



**Registration of a Charge**

Company name: **CEONA SHIP 1 LIMITED**

Company number: **08447952**

Received for Electronic Filing: **21/05/2015**



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**Details of Charge**

Date of creation: **18/05/2015**

Charge code: **0844 7952 0015**

Persons entitled: **ABN AMRO BANK N.V.**

Brief description: **THE MULTI-LAY PIPE LAYING VESSEL KNOWN AS THE "CEONA AMAZON" AS DOCUMENTED IN THE NAME OF CEONA SHIP 1 LIMITED UNDER THE LAWS OF GIBRALTAR FLAG REGISTERED AT THE PORT OF GIBRALTAR UNDER IMO NUMBER 9698094**

**Contains fixed charge(s).**

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**Authentication of Form**

This form was authorised by: **a person with an interest in the registration of the charge.**

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**Authentication of Instrument**

Certification statement: **I CERTIFY THAT THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **WATSON FARLEY & WILLIAMS LLP**



## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 8447952

Charge code: 0844 7952 0015

The Registrar of Companies for England and Wales hereby certifies that a charge dated 18th May 2015 and created by CEONA SHIP 1 LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 21st May 2015 .

Given at Companies House, Cardiff on 22nd May 2015

The above information was communicated by electronic means and authenticated  
by the Registrar of Companies under section 1115 of the Companies Act 2006



**Companies House**



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

Dated 18 May 2015

**CEONA SHIP 1 LIMITED**  
as Owner

and

**ABN AMRO BANK N.V.**  
as Security Agent

**SECOND PRIORITY DEED OF COVENANT AND MORTGAGE**

relating to  
m.v. "Ceona Amazon"

**WATSON FARLEY  
&  
WILLIAMS**

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THIS DEED is made on 18 May 2015

## PARTIES

- (1) **CEONA SHIP 1 LIMITED**, a company incorporated in England and Wales with company number 08447952 whose registered office is at 3 Shortlands, London W6 8DA, England as a borrower (the "**Owner**"); and
- (2) **ABN AMRO BANK N.V.**, acting through its office at Agency Syndicated Loans (PAC HQ8042), Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands (the "**Security Agent**" which expression includes its successors and assigns).

## BACKGROUND

- (A) By a term loans and performance bonds facility agreement dated 14 January 2014 and made between, *inter alios*, (i) the Owner and Ceona Equipment Limited as borrowers (the "**Borrowers**") and hedge guarantors, (ii) Ceona Holding Ltd. as the parent guarantor, (iii) the financial institutions listed therein as lenders (the "**Lenders**"), (iv) ABN Amro Bank N.V. as facility agent (the "**Facility Agent**") and (v) the Security Agent, it was agreed that the Lenders would make available to the Borrowers term loans and performance bonds facilities of up to USD 289,754,742 (as amended by a supplemental agreement dated 10 March 2014 and an amendment letter dated 18 May 2015 (the "**Amendment Letter**") and made between the same parties and as may be further amended from time to time) (the "**Facility Agreement**").
- (B) By the Facility Agreement it was agreed that the Security Agent would hold the Security Property on trust for the Secured Parties.
- (C) Pursuant to the Amendment Letter, the Owner has agreed to execute, deliver and register the Second Gibraltar Mortgage in favour of the Security Agent and enter into this Deed as security for the Secured Liabilities.
- (D) The Owner has executed the Second Gibraltar Mortgage in favour of the Security Agent.
- (E) This Deed supplements the Facility Agreement and the Second Gibraltar Mortgage and is the Second Deed of Covenant referred to in the Facility Agreement.

## OPERATIVE PROVISIONS

### 1 DEFINITIONS AND INTERPRETATION

#### 1.1 Definitions

In this Deed:

"**Charter**" means any charter relating to the Ship, or other contract for its employment, whether or not already in existence and any associated guarantee, in each case, entered into by companies within the Group.

"**Charter Guarantee**" means any guarantee, bond, letter of credit or other instrument (whether or not already issued) supporting a Charter.

"**Earnings**" means all monies and revenues whatsoever which are now, or later become, payable (actually or contingently) to the Owner or the Security Agent and which arise out of the use or operation of the Ship, including (but not limited to):

- (a) the following, save to the extent that any of them is, with the prior written consent of the Facility Agent, pooled or shared with any other person:

- (i) all freight, hire and passage monies;
  - (ii) compensation payable to the Owner or the Security Agent in the event of requisition of the Ship for hire;
  - (iii) remuneration for salvage and towage services;
  - (iv) demurrage and detention monies;
  - (v) damages for breach (or payments for variation or termination) of any charterparty or other contract for the employment of the Ship;
  - (vi) all monies which are at any time payable under any Insurances in respect of loss of hire;
  - (vii) all monies which are at any time payable to the Owner in respect of general average contribution; and
- (b) if and whenever the Ship is employed on terms whereby any monies falling within paragraph (a) above are pooled or shared with any other person, that proportion of the net receipts of the relevant pooling or sharing arrangement which is attributable to the Ship.

