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COPY

COPY

THIS SUPPLEMENTAL AGREEMENT is made the 20th day of February 2002
BETWEEN (1) THE DEPARTMENT OF TRANSPORT (a Department of the Isle of Man
Government) of Sea Terminal Building Douglas Isle of Man IM1 2RF ("the Department") and
(2) THE ISLE OF MAN STEAM PACKET COMPANY LIMITED a company duly
incorporated in the Isle of Man under Company Reference Number 73 and whose registered
office is situate at Imperial Buildings Douglas Isle of Man ("the Company")

WHEREAS

1. By an Agreement dated the 19th day of September 1995 and made between the
Department and the Company ("the Agreement") the Department in consideration of the
payments to be made by the Company and the covenants conditions and obligations on the part
of the Company therein contained gave the Company the right to use the Department's
Linkbridge situate on the North side of King Edward VIII Pier in Douglas Harbour during the
Licensed Period for the Specified Purposes from the 19th day of September 1995 for the Initial
Period of TEN (10) years ("the Initial Period")
2. Under the Agreement and in particular (but not limited to) sub-clauses 3.2 3.3 3.4 3.5 3.6
3.7 3.8 3.9 3.10 3.11 3.12 3.13 3.37 3.38 3.39 clause 4 clause 5 and clause 6 the levels of service is
only referred to by reference to 1993 levels of service and 1995 fares as benchmarks
3. The Company now provides more competitive fares and an enhanced level of service
and freight services
4. The Company has served notice on the Department under clause 12.2 of the Agreement
requesting the Department to extend the Licensed Period for the Extended Period (as herein
defined) and the Department has agreed to the extension thereof subject to the following terms
and conditions

NOW THIS DEED WITNESSETH as follows:-

1. The Department and the Company have mutually agreed that:-

- 1.1 Reference in the Agreement to the levels of services fares and freight services clauses 3.2.1, 3.3.1 and 3.3.2 shall from the date hereof be substituted as shown and additional services included in accordance with the Schedule hereto PROVIDED THAT the remaining provisions in respect of the levels of service fares and freight services set out in the Agreement shall continue to apply
- 1.2 The Initial Period referred to in clause 1.1 of the Agreement shall with effect from the date hereof be extended for a further FIVE (5) years from the 19th day of September 2005 to the 18th day of September 2010 ("the Extended Period")
- 1.3 The Company and the Department shall enter into a Licence to continue to site the Victoria Linkspan in accordance with sub-clause 12.2.2 of the Agreement
2. With the exception of the enhanced levels of service to be provided fares to be charged and provision of freight services as referred to in clause 1 sub-clause 1.1 hereof and the extension of the Initial Period referred to in clause 1 sub-clause 1.2 hereof the Agreement shall remain unchanged and in full force and effect until the end of the Extended Period or earlier termination as therein provided BUT PROVIDED THAT at the end of the Extended Period the Company shall not be entitled to extend the Agreement albeit without prejudice to the rights of the Department and the Company to enter into a new agreement in substantially the same form as the Agreement
3. References herein to "the Department's Linkbridge" "the Licensed Period" "the Specified Purposes" "the Further Period" "the Victoria Linkspan" and "the TT Period" shall have the meanings given in the Agreement

IN WITNESS WHEREOF the parties hereto have executed these presents this the day month and year first before written

SCHEDULE

Level of Services


<u>Service Standard</u>	<u>Clause in the Agreement</u>	<u>Current Service</u>	<u>Offered Service</u>
A summer period frequency at Liverpool port range	3.3.2 (page 53)	three return/ per week	seven return sailings/ per week
Freight lane meterage capacity inbound subject to practicalities availability for overhaul maintenance periods	3.2.1 (page 51)	2,600 metres per week	7,000 metres per week or 14,000 metres per fortnight during the TT Period
Extra freight capacity/ fortnight provision of more than the freight carryings of the previous year	new provision	no requirement to provide	plus 10% more lane meterage (except during the TT Period)
Service frequency per year year north-west UK ports	3.3.1 (page 52)	382 return sailings per year	764 return sailings per year

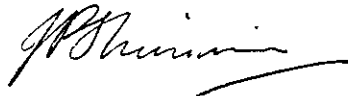
Fares

<u>Service Standard</u>	<u>Clause in Agreement</u>	<u>Current Service</u>	<u>Offered Service</u>
Availability of special offer fares	no existing provision	no requirement to provide	minimum 250,000 seats per annum to be available at special offer fares which will be fares intended to generate extra traffic and increase the overall passenger market. This minimum sum to be reduced pro rata ("the pro rata calculation") if the total annual passenger numbers in the previous calendar year fall below SIX HUNDRED THOUSAND (600,000) per

annum UNLESS
such fall in
passenger numbers
is due (in the
reasonable opinion
of the Department)
to exceptional
circumstances
including (but not
limited to) strike
lockout infectious
disease or other
matters affecting
humans and/or
animals and
restricting
passenger travel
war riot civil
commotion the
exercise of
statutory powers
by a competent
authority and
exceptional
prolonged adverse
weather
conditions) in
which case the pro
rata calculation
shall be based on
the last previous
years passenger
numbers which (in
the reasonable
opinion of the
Department) are
normal passenger
numbers
unaffected by such
exceptional
circumstances

EXECUTED by the Department
under the hand of the Minister for
Transport or a person duly
authorised by the Minister for
Transport in the presence of:- :

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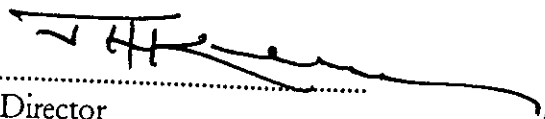
EXECUTED on behalf of the
Company in the presence of:- :

Gillian Gawne

GILLIAN GAWNE

THE VANG, SHORE RD
PORT ST. MARY.

PERSONAL SECRETARY



Director



Director/~~Company Secretary~~

Dated

20th February

2002

THE DEPARTMENT OF TRANSPORT
AND
THE ISLE OF MAN STEAM PACKET
COMPANY LIMITED

SUPPLEMENTAL
AGREEMENT
User Agreement
Linkbridge Douglas

HM. Attorney General,
DOUGLAS.