


MR01

Particulars of a charge

237855/23



Go online to file this information
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A fee is payable with this form
Please see 'How to pay' on the last page

☒ What this form is for
You may use this form to register
a charge created or evidenced by
an instrument

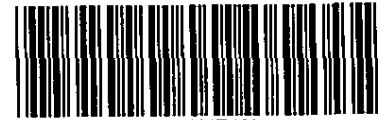
☒ What this form is NOT for
You may not use this form to
register a charge where there is no
instrument. Use form MR08

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

This form must be delivered to the Registrar for registration within
21 days beginning with the day after the date of creation of the charge. If
delivered outside of the 21 days it will be rejected unless it is accompanied
by a court order extending the time for delivery.

☒ You must enclose a certified copy of the instrument with this form. This will
be scanned and placed on the public record. Do not send the original

FRIDAY



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A21

14/10/2016

#5

COMPANIES HOUSE

124

→ Filling in this form
Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

1 Company details

Company number 0 5 0 3 8 9 6 9

Company name in full SG Leasing (Gems) Limited ✓

2 Charge creation date

Charge creation date d3 d0 m0 m9 y2 y0 y1 y6 ✓

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge

Name BNP Paribas ✓

Name

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge

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4 Brief description

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument

Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument"

Please limit the description to the available space

Brief description

one 155,000 metre cubed Single Screw Diesel Electric LNG Carrier with Hull No 1777 constructed at Hyundai Heavy Industries Co., Ltd and currently known as m v "British Emerald". Registered as a British ship with IMO number 9333591 ✓

5 Other charge or fixed security

Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box

☒ Yes

☐ No ✓

6 Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

☐ Yes Continue

☒ No Go to Section 7 ✓

Is the floating charge expressed to cover all the property and undertaking of the company?

☐ Yes

7 Negative Pledge

Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box

☐ Yes

☒ No ✓

8 Trustee statement ①

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

① This statement may be filed after the registration of the charge (use form MR06)

9 Signature

Please sign the form here

Signature

Signature

X Allen & Overy LLP 11/10/2016 X
On behalf of the charger

This form must be signed by a person with an interest in the charge

MR01

Particulars of a charge



Presenter information

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name Georgina Whittington

Company name Allen & Overy LLP

Address One Bishops Square

Post town London

County/Region London

Postcode E 1 6 A D

Country UK

DX

Telephone 020 3088 5053



Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register
- ☐ You have included a certified copy of the instrument with this form
- ☐ You have entered the date on which the charge was created
- ☐ You have shown the names of persons entitled to the charge
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☐ You have given a description in Section 4, if appropriate
- ☐ You have signed the form
- ☐ You have enclosed the correct fee
- ☐ Please do not send the original instrument, it must be a certified copy



Important information

Please note that all information on this form will appear on the public record.



How to pay

A fee of £23 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House'.



Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below.

For companies registered in England and Wales:
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland:
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland:
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1



Further information

For further information, please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 5038969

Charge code: 0503 8969 0024

The Registrar of Companies for England and Wales hereby certifies that a charge dated 30th September 2016 and created by SG LEASING (GEMS) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 14th October 2016

Given at Companies House, Cardiff on 21st October 2016



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

EXECUTION COPY
Private & Confidential

Except for material
redacted pursuant to
s. 859 G of the Companies
Act 2006, I certify that
this is a correct copy of
the original document.

Alan J. O'Leary

Dated 30 September 2016

SG LEASING (GEMS) LIMITED
(FORMERLY KNOWN AS RBSSAF (19) LIMITED) (1)
(as Lessor)

and

BNP PARIBAS (2)
(as Security Trustee)

DEED OF COVENANT
in respect of one 155,000m³ Single Screw
Diesel Electric LNG Carrier "British Emerald"
(formerly Hull No. 1777 at Hyundai Heavy
Industries Co., Ltd.)

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THIS DEED OF COVENANT is dated 30 September 2016 and made BETWEEN

- (1) **SG LEASING (GEMS) LIMITED (formerly known as RBSSAF (19) LIMITED)**, a company incorporated in England and Wales with company registration number 05038969, having its registered office at SG House, 41 Tower Hill, London EC3N 4SG (the "Lessor"), and
- (2) **BNP PARIBAS**, a banking institution established under the laws of France acting for the purposes of this Deed through its branch at 16 rue de Hanovre, 75078 Paris, Cedex 02, France in its capacity as security trustee for and on behalf of itself and the Beneficiaries (the "Security Trustee")