**"Facility Agreement"** means the loan agreement as amended referred to in Recital (A).

**"Insurances"** means in relation to the Ship:

- (a) all policies and contracts of insurance, including entries of the Ship in any protection and indemnity or war risks association, effected by the Owner or in which the Owner is named as an additional insured, co-insured or in any other capacity in respect of the Ship, the Earnings or otherwise in relation to the Ship whether before, on or after the date of this Deed; and
- (b) all rights and other assets relating to, or derived from, any of such policies, contracts or entries, including any rights to a return of premium and any rights in respect of any claim whether or not the relevant policy, contract of insurance or entry has expired on or before the date of this Deed.

**"Party"** means a party to this Deed.

**"Prior Deed of Covenant"** means the first priority deed of covenant collateral to the Prior Gibraltar Mortgage in respect of the Ship dated 25 April 2014 and executed by the Owner in favour of the Security Agent.

**"Prior Gibraltar Mortgage"** means the first priority statutory Gibraltar mortgage 'A' over the Ship dated and registered on 25 April 2014 and executed by the Owner in favour of the Security Agent.

**"Receiver"** means a receiver or receiver and manager or administrative receiver of the whole or any part of the Secured Assets appointed under Clause 7.4 (*Right to appoint Receiver or Administrator*).

**"Requisition"** means, in respect of the Ship:

- (a) any expropriation, confiscation, requisition or acquisition of the Ship, whether for full consideration, a consideration less than its proper value, a nominal consideration or without any consideration, which is effected by any government or official authority or by any person or persons claiming to be or to represent a

government or official authority (excluding a requisition for hire for a fixed period not exceeding one year without any right to an extension) unless it is within 30 days redelivered to the full control of the Owner; and

- (b) any arrest, capture, seizure or detention of the Ship (including any hijacking or theft) unless it is within 30 days redelivered to the full control of the Owner.

"**Requisition Compensation**" includes all compensation or other monies payable by reason of any Requisition.

"**Secured Assets**" means the assets of the Owner mortgaged, assigned or charged by the Owner under this Deed.

"**Secured Liabilities**" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Borrowers to the Secured Parties or any of them under or in connection with the Finance Documents or any of them.

"**Ship**" means the multi-lay pipe laying vessel known as the "Ceona Amazon" as documented in the name of the Owner under the laws of Gibraltar flag registered at the port of Gibraltar under IMO Number 9698094 and includes any share or interest in that vessel and its engines, machinery, boats, tackle, outfit, spare gear, fuel, consumable or other stores, belongings and appurtenances whether on board or ashore and whether owned as at the date of this Deed or later acquired.

## **1.2 Defined expressions**

Defined expressions in the Facility Agreement shall have the same meanings when used in this Deed unless the context otherwise requires or unless otherwise defined in this Deed.

## **1.3 Application of construction and interpretation provisions of Facility Agreement**

Clause 1.2 (*construction*) of the Facility Agreement applies to this Deed as if it were expressly incorporated in it with any necessary modifications.

## **1.4 Construction of Mortgage terms**

In the Second Gibraltar Mortgage:

- (a) references to "**interest**" shall be construed as references to interest covenanted to be paid in accordance with Clause 2.1 (*Covenant to pay*);
- (b) references to "**principal**" shall be construed as references to all monies (other than interest) for the time being comprised in the Secured Liabilities.

## **1.5 Inconsistency between Facility Agreement provisions and this Deed**

This Deed shall be read together with the Facility Agreement, but in case of any conflict between the Facility Agreement and this Deed, unless expressly provided to the contrary in this Deed, the provisions of the Facility Agreement shall prevail.

## **1.6 Continuing effect after discharge of Second Gibraltar Mortgage**

Subject to the release of the Secured Assets pursuant to Clause 6.5 (*Release of Security*), notwithstanding that this Deed is supplemental to the Facility Agreement and the Second Gibraltar Mortgage, it shall continue in full force and effect after any discharge of the Second Gibraltar Mortgage.

### **1.7 Third party rights**

Unless expressly provided to the contrary in a Finance Document, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed.

## **2 COVENANT TO PAY AND PERFORM**

### **2.1 Covenant to pay**

The Owner shall duly and punctually pay and discharge the Secured Liabilities in the manner provided for in the Finance Documents.

### **2.2 Covenant to perform**

The Owner covenants with the Security Agent to observe and perform all its obligations under the Finance Documents, other than those referred to in Clause 2.1 (*Covenant to pay*) to the Security Agent and the other Secured Parties or any of them under the Finance Documents.

## **3 MORTGAGE, ASSIGNMENT AND CHARGE**

### **3.1 General**

Each Security created by this Deed is a continuing security for the due and punctual payment and discharge by the Owner of the Secured Liabilities under Clause 2.1 (*Covenant to pay*) and the observation and performance by the Owner of all its obligations under Clause 2.2 (*Covenant to perform*).

