne equally by the Parties. The Parties shall provide to the Deposit Holder	
all necessary documentation to open and maintain the account without delay according to the Deposit	
Agreement.	
The Deposit Holder shall not be liable in any manner for losses due to currency exchange rates or	
negative interest rate, if any, on the Deposit and other sums paid in the Deposit Account. Should	
there be any negative interest on the Deposit and other sums paid in the Deposit Account, such	
shall be borne by the Buyers.	
Should there be a dispute between the parties under this Agreement and the Vessel is not	
delivered, the Deposit Holder shall release to the Buyers the balance of the Purchase price (90%)	
and all other sums paid to the Deposit Account for the fuel oil and lub. and hydraulic oils.	
However, should this occur after the Vessel has arrived in Faroe Islands, and the reason not	
being Sellers' default, DKK 1 (one) million shall be deducted as liquidated damages payable to	
the Sellers for sailing the Vessel from Iceland to Faroe Islands and back.	
<b>3. Payment</b>	43
On delivery of the Vessel but not later than three (3) Banking Days after the date that Notice of	44
Readiness has been given in accordance with Clause 5 (Time and place of delivery and	45
notices):	46
(i) the deposit shall be released to the Sellers; and	47
(ii) the balance of the Purchase price and all other sums payable on delivery by the Buyers	48
to the Sellers under this Agreement shall be released from the Deposit Account / paid in full free	49
of bank charges to the	50
Sellers' Account.	51
<b>4. Inspection</b>	52
<del>(a)* The Buyers have inspected and accepted the Vessel's classification records. The Buyers</del>	

have also inspected the Vessel at/in \_\_\_\_\_ on \_\_\_\_\_ and have \_\_\_\_\_ 53  
accepted the Vessel following this inspection and the sale is outright and definite, subject only \_\_\_\_\_ 54  
to the terms and conditions of this Agreement. \_\_\_\_\_ 55

(b)\* The Buyers shall have the right to inspect the Vessel's classification records and relevant \_\_\_\_\_ 56  
National records and declare \_\_\_\_\_ 57  
whether same are accepted or not within 4<sup>th</sup> April, 2022 (state date/period).

The Sellers shall make the Vessel available for inspection at/in \_\_\_\_\_ Akureyri, Iceland within 1<sup>st</sup> April \_\_\_\_\_ 58  
2022 \_\_\_\_\_ 59

The Buyers shall undertake the inspection without undue delay to the Vessel. Should the \_\_\_\_\_ 60  
Buyers cause undue delay they shall compensate the Sellers for the losses thereby incurred. \_\_\_\_\_ 61

The Buyers shall inspect the Vessel without opening up and without cost to the Sellers. \_\_\_\_\_ 62

During the inspection, the Vessel's deck and engine log books shall be made available for \_\_\_\_\_ 63  
examination by the Buyers. \_\_\_\_\_ 64

The sale shall become outright and definite, subject only to the terms and conditions of this \_\_\_\_\_ 65  
Agreement, provided that the Sellers receive written notice of acceptance of the Vessel from \_\_\_\_\_ 66

the Buyers within 4<sup>th</sup> April 2022. ~~seventy-two (72) hours after completion of such inspection or after~~ \_\_\_\_\_ 67  
~~the~~ \_\_\_\_\_ 68  
~~date/last day of the period stated in Line 59, whichever is earlier.~~

The Buyers have inspected the Vessel at Akureyri, Iceland on 1<sup>st</sup> February, 2022 and her longline \_\_\_\_\_  
equipment and the longline fishing gear which are included in the sale in Reykjavik on 31<sup>st</sup> \_\_\_\_\_  
January 2022.

The Buyers intend to inspect the Vessel at Akureyri on 1<sup>st</sup> April 2022.

Should the Buyers decide to purchase the Vessel without further inspection the inspection carried \_\_\_\_\_  
out on 1<sup>st</sup> February, 2022 shall apply as the Buyers' inspection of the Vessel pursuant to the \_\_\_\_\_  
provisions of this Memorandum of Agreement.

Should the Buyers fail to undertake the inspection as scheduled and/or notice of acceptance of \_\_\_\_\_ 69  
the Vessel's classification records and/or of the Vessel not be received by the Sellers as \_\_\_\_\_ 70  
aforesaid, ~~the Deposit together with interest earned, if any, shall be released immediately to the~~ \_\_\_\_\_ 71  
~~Buyers, whereafter this Agreement shall be null and void.~~ \_\_\_\_\_ 72

\*4(a) and 4(b) are alternatives; delete whichever is not applicable. In the absence of deletions, \_\_\_\_\_ 73  
alternative 4 a) to apply. \_\_\_\_\_ 74

5. Time and place of delivery and notices \_\_\_\_\_ 75

(a) The Vessel shall be delivered and taken over safely afloat at a safe and accessible berth or \_\_\_\_\_ 76  
anchorage at/in Torshavn or Skala, Faroe Islands in the Buyers' Sellers' option. \_\_\_\_\_ 77

Expected time of delivery: 16<sup>th</sup> May, 2022.