WHEREAS

- (A) this Deed is entered into in connection with a deed of proceeds and priorities dated 31 March 2005 (as amended pursuant to a supplemental deed dated the same date as this Deed (the "Supplemental Deed"), the "Deed of Proceeds and Priorities") and now made between, inter alios, (1) the Lessor as borrower, (2) the Security Trustee as security trustee, (3) BNP Paribas as facility agent, (4) Plough Navigation Limited (the "Put Option Counterparty"), (5) Société Générale, London Branch, (6) BP Shipping Limited (the "Charterer"), (7) the banks and financial institutions set out in schedule 1 thereto (the "Tranche ABC Lenders"), (8) TH Investments (Hong Kong) 1 Limited as tranche D lender (the "Tranche D Lender") and (9) TH Investments (Hong Kong) 1 Limited as interest loan provider (the "Interest Loan Provider"), pursuant to which the parties thereto, inter alia, (i) appointed the Security Trustee as trustee to hold on trust for and on behalf of itself and the Beneficiaries all security interests created over or in relation to the Vessel under or pursuant to the Transaction Documents (as defined in the Deed of Proceeds and Priorities), and (ii) set out the agreement between themselves as to the application of any proceeds of such security interests arising out of or in connection with the Vessel and the Transaction Documents (as so defined),
- (B) this Deed is supplemental to the Pre-Put Loan Agreements, the other Transaction Documents and to the security thereby created and is the "Supplemental Deed of Covenant" referred to in each Pre-Put Loan Agreement (supplemental to the existing deed of covenant dated 3 July 2007 between the Lessor and the Security Trustee (the "Original Deed of Covenant")) but shall nonetheless continue in full force and effect notwithstanding any discharge of the other Security Documents
- (C) the security created by the Lessor under the Original Deed of Covenant shall continue in full force and effect, and
- (D) this Deed is supplemental to the Original Deed of Covenant and shall secure the Secured Obligations as that term is now defined following amendments to the definition of "Transaction Documents" pursuant to the Supplemental Deed

NOW THIS DEED WITNESSES AND IT IS HEREBY AGREED as follows

1 Definitions

1.1 Defined expressions

Words and expressions defined in the Deed of Proceeds and Priorities (whether therein or by reference to another document) shall, unless otherwise defined in this Deed or the context otherwise requires, have the same meanings when used in this Deed

1.2 Definitions

In this Deed, unless the context otherwise requires

"Beneficiaries" means, together, the Security Trustee, the Facility Agent, the Tranche ABC Lenders, the Tranche D Lender, the Lessor, the Put Option Counterparty and the Charterer,

"Collateral Instruments" means notes, bills of exchange, certificates of deposit and other negotiable and non-negotiable instruments, guarantees, indemnities and other assurances against financial loss and any other documents or instruments which contain or evidence an obligation (with or without security) to pay, discharge or be responsible directly or indirectly for the Secured Obligations and includes any documents or instruments creating or evidencing an Encumbrance,

"Enforcement Event" means the occurrence of any Lessor Default Event or any Lessor Non-Default Event,

"Expenses" means the aggregate at any relevant time (to the extent that the same have not been received or recovered by the Security Trustee or any Receiver) of

- (a) all losses, liabilities, costs, charges, expenses, damages and outgoings of whatever nature (including, without limitation, Taxes, repair costs, registration fees and insurance premiums) suffered, incurred or paid by the Security Trustee or any Receiver in connection with the exercise of the powers referred to in or granted by this Deed and the other Transaction Documents and payable by the Lessor in accordance with clauses 9.1 and 9.2, and
- (b) interest on all such losses, liabilities, costs, charges, expenses, damages and outgoings from the date on which the same were suffered, incurred or paid by the Security Trustee or any Receiver until the date of receipt or recovery thereof (whether before or after judgment) at a rate per annum calculated in accordance with clause 3.2 of the Tranche ABC Loan Agreement (as conclusively certified by the Security Trustee or such Receiver, as the case may be),

"Insurances" means all the Lessor's right title and interest both present and future and whether contractual, proprietary or any other kind in and to all policies and contracts of insurance which are from time to time during the Security Period in place or taken out or entered into (a) pursuant to clause 12.1.1 of the Charter in respect of the Vessel or (b) otherwise howsoever in connection with the Vessel (including, for the avoidance of doubt, any innocent owners insurance) and, in each case, all benefits thereof (including claims of whatsoever nature and return of premiums);

"Lessor Default Event" means the occurrence of any of the following events:

- (a) any of the events or circumstances described in either Pre-Put Loan Agreements as an "Event of Default", or
- (b) the Lessor fails to apply any Lessor Proceeds in accordance with the provisions of the Charter to the extent it is entitled to do so in accordance with the provisions of the Deed of Proceeds and Priorities, or
- (c) the Lessor revokes its instructions given to the Account Bank and the Security Trustee in clause 3.4 of the Deed of Proceeds and Priorities or otherwise takes any action which prevents the Security Trustee from applying any Lessor Proceeds in accordance with the provisions of the Deed of Proceeds and Priorities, or
- (d) the Lessor revokes its appointment of the Charterer as its sales agent under clause 19.2 of the Charter or its appointment of the Security Trustee and the Put Option Counterparty as its sales agent under clauses 8.1 and 9.1 respectively of the Deed of Proceeds and Priorities, or
- (e) the Lessor fails to pass title to the Vessel to a purchaser when obliged to do so in accordance with the provisions of the Charter or the Deed of Proceeds and Priorities or any contract for the sale of the Vessel entered into by the Lessor pursuant to such provisions,

"Lessor Non-Default Event" means the occurrence of any of the following events

- (a) any of the events or circumstances described in clause 19.1 of the Tranche ABC Loan Agreement occurs and the Lessor has issued an SPR Notice (as defined in the Tranche ABC Loan Agreement) but only for so long as such SPR Notice has not been withdrawn or revoked, or
- (b) following the occurrence of a Termination Event (as such term is defined in the Charter) the Security Trustee considers (acting in good faith but in its absolute discretion) that it is necessary to exercise its rights set out in clause 7.1 in order to prevent such rights or the security created by this Deed from being prejudiced or imperilled or to prevent any disposal or diminution in value of the Mortgaged Property (or any part thereof);

"Mortgaged Property" means

- (a) the Vessel,
- (b) the Insurances, and
- (c) any Requisition Compensation,

"Pre-Put Loan Agreements" means the Tranche ABC Loan Agreement and the Tranche D Loan Agreement,

"Receiver" means any receiver and/or manager appointed pursuant to clause 7.2,

"Requisition Compensation" means all sums of money or other compensation from time to time payable to the Lessor during the Security Period by reason of the Compulsory Acquisition of the Vessel,

"Secured Obligations" means any and all moneys, liabilities and obligations (whether actual or contingent, whether now existing or hereafter arising, whether or not for the payment of money, and including, without limitation, any obligation or liability to pay damages) which are due, owing, payable or incurred or are expressed to be due, owing, payable or incurred from or by the Lessor to the Tranche ABC Lenders, the Tranche D Lender, the Charterer or the Put Option Counterparty or any of them (or to the Facility Agent or the Security Trustee on behalf of any of them) under or in connection with any of the Transaction Documents,

"Security Period" means the period commencing on the date hereof and terminating upon the full and final payment, performance and/or discharge of all the Secured Obligations,

"Transaction Documents" has the meaning given to that term in the Tranche ABC Loan Agreement (save where it is used in Recital (A) hereto), and

"Vessel" means the 155,000m³ single screw diesel electric LNG carrier "British Emerald" (formerly Hull No 1777 at Hyundai Heavy Industries Co., Ltd. registered as a British ship in the Isle of Man Register under Official Number 9333591 and includes any share or interest therein and her engines, machinery, boats, tackle, outfit, equipment, spare gear, fuel, consumable or other stores, belongings and appurtenances whether on board or ashore and whether now owned or hereafter acquired and also any and all additions, improvements and replacements hereafter made in or to such vessel or any part thereof or in or to her equipment and appurtenances aforesaid

1.3 Headings

Clause headings and the table of contents are inserted for convenience of reference only and shall be ignored in the interpretation of this Deed

1.4 Construction of certain terms

The provisions of clause 1.3 of the Deed of Proceeds and Priorities shall apply mutatis mutandis to this Deed as if set out herein and as if references therein to "this Deed" were references to this Deed

1.5 Conflict with Deed of Proceeds and Priorities

This Deed shall be read together with the Deed of Proceeds and Priorities but in case of any conflict between the two instruments, the provisions of the Deed of Proceeds and Priorities shall prevail

2 Mortgage and assignment

2.1 Mortgage and assignment

By way of security for payment and discharge of the Secured Obligations and to secure the performance and observance of and compliance with the covenants, terms and conditions in this Deed and the other Transaction Documents the Lessor with full title guarantee hereby mortgages and charges to and in favour of the Security Trustee all its rights, title and interest present and future in and to the Mortgaged Property and, without prejudice to the generality of the foregoing, hereby assigns and agrees to assign to the Security Trustee absolutely all its rights, title and interest in and to the Insurances and any Requisition Compensation, and all its benefits and interests present and future therein