Notice of Readiness shall not be tendered before: 10<sup>th</sup> May 2022. \_\_\_\_\_ 78

Cancelling Date (see Clauses 5(c), 6 (a)(i), 6 (a) (iii) and 14): 17<sup>th</sup> June 2022. \_\_\_\_\_ 79

(b) The Sellers shall keep the Buyers well informed of the Vessel's itinerary and shall \_\_\_\_\_ 80  
provide the Buyers with ~~twenty (20), ten (10), five (5) and three (3) days' notice of the date the~~ \_\_\_\_\_ 81

Sellers intend to sail the Vessel from Iceland to the place in Faroe Islands where the Buyers decide \_\_\_\_\_  
to take delivery of the Vessel. ~~to tender Notice of Readiness and of the intended place of delivery.~~ \_\_\_\_\_ 82

When the Vessel is at the place of delivery and physically ready for delivery in accordance with \_\_\_\_\_ 83  
this Agreement, the Sellers shall give the Buyers a written Notice of Readiness for delivery. \_\_\_\_\_ 84

(c) If the Sellers anticipate that, notwithstanding the exercise of due diligence by them, the \_\_\_\_\_ 85  
Vessel will not be ready for delivery by the Cancelling Date they may notify the Buyers in writing \_\_\_\_\_ 86

stating the date when they anticipate that the Vessel will be ready for delivery and proposing a \_\_\_\_\_ 87  
new Cancelling Date. Upon receipt of such notification the Buyers shall have the option of \_\_\_\_\_ 88

either cancelling this Agreement in accordance with Clause 14 (Sellers' Default) within three (3) \_\_\_\_\_ 89  
Banking Days of receipt of the notice or of accepting the new date as the new Cancelling Date. \_\_\_\_\_ 90

If the Buyers have not declared their option within three (3) Banking Days of receipt of the \_\_\_\_\_ 91  
Sellers' notification or if the Buyers accept the new date, the date proposed in the Sellers' \_\_\_\_\_ 92

notification shall be deemed to be the new Cancelling Date and shall be substituted for the \_\_\_\_\_ 93  
Cancelling Date stipulated in line 79. \_\_\_\_\_ 94

If this Agreement is maintained with the new Cancelling Date all other terms and conditions \_\_\_\_\_ 95  
hereof including those contained in Clauses 5(b) and 5(d) shall remain unaltered and in full \_\_\_\_\_ 96



force and effect.	97
(d) Cancellation, failure to cancel or acceptance of the new Cancelling date shall be entirely without prejudice to any claim for damages the Buyers may have under Clause 14 (Sellers' Default) for the Vessel not being ready by the original Cancelling Date.	98 99 100
(e) Should the Vessel become an actual, constructive or compromised total loss before delivery the Deposit together with interest earned, if any, shall be released immediately to the Buyers whereafter this Agreement shall be null and void.	101 102 103
<b>6. Divers Inspection / Drydocking.</b>	104
(a)*	105
(i) <del>The Buyers shall have the option at their cost and expense to arrange for an underwater inspection by a diver approved by the Classification Society prior to the delivery of the Vessel. Such option shall be declared latest nine (9) days prior to the Vessels' intended date of readiness for delivery as notified by the Sellers pursuant to Clause 5(b) of this Agreement. The Sellers shall at their cost and expense make the Vessel available for such inspection. This inspection shall be carried out without undue delay and in the presence of a Classification Society surveyor arranged for by the Sellers and paid for by the Buyers. The Buyers' representative(s) shall have the right to be present at the diver's inspection as observer(s) only without interfering with the work or decisions of the Classification Society surveyor. The extent of the inspection and the conditions under which it is performed shall be to the satisfaction of the Classification Society. If the conditions at the place of delivery are unsuitable for such inspection, the Sellers shall at their cost and expense make the Vessel available at a suitable alternative place near to the delivery port, in which event the Cancelling Date shall be extended by the additional time required for such positioning and the subsequent re-positioning. The Sellers may not tender Notice of Readiness prior to completion of the underwater inspection.</del>	106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121
(ii) <del>If the rudder, propeller, bottom or other underwater parts below the deepest load line are found broken, damaged or defective so as to affect the Vessel's class, then (1) unless repairs can be carried out afloat to the satisfaction of the Classification Society, the Sellers shall arrange for the Vessel to be drydocked at their expense for inspection by the Classification Society of the Vessel's underwater parts below the deepest load line, the extent of the inspection being in accordance with the Classification Society's rules (2) such defects shall be made good by the Sellers at their cost and expense to the satisfaction of the Classification Society without condition/recommendation** and (3) the Sellers shall pay for the underwater inspection and the Classification Society's attendance.</del>	122 123 124 125 126 127 128 129 130 131
<del>Notwithstanding anything to the contrary in this Agreement, if the Classification Society do not require the aforementioned defects to be rectified before the next class drydocking survey, the Sellers shall be entitled to deliver the Vessel with these defects against a deduction from the Purchase Price of the estimated direct cost (of labour and materials) of carrying out the repairs to the satisfaction of the Classification Society, whereafter the Buyers shall have not further rights whatsoever in respect of the defects and/or repairs. The estimated direct cost of the repairs shall be the average of quotes for the repair work obtained from two reputable independent shipyards at or in the vicinity of the port of delivery, one to be obtained by each of the Parties within two (2) Banking Days from the date of the imposition of the condition/recommendation, unless the Parties agree otherwise. Should either of the Parties fail to obtain such a quote within the stipulated time then the quote duly obtained by the other Party shall be the sole basis for the estimate of the direct repair costs. The Sellers may not tender Notice of Readiness prior to such estimate having been established.</del>	132 133 134 135 136 137 138 139 140 141 142 143 144 145
(iii) <del>If the Vessel is to be drydocked pursuant to Clause 6(a)(ii) and no suitable dry-docking facilities are available at the port of delivery, the Sellers shall take the Vessel to a port where suitable drydocking facilities are available, whether within or outside the delivery range as per Clause 5(a). Once drydocking has taken place the Sellers shall deliver the Vessel at a port within the delivery range as per Clause 5(a) which shall, for the purpose of this Clause, become the new port of delivery. In such event the Cancelling Date shall be extended by the additional time required for the drydocking and extra steaming, but limited to a maximum of fourteen (14) days.</del>	146 147 148 149 150 151 152 153
(b)* <del>The Prior to departure from Iceland to Faroe Islands the Sellers shall place the Vessel in drydock at a place in their option at the port of delivery for inspection by the Classification Society of the Vessel's underwater parts below the deepest load line, the extent of the inspection being in accordance with the Classification Society's rules. If the rudder, propeller, bottom or other underwater parts below the deepest load line are found broken, damaged or defective so as to affect the Vessel's class, such defects shall be made good at the</del>	154 155 156 157 158