2.2 Notice of assignment

The Lessor hereby covenants and undertakes with the Security Trustee forthwith after the execution and delivery of this Deed to give written notice (in such form as the Security Trustee shall reasonably require) of the assignment herein contained to the persons from whom any part of the Mortgaged Property is or may be due and in the case of the Insurances, in such form as is reasonably required by the Security Trustee in accordance with clause 13.6 of the Deed of Proceeds and Priorities

2.3 Reassignment

Upon payment and discharge in full to the satisfaction of the Security Trustee of the Secured Obligations, the Security Trustee shall promptly re-assign the Insurances and any Requisition Compensation to the Lessor or as it may direct and give notice of such reassignment to the insurers

2.4 Second Ranking

2.4.1 Where this Deed purports to create first fixed security over assets of the Lessor, that security will be second ranking security subject to the equivalent security created by the Original Deed of Covenant until such time as the security created by the Original Deed of Covenant ceases to have effect

2.4.2 Where a right or asset of the Lessor has been assigned (subject to a proviso for re-assignment on redemption) under the Original Deed of Covenant and the same asset or right is purported to be assigned (subject to a proviso for re-assignment on redemption) again under this Deed, that second assignment will take effect as an assignment of that right to re-assignment on redemption and as a fixed charge over that right or asset and will only take effect as an assignment if the relevant security created by the Original Deed of Covenant ceases to have effect at a time when this Deed still has effect

3 Covenant to pay and discharge obligations

The Lessor shall pay all moneys, and discharge all obligations and liabilities, now or hereafter due, owing or incurred by the Lessor under or in connection with the Transaction Documents or any of them at the times and in the manner therein specified

4 Continuing security and other matters

4.1 Continuing security

The security created by the Mortgage and this Deed shall be held by the Security Trustee as a continuing security for the payment and discharge of the Secured Obligations and the performance and observance of and compliance with all of the covenants, terms and conditions contained in the Transaction Documents, express or implied, and the security so created shall not be satisfied by any intermediate payment or satisfaction of any part of the amount hereby and thereby secured (or by any settlement of accounts between the Lessor or any other person who may be liable to the Security Trustee or the Beneficiaries in respect of the Secured Obligations or any part thereof and the Security Trustee or the Beneficiaries)

4.2 Security Additional

The security so created shall be in addition to, and shall not in any way prejudice or affect, and may be enforced by the Security Trustee without prior recourse to, the security created by any other of the Transaction Documents or by any present or future Collateral Instruments, right or remedy held by or available to the Security Trustee or any right or remedy of the Security Trustee thereunder, and shall not be in any way prejudiced or affected thereby or by the invalidity or unenforceability thereof, or by the Security Trustee releasing, modifying or refraining from perfecting or enforcing any of the same, or granting time for indulgence or compounding with any person liable

4.3 Rights additional

All the rights, remedies and powers vested in the Security Trustee hereunder shall be in addition to and not a limitation of any and every other right, power or remedy vested in the Security Trustee under this Deed, the other Transaction Documents or any Collateral Instrument or at law and all the powers so vested in the Security Trustee may be exercised from time to time and as often as the Security Trustee may deem expedient

4.4 No enquiry

Neither the Security Trustee nor any Receiver shall be obliged to make any enquiry as to the nature or sufficiency of any payment received by it under the Mortgage and/or this Deed or any other Transaction Documents or to make any claim or take any action to collect any moneys hereby assigned or to enforce any rights or benefits hereby assigned to the Security Trustee or to which the Security Trustee may at any time be entitled under any Transaction Document

4.5 No Liability

The Lessor shall remain liable to perform all the obligations assumed by it in relation to the Mortgaged Property and the Security Trustee shall be under no obligation of any kind whatsoever in respect thereof or be under any liability whatsoever in the event of any failure by the Lessor to perform its obligations in respect thereof. Until an Enforcement Event has occurred, the Lessor may exercise all the powers and rights vested in it in relation to the Mortgaged Property subject to any limitations contained in the Pre-Put Loan Agreements or in any other Transaction Document

4.6 Discharge of Mortgage

Notwithstanding that this Deed is expressed to be supplemental to the Mortgage and the other Transaction Documents it shall, subject to clause 2.3, continue in full force and effect after any discharge of the Mortgage and/or any of the other Security Documents