Sellers' cost and expense to the satisfaction of the Classification Society without condition/recommendation**.	159
In such event the Sellers are also to pay for the costs and expenses in connection with putting the vessel in and taking her out of drydock, including the drydock dues and the Classification Society's fees. The Sellers shall also pay for these costs and expenses if parts of the tailshaft system are condemned or found defective or broken so as to affect the Vessel's class. In all other cases, the Buyers shall pay the aforesaid costs and expenses, dues and fees.	160 161 162 163 164 165
(c) If the Vessel is drydocked pursuant to Clause 6 (a)(ii) or 6 (b) above:	166
(i) The Classification Society may require survey of the tailshaft system, the extent of the survey being to the satisfaction of the Classification surveyor. If such survey is not required by the Classification Society, the Buyers shall have the right to require the tailshaft to be drawn and surveyed by the Classification Society, the extent of the survey being in accordance with the Classification Society's rules for tailshaft survey and consistent with the current stage of the Vessel's survey cycle. The Buyers shall declare whether they require the tailshaft to be drawn and surveyed not later than by the completion of the inspection by the Classification Society. The drawing and refitting of the tailshaft shall be arranged by the Sellers. Should any parts of the tailshaft system be condemned or found defective so as to affect the Vessel's class, those parts shall be renewed or made good at the Sellers' cost and expense to the satisfaction of the Classification Society without condition/recommendation**.	167 168 169 170 171 172 173 174 175 176 177 178
(ii) The costs and expenses relating to the survey of the tailshaft system shall be borne by the Buyers unless the Classification Society requires such survey to be carried out or if parts of the system are condemned or found defective or broken so as to affect the Vessel's class, in which case the Sellers shall pay these costs and expenses.	179 180 181 182
(iii) The Buyers' representative(s) shall have the right to be present in the drydock, as observer(s) only without interfering with the work or decisions of the Classification Society surveyor.	183 184 185
<b>The Buyers have the right to invite representatives from the Faroese Maritime Authority and other relevant persons to inspect the Vessel and her certificates – for registration purposes.</b>	
(iv) The Buyers shall have the right to have the underwater parts of the Vessel cleaned and painted at their risk, cost and expense without interfering with the Sellers' or the Classification Society surveyor's work, if any, and without affecting the Vessel's timely delivery. If, however, the Buyers' work in drydock is still in progress when the Sellers have completed the work which the Sellers are required to do, the additional docking time needed to complete the Buyers' work shall be for the Buyers' risk, cost and expense. In the event that the Buyers' work requires such additional time, the expected time of delivery and the cancellation date shall be extended accordingly. <del>the Sellers may upon completion of the Sellers' work tender Notice of Readiness for delivery whilst the Vessel is still in drydock and, notwithstanding Clause 5(a), the Buyers shall be obliged to take delivery in accordance with Clause 3 (Payment), whether the Vessel is in drydock or not.</del>	186 187 188 189 190 191 192 193 194 195 196
*6 (a) and 6 (b) are alternatives; delete whichever is not applicable. In the absence of deletions, alternative 6 (a) shall apply.	197 198
** Notes or memoranda, if any, in the surveyor's report which are accepted by the Classification Society without condition/recommendation are not to be taken into account.	199 200
<b>7. Spares, bunkers and other items</b>	201
The Sellers shall deliver the Vessel to the Buyers with everything belonging to her on board and on shore. All spare parts and spare equipment including spare tail-end shaft(s) and/or spare propeller(s)/propeller blade(s), if any, belonging to the Vessel at the time of inspection used or unused, whether on board or not shall become the Buyers' property, but spares on order are excluded. Forwarding charges, if any, shall be for the Buyers' account. The Sellers are not required to replace spare parts including spare tail-end shaft(s) and spare propeller(s)/propeller blade(s) which are taken out of spare and used as replacement prior to delivery, but the replaced items shall be the property of the Buyers. Unused stores and provisions shall be included in the sale and be taken over by the Buyers without extra payment.	202 203 204 205 206 207 208 209 210
<b>Mustad autoline system, hook-magazines etc. presented to the Buyers in Reykjavik on 31st January 2022 is included in the sale and will be on board the Vessel on delivery but will not be installed by the Sellers.</b>	