5 Covenant

The Lessor hereby covenants with the Security Trustee and undertakes that throughout the Security Period it will cause the Mortgage to be duly registered and otherwise to comply with and satisfy all the requirements and formalities established by the laws of England and to perfect the Mortgage and this Deed as a valid and enforceable statutory mortgage upon the Vessel and to furnish to the Security Trustee from time to time such proof as the Security Trustee may reasonably request in order to satisfy itself that the Lessor has complied with the provisions of this clause 5

6 Powers of Security Trustee to protect security and remedy defaults

6.1 Protective action

The Security Trustee shall, without prejudice to its other rights, powers and remedies hereunder or under any of the Transaction Documents, be entitled (but not bound) at any time, and as often as may be necessary, to take any such action as it may in its discretion think fit for the purpose of protecting or maintaining the security created by this Deed and the other Transaction Documents, and all Expenses attributable thereto shall (subject to clause 9.3) be payable by the Lessor on demand

6.2 Incidental powers

The Security Trustee shall be entitled to do all acts and things incidental or conducive to the exercise of any of the rights, powers or remedies possessed by it as mortgagee of the Vessel (whether at law, under the Mortgage and/or this Deed or otherwise) and in particular (but without prejudice to the generality of the foregoing), upon becoming entitled to exercise any of its powers under clause 7.1 (but subject always to clause 13.3.3 (*quiet enjoyment*) of the Deed of Proceeds and Priorities), the Security Trustee shall be entitled to discharge any cargo on board the Vessel (whether the same shall belong to the Lessor or any other person) and to enter into such other arrangements in respect of the Vessel, her insurances, management, maintenance, repair, classification and employment in all respects as if the Security Trustee was the owner of the Vessel, but without being responsible for any loss incurred as a result of the Security Trustee doing or omitting to do any such acts or things as aforesaid

7 Powers of Security Trustee on Enforcement Event

7.1 Powers

Without prejudice to the provisions of clause 6 or the generality of the powers and remedies vested in the Security Trustee by virtue of this Deed, upon the happening of an Enforcement Event or at any time thereafter (whether or not the Facility Agent or, as the case may be, the Tranche D Lender shall have given or be deemed to have given any notice in accordance with the provisions of clause 10.2 of either Pre-Put Loan Agreement), the Security Trustee shall become forthwith entitled, as and when it sees fit, to declare the Secured Obligations to be due and payable immediately or in accordance with such notice, whereupon the Secured Obligations shall become so due and payable and the Security Trustee shall become forthwith entitled, as and when it may see fit, to put into force and exercise in relation to the Mortgaged Property or any part thereof all or any of the rights, powers and remedies possessed by it as Security Trustee of the Mortgaged Property (whether at law, by virtue of the Mortgage and this Deed or otherwise) and in particular (without limiting the generality of the foregoing)

7.1.1 to take possession of the Vessel,

7.1.2 to require that all policies, contracts, certificates of entry and other records relating to the Insurances (including details of and correspondence concerning outstanding claims) be delivered forthwith to such adjusters and/or brokers and/or other insurers as the Security Trustee may nominate,

- 7 1 3 to collect, recover, compromise and give a good discharge for, all claims then outstanding or thereafter arising under the Insurances or any of them or in respect of any other part of the Mortgaged Property, and to take over or institute (if necessary, following a Lessor Default Event, using the name of the Lessor) all such proceedings in connection therewith as the Security Trustee in its absolute discretion thinks fit, and, in the case of the Insurances, to permit the brokers through whom collection or recovery is effected to charge the usual brokerage therefor,
- 7 1 4 to discharge, compound, release or compromise claims in respect of the Vessel or any other part of the Mortgaged Property which have given or may give rise to any charge or lien or other claim on the Vessel or any other part of the Mortgaged Property or which are or may be enforceable by proceedings against the Vessel or any other part of the Mortgaged Property,
- 7 1 5 to sell the Vessel or any share or interest therein with or without prior notice to the Lessor, and with or without the benefit of any charterparty, and free from any claim by the Lessor (whether in admiralty, in equity, at law or by statute) by public auction or private contract, at such place and upon such terms as the Security Trustee in its absolute discretion may determine, with power to postpone any such sale, and without being answerable for any loss occasioned by such sale or resulting from postponement thereof and with power, where the Security Trustee purchases the Vessel, to make payment of the sale price by making an equivalent reduction in the amount of the Secured Obligations in the manner referred to in clause 8 1,
- 7 1 6 to manage, insure, maintain and repair the Vessel, and to employ, sail or lay up the Vessel in such manner and for such period as the Security Trustee, in its absolute discretion, deems expedient accounting only for net profits arising from any such employment, and
- 7 1 7 subject to the provisions of clause 9 3, to recover from the Lessor on demand all Expenses incurred or paid by the Security Trustee in connection with the exercise of the powers (or any of them) referred to in this clause 7 1

7.2 Appointment of Receiver

Upon the happening of an Enforcement Event or at any time thereafter (whether or not the Facility Agent or, as the case may be, the Tranche D Lender shall have given or be deemed to have given any notice in accordance with the provisions of clause 10 2 of either Pre-Put Loan Agreement), the Security Trustee shall be entitled (but not bound) by writing executed as a deed or under the hand of any director or officer of the Security Trustee to appoint any person or persons to be a receiver and/or manager of the Mortgaged Property or any part thereof (with power to authorise any joint receiver and/or manager to exercise any power independently of any other joint receiver and/or manager) and may from time to time fix his remuneration, and may remove any receiver and/or manager so appointed and appoint another in his place. Any receiver and/or manager so appointed shall be the agent of the Lessor and the Lessor shall be solely responsible for his acts or defaults and for his remuneration, and such receiver and/or manager so appointed shall have all powers conferred by the Law of Property Act 1925 without the restrictions contained in sections 93 and 103 of that Act and, in addition, power on behalf of and at the cost of the Lessor (notwithstanding any liquidation of the Lessor) to do or omit to do anything which the Lessor could do or omit to do in relation to the Mortgaged Property or any part thereof and in particular (but without prejudice to the generality of the foregoing) any such receiver and/or manager may exercise all the powers and discretions conferred on the Security Trustee by the Mortgage and this Deed

7.3 Remuneration of Receiver

Any Receiver shall be entitled to remuneration appropriate to the work and responsibilities involved, upon the basis of charging from time to time adopted by the Receiver in accordance with the current practice of his firm, without being limited to the maximum rate specified in section 109(6) of the Law of Property Act 1925

7 4 Liability of mortgagee in possession

Neither the Security Trustee nor any Receiver shall be liable as mortgagee in possession in respect of all or any of the Mortgaged Property to account or be liable for any loss upon realisation or for any neglect or default of any nature whatsoever in connection therewith

7.5 Dealings with Security Trustee or Receiver

Upon any sale of the Vessel or any share or interest therein by the Security Trustee pursuant to clause 7.1.5 or pursuant to clause 10.1, or by any Receiver, the purchaser shall not be bound to see or enquire whether the Security Trustee's power of sale has arisen in the manner provided in this Deed and the sale shall be deemed to be within the power of the Security Trustee (or the Receiver, as the case may be) and the receipt of the Security Trustee (or the Receiver, as the case may be) for the purchase money shall effectively discharge the purchaser who shall not be concerned with the manner of application of the proceeds of sale or be in any way answerable therefor and the sale shall operate to divest the Lessor of all rights, title and interest of any nature whatsoever in the Vessel and to bar any such interest of the Lessor and all persons claiming through or under the Lessor

8 Application of moneys

8.1 Application

All moneys received by the Security Trustee in respect of

- 8.1.1 the sale of the Vessel or any share or interest therein,
- 8.1.2 any recovery under the Insurances, and
- 8.1.3 any Requisition Compensation,

shall be held by it upon trust and shall be applied in accordance with the terms of the Deed of Proceeds and Priorities

9 Costs and indemnity

9.1 Costs

Subject to clause 9.3, the Lessor shall pay to the Security Trustee on demand on a full indemnity basis all expenses or liabilities of whatsoever nature (including legal fees, fees of insurance advisers, printing, out-of-pocket expenses, stamp duties, registration fees and other duties or charges together with any value added tax or similar tax payable in respect thereof) incurred by the Security Trustee or any Receiver in connection with the enforcement of, or preservation of any rights under, the Mortgage or this Deed, or otherwise in respect of the Secured Obligations and the security therefor or in connection with the preparation, completion, execution or registration of the Mortgage or this Deed

9.2 Indemnity

Subject to clause 9.3, the Lessor hereby agrees and undertakes to indemnify the Security Trustee and any Receiver against all losses, actions, claims, expenses, demands, obligations and liabilities whatsoever and whensoever arising which may now or hereafter be incurred by or threatened or brought against the Security Trustee or any such Receiver, or incurred by any manager, agent, officer or employee for whose liability, act or omission the Security Trustee or any Receiver may be answerable, in respect of, in relation to, or in connection with, anything done or omitted in the exercise or purported exercise of the powers contained in the Mortgage or this Deed, or otherwise in connection therewith and herewith or with any part of the Mortgaged Property or otherwise howsoever in relation to, or in connection with, any of the matters dealt with in the Mortgage or this Deed