Included in the sale is the longline fishing gear presented to the Buyers in Reykjavik on 31<sup>st</sup> January 2022. The Sellers estimate the longline to be approximately: 26 "rekkar" of 9,5 mm line/1.450 hooks no. 12 and 16 "rekkar" of 11 mm line/1.200 hooks no. 12.

The longline will be delivered on board the Vessel in the same condition ("as - is") as when inspected by the Buyers.

Library and forms exclusively for use in the Sellers' vessel(s) and captain's, officers' and crew's personal belongings including an equipment to dry fish and the slop chest (whether the slop chest is owned by the crew or the Sellers) are excluded from the sale without compensation, 211  
as well as the following additional items: 212  
213

-All fishing gear, whether on board or not during Buyers' inspection or later, other than the used longline presented to the Buyers' representatives in Reykjavik on 31st January 2022. This means i.a. that all fishing gear for gillnetting, including AIS buoys and other buoys, "drekar", ropes etc.

-All gillnet stackers (net cleaners).

-All the Sellers' and all the Vessel's quota rights, other fishing rights, fishing licenses and track records including future fishing rights and quotas derived from the time prior to delivery and/or the Sellers' ownership of the Vessel, all quota shares, catch quotas etc. Same applies to all fishing information on the Vessel.

Items on board which are on hire or owned by third parties, listed as follows, are excluded from the sale without compensation: 214

-All pressurized capsules (Gas / oxygen / medical oxygen / carbon dioxide cylinders, etc.), coffee machines, milk machine and water cooler.

-Internet system (internet connection through a satellite network - hardware and software) owned by Inmarsat is also excluded. Further information has been presented to the Buyers by an email on 5<sup>th</sup> March 2022, i.e. an email from Inmarsat Solutions ehf. to the Sellers from 7 December 2017 together with three attached documents: 1. Kristrun RE FX Order. 2. Terms-and-Conditions-Fleet-Xpress.3. Kristrun RE FX Price. There is an ongoing agreement of lease of equipment and connection to the internet. The Buyers may contact the owners of the equipment and internet provider and take over the lease if an agreement is reached. Unless the Buyers have notified the Sellers latest 30<sup>th</sup> March 2022 that an agreement regarding their lease of the equipment has been reached it will be removed from the Vessel prior to her departure from Iceland.

Items on board at the time of inspection which are on hire or owned by third parties, not listed above, shall be replaced or procured by the Sellers prior to delivery at their cost and expense. 216  
217

The Buyers shall take over remaining bunkers and unused lubricating and hydraulic oils and greases in storage tanks and unopened drums and pay either: 218  
219

(a) ~~the actual net price (excluding barging expenses) as evidenced by invoices and vouchers; or~~ 220

(b) \*the current net market price (excluding barging expenses) at the port of Tórshavn, Faroe Islands and date of delivery 221  
of the Vessel or, if unavailable, at the nearest bunkering port; 222

for the quantities taken over. 223

Payment under this Clause shall be made at the same time and place and in the same currency as the Purchase Price, see also the provisions of Clauses 2 and 3. 224  
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"inspection" in this Clause 7, shall mean the Buyers' inspection according to Clause 4(a) or 4(b) (Inspection), if applicable. If the Vessel is taken over without inspection, the date of this Agreement shall be the relevant date. 226  
227  
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*\*(a) and (b) are alternatives, delete whichever is not applicable. In the absence of deletions alternative (a) shall apply.* 229  
230

8. Documentation 231  
The place of closing: Reykjavik, Iceland. 232

The Sellers and the Buyers agree that the closing meeting may be held remotely where the Protocol of Delivery and Acceptance will be signed on behalf the Sellers in Reykjavik and on behalf the



**Buyers in Faroe Islands. Original Bill of Sale can be sent with the Vessel to the Faroe Islands and delivered to the Buyers during the closing meeting. The Icelandic Transport Authority will be requested to scan and send a copy or the Deletion Certificate by email message directly to the Faroese Maritime Authority and send the original Deletion Certificate by mail.**

(a) In exchange for payment of the Purchase Price the Sellers shall provide the Buyers with the following delivery documents:	233
(i) Legal Bill(s) of Sale in a form recordable in the Buyers' Nominated Flag State, transferring title of the Vessel and stating that the Vessel is free from all mortgages, encumbrances and maritime liens or any other debts whatsoever, duly witnessed or notarially attested	234
and legalised or apostilled, as required by the Buyers' Nominated Flag State;	235
(ii) Evidence that all necessary corporate, shareholder and other action has been taken by the Sellers to authorise the execution, delivery and performance of this Agreement;	236
(iii) Power of Attorney of the Sellers appointing one or more representatives to act on behalf of the Sellers in the performance of this Agreement, duly witnessed or notarially attested and legalised or apostilled (as appropriate);	237
(ii and iii may be the same document if the Sellers so decide)	238
(iv) Certificate or Transcript of Registry issued by the competent authorities of the flag state on the date of delivery evidencing the Sellers' ownership of the Vessel and that the Vessel is free from registered encumbrances and mortgages, to be faxed or e-mailed by such authority to the closing meeting with the original to be sent to the Buyers as soon as possible after delivery of the Vessel;	239
(v) Declaration of Class or (depending on the Classification Society) a Class Maintenance Certificate issued within three (3) Banking Days prior to delivery confirming that the Vessel is in Class free of condition/recommendation. This will be in the form of a transcript from the Classification Society's on-line register regarding the Vessel remaining in class;	240
(vi) Certificate of Deletion of the Vessel from the Vessel's registry evidencing the Sellers' ownership of the Vessel at the time of deletion from the ship register in Iceland and that the Vessel is free from registered encumbrances, or other official evidence of deletion appropriate to the Vessel's registry at the time of delivery, or, in the event that the registry does not as a matter of practice issue such documentation immediately, a written undertaking by the Sellers to effect deletion from the Vessel's registry forthwith and provide a certificate or other official evidence of deletion to the Buyers promptly and latest within four (4) weeks after the Purchase Price has been paid and the Vessel has been delivered;	241
(vii) A copy of the Vessel's Continuous Synopsis Record certifying the date on which the Vessel ceased to be registered with the Vessel's registry, or, in the event that the registry does not as a matter of practice issue such certificate immediately, a written undertaking from the Sellers to provide the copy of this certificate promptly upon it being issued together with evidence of submission by the Sellers of a duly executed Form 2 stating the date on which the Vessel shall cease to be registered with the Vessel's registry;	242
(viii) Commercial Invoice for the Vessel	243
(ix) Commercial Invoice(s) for bunkers, lubricating and hydraulic oils and greases;	244
(x) A copy of the Sellers' letter to their satellite communication provider cancelling the Vessel's communications contract which is to be sent immediately after delivery of the Vessel;	245
(xi) Any additional documents as may reasonably be required by the competent authorities of the Buyers' Nominated Flag State for the purpose of registering the Vessel, provided the Buyers notify the Sellers of any such documents as soon as possible after the date of this Agreement; and	246
(xii) By signing this Memorandum of Agreement The the Sellers' letter of confirmation that to the best of their knowledge, the Vessel is not black listed by any nation or international organisation	247
(b) At the time of delivery the Buyers shall provide the Sellers with:	248
(i) Evidence that all necessary corporate, shareholder and other action has been taken by the Buyers to authorise the execution, delivery and performance of this Agreement; and	249