9.3 Limitation on recourse to Lessor for Expenses

- 9 3 1 In the event that the enforcement of, or preservation of any rights under, the Mortgage and/or this Deed is as a result of the occurrence of a Lessor Non-Default Event, the Security Trustee is prepared to limit its recourse against the Lessor for Expenses in the manner and subject to the terms and conditions set out in this clause 9 3 and such Expenses shall, as against the Lessor, be recoverable only from and to the extent of the proceeds of realisation or enforcement of any security interest created pursuant to the Mortgage and/or this Deed or the exercise of all and any rights, powers and remedies in relation to any security interest pursuant to the Mortgage and/or this Deed or otherwise pursuant to any other Security Document (the "Security")
- 9 3 2 The foregoing provisions of this clause 9 3 shall only limit the personal liability of the Lessor for the payment of the Expenses and do not and shall not
- (a) limit or restrict in any way the liability of the Lessor in respect of the payment, repayment, performance, satisfaction and discharge of any other moneys, obligations and liabilities under and pursuant to the Mortgage, this Deed and the other Transaction Documents, or
 - (b) derogate from or otherwise limit any power or right of the Security Trustee to enforce, recover, realise or apply the Security The Security Trustee shall be entitled to reimbursement in full of all Expenses payable or expressed to be payable by the Lessor under and pursuant to the Mortgage, this Deed and the other Transaction Documents from the proceeds of any such enforcement, recovery, realisation or application in accordance with the Deed of Proceeds and Priorities, or
 - (c) derogate from or otherwise limit any power or right of the Security Trustee to recover Expenses following a Lessor Default Event, or
 - (d) derogate from or otherwise limit any power or right of the Security Trustee or any other Beneficiary to recover Expenses pursuant to provisions of the Deed of Proceeds and Priorities

10 Attorney

10 1 Power of attorney

By way of security, the Lessor hereby irrevocably and severally appoints each of the Security Trustee and any Receiver to be its attorney generally for and in the name and on behalf of the Lessor, and as the act and deed or otherwise of the Lessor to execute, seal and deliver and otherwise perfect and do and file, record, register or enrol all such deeds, assurances, agreements, instruments, acts and things (including, without limiting the generality of the foregoing, to ask, require, demand, receive, compound and give acquittance for any and all moneys and claims for moneys due and to become due under or arising out of the Mortgaged Property, to endorse any cheques or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Security Trustee or any Receiver may deem to be necessary or advisable and otherwise to do any and all things which the Lessor itself could do in relation to the Mortgaged Property) which may be required for the full exercise of all or any of the rights, powers or remedies conferred by the Mortgage, this Deed or any of the other Transaction Documents, or which may be deemed proper in or in connection with all or any of the purposes aforesaid (including, without prejudice to the generality of the foregoing, the execution and delivery of a bill of sale of the Vessel) The power hereby conferred shall be a general power of attorney under the Powers of Attorney Act 1971, and the Lessor ratifies and confirms, and agrees to ratify and confirm, any deed, assurance, agreement, instrument, act or thing which the Security Trustee or any Receiver may execute or do pursuant thereto, provided always that such power shall not be exercisable by or on behalf of the Security Trustee or any Receiver until the happening of any Lessor Default Event and only for so long as it is continuing

10.2 Dealings with attorneys

The exercise of such power by or on behalf of the Security Trustee or any Receiver shall not put any person dealing with the Security Trustee or the Receiver upon any enquiry as to whether a Lessor Default Event has happened, nor shall such person be in any way affected by notice that no such event has happened, and the exercise by (or on behalf of) the Security Trustee or any Receiver of such power shall be conclusive evidence of the Security Trustee's or such Receiver's right to exercise the same

10.3 Filings

The Lessor hereby irrevocably and severally appoints each of the Security Trustee and any Receiver to be its attorney in its name and on its behalf and as its act and deed or otherwise, to agree the form of and to execute and do all deeds, instruments, acts and things in order to file, record, register or enrol the Mortgage and/or this Deed in any court, public office or elsewhere which the Security Trustee or any Receiver may in its discretion consider necessary or advisable, now or in the future, to ensure the legality, validity, enforceability or admissibility in evidence thereof and any other assurance, document, act or thing required to be executed by the Lessor pursuant to clause 11, provided always that such power shall not be exercisable by or on behalf of the Security Trustee or any Receiver until the happening of any Lessor Default Event and only for so long as it is continuing