(ii) Power of Attorney of the Buyers appointing one or more representatives to act on behalf of the Buyers in the performance of this Agreement, duly witnessed or notarially attested and legalised	279
<del>or apostilled (as appropriate).</del>	280
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<del>(e) If any of the documents listed in Sub-clauses (a) and (b) above are not in the English language they shall be accompanied by an English translation by an authorised translator or certified by a lawyer qualified to practice in the country of the translated language.</del>	282
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(d) The Parties shall to the extent possible exchange copies, drafts or samples of the documents listed in Sub-clause (a) and Sub-clause (b) above for review and comment by the other party as soon as practically possible not later than <del>_____ (state number of days), or if left blank, nine (9)</del>	285
days prior to the	286
Vessel's intended date of readiness for delivery as notified by the Sellers pursuant to Clause 5(b) of this Agreement.	287
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(e) Concurrent with the exchange of documents in Sub-clause (a) and Sub-clause (b) above the Sellers shall also hand to the Buyers the classification certificate(s) as well as all plans drawings and manuals, (excluding ISM/ISPS manuals), which are on board the Vessel. Other certificates which are on board the Vessel shall also be handed over to the Buyers unless the Sellers are required to retain same, in which case the Buyers have the right to take copies.	290
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(f) Other technical documentation which may be in the Sellers' possession shall promptly after delivery be forwarded to the Buyers at their expense, if they so request. The Sellers may keep the Vessel's log books but the Buyers have the right to take copies of same.	295
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<b>All drawings in DWG format which may be in the Sellers' possession shall be delivered in DWG format.</b>	
(g) The Parties shall sign and deliver to each other a Protocol of Delivery and Acceptance confirming the date and time of delivery of the Vessel from the Sellers to the Buyers.	298
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<b>9. Encumbrances</b>	300
The Sellers warrant that the Vessel at the time of delivery, is free from all charters, encumbrances, mortgages and maritime liens or any other debts whatsoever, and is not subject to Port State or other administrative detentions. The Sellers hereby undertake to indemnify the Buyers against all consequences of claims made against the Vessel which have been incurred prior to the time of delivery.	301
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<b>10. Taxes, fees and expenses</b>	306
Any taxes, fees and expenses in connection with the purchase and registration in the Buyers' Nominated Flag State, shall be for the Buyers' account, whereas similar charges in connection with the closing of the Sellers' register shall be for the Sellers' account.	307
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<b>The Sellers shall pay brokers commission to Atlantic Shipping A/S and Saga shipbrokers Ltd. pursuant to an agreement between the parties.</b>	
<b>11. Condition on delivery</b>	310
The Vessel with everything belonging to her shall be at the Sellers' risk and expense until she is delivered to the Buyers, but subject to the terms and conditions of this Agreement she shall be delivered and taken over as she was at the time of inspection, fair wear and tear excepted.	311
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However, the Vessel shall be delivered free of cargo and free of stowaways with her Class maintained without condition/recommendation*, free of average damage affecting the Vessel's class, and with her classification certificates and national certificates as well as all other certificates the Vessel had at the time of inspection, valid and unextended (it being known to the Buyers and accepted that the Machinery Items (MS.Sa.) survey has been postponed until 2022.12.14) without	314
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condition/recommendation* by the Classification Society or the relevant authorities at the time of delivery. This also includes the cranes.	317
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*[Handwritten signatures]*

*[Handwritten initials]*

The Vessel will be delivered with her Class and Statutory survey status as follows:

**DNV**

Name of vessel  
**KRISTRÚN II**  
IMO 8714293

DNV ID no.  
16177

## VESSEL SURVEYS

### Class surveys

Survey description	Code	Last survey	Location	Next survey [from, to]	Status
Main class renewal	MC.R	2017-10-13	Reykjavik	2022-09-14, 2022-12-14	
Main class intermediate	MC.In	2020-09-28	Reykjavik	2024-09-14, 2026-03-14	
Main class annual	MC.A	2021-09-28	Reykjavik	2022-09-14, 2022-12-14	
Hull items	HS.Sa	2020-09-28	Reykjavik		
Machinery items	MS.Sa	2017-10-13	Reykjavik	2021-09-14, 2022-12-14	Due
Bottom complete survey (Last: Out Of Water)	BOT.C	2020-09-28	Reykjavik	2022-12-14	
Propeller shaft arrangement C oil lubricated (Last: Reduced Scope)	CPRPSO	2020-09-28	Reykjavik	2024-12-28, 2026-03-28	
Shaft - propeller connection, flanged C	CPRPCN	2008-03-14	Halifax	2022-03-14, 2023-06-14	

### Statutory surveys

Survey description	Code	Last survey	Location	Next survey [from, to]	Status
Fishing vessel safety equipment renewal	FVSC.E.R	2020-09-28	Reykjavik	2024-03-29, 2024-06-29	
Oil pollution prevention, type A renewal	OPP-A.R	2017-10-13	Reykjavik	2022-09-14, 2022-12-14	
Oil pollution prevention, type A intermediate	OPP-A.In	2020-09-28	Reykjavik	2024-09-14, 2026-03-14	
Oil pollution prevention, type A annual	OPP-A.A	2021-09-28	Reykjavik	2022-09-14, 2022-12-14	
Air pollution prevention renewal	IAPP.R	2017-10-13	Reykjavik	2022-09-14, 2022-12-14	
Air pollution prevention intermediate	IAPP.In	2020-09-28	Reykjavik	2024-09-14, 2026-03-14	
Air pollution prevention annual	IAPP.A	2021-09-28	Reykjavik	2022-09-14, 2022-12-14	
Inventory of hazardous materials (EU regulation) renewal survey	EU-REC-IHM.R	2022-02-09	Iceland FIS		

The Vessel shall be delivered fully functional, 'fair wear and tear accepted'.

Prior to the delivery voyage from Iceland to Faroe Islands and before docking of the Vessel, the Sellers shall demonstrate the Vessel's main functions to the Buyers including the following (function tests can take place during fishing operations prior to closing if applicable):

- the propulsion system incl. the main engine and the gear box
- both aux. engines and generators
- propeller and rudder
- anchor winch, all cranes and deck equipment in general
- electronics in the wheelhouse
- the freezing hold and all horizontal freezers
- Vessel's systems in general

Vessel's equipment to be delivered "as is".

Any relevant malfunction to be corrected/repared to a usual good standard, by the Sellers, at their cost, prior to the delivery of the Vessel to the Buyers.

All parts, machinery and equipment of the Vessel, which are subject to class approval, shall be made good to the satisfaction of the Classification Society.

After the function tests and Sellers' repair of what may be needed to be repaired and prior to the delivery voyage from Iceland to Faroe Island the Buyers shall approve the condition of the Vessel and her certificate so there will be no requirement for further inspection of the Vessel or the Vessel's certificates.

The abovementioned function tests do not apply to the Mustad autoline system, hook-magazines etc. which will be on board the Vessel on delivery but will not be installed by the Sellers.

	“inspection” in this Clause 11, shall mean the Buyers’ inspection according to Clause 4(a) or 4(b) (Inspections), if applicable. If the Vessel is taken over without inspection, the date of this Agreement shall be the relevant date.	320 321 322
	<i>*Notes and memoranda, if any, in the surveyor’s report which are accepted by the Classification Society without condition/recommendation are not to be taken into account.</i>	323 324
12.	<b>Name/markings</b> Upon delivery the Buyers undertake to change the name of the Vessel and alter funnel markings.	325 326 327
13.	<b>Buyers’ default</b> Should the deposit not be lodged in accordance with Clause 2 (Deposit), the Sellers have the right to cancel this Agreement, and they shall be entitled to claim compensation for their losses and for all expenses incurred together with interest. Should the Purchase Price not be paid in accordance with Clause 3 (Payment), the Sellers have the right to cancel the Agreement, in which case the deposit together with interest earned, if any, shall be released to the Sellers. However, should “Force majeure” events such as the Covid 19 pandemic prevent the Buyers to fulfil their obligations by the time limits laid down in this Agreement the time limits shall be extended accordingly up to 30 days. If the deposit does not cover their loss, the Sellers shall be entitled to claim further compensation for their losses and for all expenses incurred together with interest.	328 329 330 331 332 333 334 335 336
14.	<b>Sellers’ default</b> Should the Sellers fail to give Notice of Readiness in accordance with Clause 5(b) or fail to be ready to validly complete a legal transfer by the Cancelling Date the Buyers shall have the option of cancelling this Agreement. If after Notice of Readiness has been given but before the Buyers have taken delivery, the Vessel ceases to be physically ready for delivery and is not made physically ready again by the Cancelling Date and new Notice of Readiness given, the Buyers shall retain their option to cancel. In the event that the Buyers elect to cancel this Agreement, the Deposit and other sums paid to the Deposit Account together with interest earned or deducted negative interest – if any, shall be released to them immediately. Should the Sellers fail to give Notice of Readiness by the Cancelling Date or fail to be ready to validly complete a legal transfer as aforesaid they shall make due compensation to the Buyers for their loss and for all expenses together with interest if their failure is due to proven negligence and whether or not the Buyers cancel this Agreement.	337 338 339 340 341 342 343 344 345 346 347 348 349
15.	<b>Buyers’ representatives</b> After this Agreement has been signed by the Parties and the deposit has been lodged, the Buyers have the right to place one (1) two (2) representatives on board the Vessel at their sole risk and expense, during the last 10 days of her last fishing trip it being understood that the Sellers intend to end that fishing trip in Reykjavik on 1 – 3 May 2022 and that the Vessel will pick up the representative in a port in the north of Iceland. During the delivery voyage from Iceland to Faroe Islands the Buyers have the right to place four (4) representatives on board the Vessel at their sole risk and expense. These representatives are on board for the purpose of familiarisation and in the capacity of observers only, and they shall not interfere in any respect with the operation of the Vessel. The Buyers and the Buyers’ representatives shall sign the Sellers’ P&I Club’s standard letter of indemnity prior to their embarkation. Buyers’ representatives must comply with all applicable law and regulations and Sellers’ requirements related to the Covid 19 pandemic, including “Covid 19 tests” should the Sellers so require.	350 351 352 353 354 355 356 357
16.	<b>Law and Arbitration</b> <del>(a) *This Agreement shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Agreement shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.</del> <del>The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.</del>	358 359 360 361 362 363 364 365



<del>The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall</del>	<del>366</del>
<del>appoint its arbitrator and send notice of such appointment in writing to the other party requiring</del>	<del>367</del>
<del>the other party to appoint its own arbitrator within fourteen (14) calendar days of that notice and</del>	<del>368</del>
<del>stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own</del>	<del>369</del>
<del>arbitrator and gives notice that it has done so within the fourteen (14) days specified. If the</del>	<del>370</del>
<del>other party does not appoint its own arbitrator and give notice that it has done so within the</del>	<del>371</del>
<del>fourteen (14) days specified, the party referring a dispute to arbitration may, without the</del>	<del>372</del>
<del>requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator</del>	<del>373</del>
<del>and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on</del>	<del>374</del>
<del>both Parties as if the sole arbitrator had been appointed by agreement.</del>	<del>375</del>
<del>In cases where neither the claim nor any counterclaim exceeds the sum of US\$ 100,000 the</del>	<del>376</del>
<del>arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at</del>	<del>377</del>
<del>the time when the arbitration proceedings are commenced.</del>	<del>378</del>
<del>(b) *This Agreement shall be governed by and construed in accordance with Title 9 of the</del>	<del>379</del>
<del>United States Code and the substantive law (not including the choice of law rules) of the State</del>	<del>380</del>
<del>of New York and any dispute arising out of or in connection with this Agreement shall be</del>	<del>381</del>
<del>referred to three (3) persons at New York, one to be appointed by each of the parties hereto,</del>	<del>382</del>
<del>and the third by the two so chosen; their decision or that of any two of them shall be final, and</del>	<del>383</del>
<del>for the purposes of enforcing any award, judgment may be entered on an award by any court of</del>	<del>384</del>
<del>competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the</del>	<del>385</del>
<del>Society of Maritime Arbitrators, Inc.</del>	<del>386</del>
<del>In cases where neither the claim nor any counterclaim exceeds the sum of US\$ 100,000 the</del>	<del>387</del>
<del>arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the</del>	<del>388</del>
<del>Society of Maritime Arbitrators, Inc.</del>	<del>389</del>
<del>(c) This Agreement shall be governed by and construed in accordance with the laws of</del>	<del>390</del>
<del>(state place) and any dispute arising out of or in connection with this Agreement shall be</del>	<del>391</del>
<del>referred to arbitration at (state place), subject to the procedures applicable there</del>	<del>392</del>