11 Further assurance

The Lessor hereby further undertakes from time to time to execute, sign, perfect, do and (if required) register every such further assurance, document, act or thing as in the opinion of the Security Trustee may be necessary or desirable for the purpose of more effectually mortgaging and charging the Mortgaged Property or perfecting the security constituted or intended to be constituted by the Mortgage and this Deed

12 Notices

The provisions of clause 17.1 of the Deed of Proceeds and Priorities shall apply mutatis mutandis in respect of any certificate, notice, demand or other communication given or made under this Deed

13 Law, jurisdiction and other provisions

13.1 Law

This Deed is governed by, and shall be construed in accordance with, English law

13.2 Submission to jurisdiction

For the benefit of the Security Trustee, the parties irrevocably agree that any legal action or proceedings arising out of or in connection with the Mortgage and/or this Deed shall be brought in the English courts, which shall have jurisdiction to settle any disputes arising out of or in connection with the Mortgage and/or this Deed. Such agreement shall not (and shall not be construed so as to) limit the right of the Security Trustee to take proceedings against the Lessor or the Vessel in the courts of any other competent jurisdiction to enforce an Encumbrance with respect to the Vessel

13.3 No waiver

No failure or delay on the part of the Security Trustee to exercise any right, power or remedy vested in it under this Deed and/or any other Transaction Documents shall operate as a waiver thereof, nor shall any single or partial exercise or waiver by the Security Trustee of any right, power or remedy nor the discontinuance, abandonment or adverse determination of any proceedings taken by the Security Trustee to enforce any right, power or remedy preclude any other or further exercise or waiver thereof or proceedings to enforce the same or the exercise of any other right, power or remedy, nor shall the giving by the Security Trustee of any consent to

any act which by the terms of this Deed requires such consent prejudice the right of the Security Trustee to withhold or give consent to the doing of any other similar act. The remedies provided in this Deed and/or any other Transaction Documents are cumulative and are not exclusive of any remedies provided by law.

13.4 Delegation of powers

The Security Trustee shall be entitled, at any time and as often as may be expedient, to delegate all or any of the powers and discretions vested in it by the Mortgage and this Deed (including the power vested in it by virtue of clause 10) in such manner, upon such terms, and to such persons as the Security Trustee in its absolute discretion may think fit.

13.5 Security Trustee as assignee

The Security Trustee shall be entitled to do all acts and things incidental or conducive to the exercise of any of the rights, powers or remedies possessed by it as mortgagee of the Mortgaged Property (whether at law, under the Mortgage and/or this Deed or otherwise).

13.6 Benefit of this Deed

This Deed shall be binding upon the Lessor and its successors in title, and shall enure to the benefit of the Security Trustee and its successors in title, permitted assignees and transferees. The Lessor expressly acknowledges and accepts the provisions of clause 19 of the Deed of Proceeds and Priorities and agrees that any person in favour of whom an assignment or transfer is made in accordance with such clause shall be entitled to the benefit of this Deed on the same terms mutatis mutandis as set out in such clause.

13.7 Disclosure of information

The Security Trustee, and/or the Lenders may disclose on a confidential basis to a potential assignee or transferee or to any other person who may propose entering into contractual relations with the Security Trustee and/or the Lenders in relation to the Pre-Put Loan Agreements, such information about the Lessor as the Security Trustee and/or the Lenders shall consider appropriate.

13.8 Severability of provisions

Each of the provisions in this Deed are severable and distinct from the others, and if at any time one or more such provisions is or becomes invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions of this Deed shall not in any way be affected or impaired thereby.

13.9 Counterparts

This Deed may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which so executed and delivered shall be an original, but all the counterparts shall together constitute one and the same instrument.

13.10 Third Party Rights

No term of this Deed is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to this Deed.

13.11 Section 93 Law of Property Act 1925

Section 93 of the Law of Property Act 1925 shall not apply to this security or to any security given to the Security Trustee pursuant hereto.

IN WITNESS whereof this Deed has been duly executed as a deed the day and year first above written.

The Lessor

SIGNED, SEALED and DELIVERED
as a DEED
by
for and on behalf of
SG LEASING (GEMS) LIMITED
in the presence of

Director

Witness

Name *G. Whittington*

Address

ALLEN & OVERY LLP
ONE BISHOPS SQUARE
LONDON E1 6AD
www.allenoverly.com

The Security Trustee

SIGNED, SEALED and DELIVERED
as a DEED
by
for and on behalf of
BNP PARIBAS
acting pursuant to a Power of Attorney
dated
in the presence of

Attorney-In-Fact

Witness

Name

Address

ALLEN & OVERY LLP
ONE BISHOPS SQUARE
LONDON E1 6AD
www.allenoverly.com