Any dispute arising out of or in connection with this Agreement, including any disputes regarding the existence, validity or termination thereof, shall be settled by arbitration administered by The Danish Institute of Arbitration in accordance with the rules of arbitration procedure adopted by The Danish Institute of Arbitration and in force at the time when such proceedings are commenced. The arbitral tribunal shall be composed of three arbitrators. The place of arbitration shall be Copenhagen. The language to be used in the arbitral proceedings shall be Danish language. This Agreement shall be governed by the substantive law of The Kingdom of Denmark.

*\*16(a), 16(b) and 16(c) are alternatives; delete whichever is not applicable. In the absence of deletions, alternative 16(a) shall apply.* 393  
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17. **Notices** 395  
All notices to be provided under this Agreement shall be in writing. 396  
Contact details for recipients of notices are as follows: 397

For the Buyers: Mr. Kristian Martin Petersen. E-mail address: kmp@kmp.fo 398  
For the Sellers: Mr. Ásbjörn Jónsson E-mail address: asbjorn@fiskkaup.is 399

18. **Entire Agreement** 400  
The written terms of this Agreement comprise the entire agreement between the Buyers and the Sellers in relation to the sale and purchase of the Vessel and supersede all previous agreements whether oral or written between the Parties in relation thereto. 401  
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Each of the Parties acknowledges that in entering into this Agreement it has not relied on and shall have no right or remedy in respect of any statement, representation, assurance or warranty (whether or not made negligently) other than as is expressly set out in this Agreement. 404  
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Any terms implied into this Agreement by any applicable statute or law are hereby excluded to the extent that such exclusion can legally be made. Nothing in this Clause shall limit or exclude any liability for fraud. 407  
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19. **Formal Validity**  
This Agreement may be executed in any number of counterparts and by the different parties or separate counterparts, each of which when so executed and delivered shall be deemed an original, but all the counterparts shall together constitute the same instrument which may be sufficient



evidence by one counterpart. In any event, the entering into this Agreement by any party shall occur on the signing and transmission by e-mail of the Agreement by that party, without prejudice to any other valid means of entering into this Agreement.

**20. Conditions precedent.**

**20.1. The Buyers' obligations under this Memorandum of Agreement are subject to the following:**

**20.1.1. From appropriate Faroe Islands authorities to receive permission to fish in the waters of Faroe Islands (fishing days), transfer of fish quota to the vessel, and acceptance of the ship by the Faroe Maritime Authority (Skipasýnið).**

**20.1.2. Satisfactory inspection of the Vessel and her Classification Records, see Clause 4.**

**20.1.3. Acceptance of the purchase of the Vessel by the Board of Directors of the Buyers.**

The Buyers shall confirm by an email message to Atlantic Shipping A/S – email address: [kbp@atlanticship.dk](mailto:kbp@atlanticship.dk) - latest on 5<sup>th</sup> April 2022 whether or not they approve the purchase of the Vessel, otherwise this Memorandum of Agreement is null and void, having no consequences whatsoever.

**20.2. Reykjavík municipality pre-emption rights.**

The Sellers' obligations under this Memorandum of Agreement are subject to Reykjavík City will not utilize its pre-emption rights in accordance with the provisions of Article 12 of the Fisheries Management Act no. 116/2006. On 14<sup>th</sup> March 2022 the Sellers offered Reykjavík City to utilize its pre-emption rights. Pursuant to the Fisheries Management Act Reykjavík City shall notify the Sellers within four weeks if the pre-emption rights will be utilized.

For and on behalf of the Sellers *19-3-2022* For and on behalf of the Buyers

  
Jón Gunnar Ásbjörnsson Chairman of the Board

  
Ásdís Jónsdóttir Board member

  
Ásbjörn Jónsson Board member

Witnesses:

  
170689-2249


  
Eyðvarur Petersen CEO

Leif W. K. Mortensen Board member



Witnesses:

  
080552

  
315-1985