### **3.2 Mortgage**

Subject to the Prior Deed of Covenant, the Owner mortgages the Ship to the Security Agent.

### **3.3 Assignments**

- (a) Subject to the Prior Deed of Covenant, the Owner, with full title guarantee, assigns to the Security Agent absolutely, subject to a proviso for re-assignment on redemption, all rights and interests of every kind which now or at any later time it has to, in or in connection with, the following:
- (i) the Earnings;
  - (ii) the Insurances;
  - (iii) any Charter (other than any Charter already assigned);
  - (iv) any Charter Guarantee; and
  - (v) any Requisition Compensation.
- (b) Each Security created in respect of any of the items of the Secured Assets by paragraph (a) above is a separate and independent Security and if any one of them is construed and categorised as a floating charge, that construction and categorisation will not result in the others being so construed or categorised.



### **3.4 Continuing and additional security**

- (a) The Second Gibraltar Mortgage and this Deed shall remain in force until the end of the Security Period as continuing securities and, in particular:
- (i) the Security created by Clause 3 (*Mortgage, Assignment and Charge*) will extend to the ultimate balance of all sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part;
  - (ii) the Security created by Clause 3 (*Mortgage, Assignment and Charge*), and the rights of the Security Agent under this Deed, are only capable of being extinguished, limited or otherwise adversely affected by an express and specific term in a document signed by or on behalf of the Security Agent;
  - (iii) no failure or delay by or on behalf of the Security Agent to enforce or exercise a Security created by Clause 3 (*Mortgage, Assignment and Charge*) or a right of the Security Agent under this Deed, and no act, course of conduct, acquiescence or failure to act (or to prevent the Owner from taking certain action) which is inconsistent with such a Security or such a right or with such a Security being a fixed security shall preclude or estop the Security Agent (either permanently or temporarily) from enforcing or exercising it or result in a Security expressed to be a fixed security taking effect as a floating security.
- (b) This Deed is in addition to and is not in any way prejudiced by, and shall not prejudice any guarantee or other Security or any other right of recourse now or subsequently held by any Secured Party or any right of set-off or netting or rights to combine accounts in connection with the Finance Documents.

### **3.5 Notice of assignment**

- (a) The Owner shall, in the case of the Insurances, immediately after the execution of this Deed (in respect of any Insurances effected by it on or before the date of this Deed) and otherwise, upon the written request of the Security Agent from time to time, give written notice of the assignments contained in Clause 3 (*Mortgage, Assignment and Charge*) to any person from whom any part of the Secured Assets is or may be due provided that a notice of assignment shall only be required to be served on third party debtors.
- (b) The Owner shall ensure that it receives, in the case of the Insurances, evidence that the relevant loss payable clause has been endorsed on each policy, and otherwise, a signed acknowledgement from the relevant person in the required form within such timescale as the Security Agent shall specify.
- (c) A notice given in accordance with paragraph (a) above in respect of the Insurances shall be in the form set out in Schedule 1 (*Notice of Assignment*) with a loss payable clause to be endorsed on each policy in the form set out in Schedule 2 (*Loss Payable Clause*) or in such other form as the Security Agent shall require.
- (d) Any other notice given pursuant to paragraph (a) above and any acknowledgement required pursuant to paragraph (b) above shall each be in such form as the Security Agent shall require.

## **4 EARNINGS, INSURANCES AND REQUISITION COMPENSATION**

### **4.1 Receipt of Earnings**

The Earnings shall be paid to the Borrower Revenue Account relevant to the Owner for application in accordance with clause 30.1 (*deposits into the Borrowers' revenue accounts*) of the Facility Agreement until the Security Agent directs to the contrary, whereupon:

- (a) the Owner shall immediately, and the Security Agent may at any time on or after such direction, instruct all persons from whom the Earnings are due to pay them:
  - (i) to such other Project Accounts as the Security Agent may direct from time to time; or
  - (ii) following the occurrence of an Event of Default which is continuing, to the Security Agent or as it may direct; and
- (b) any sum in respect of Earnings then held by the Owner's brokers, bankers or other agents or representatives shall be deemed to have been received by and to be held by them on trust for the Security Agent.

### **4.2 Receipt of Insurances before an Event of Default**

Prior to the occurrence of an Event of Default which is continuing, sums recoverable in respect of the Insurances shall be payable as follows:

- (a) any sum recoverable in respect of a Total Loss under the Insurances against fire and usual marine risks and war risks shall be paid to the Security Agent; and
- (b) any sum recoverable in respect of a Major Casualty under the Insurances against fire and usual marine risks and war risks shall be paid to the Security Agent but so that:
  - (i) the sum received by the Security Agent shall be paid over to the Owner upon the Owner providing evidence satisfactory to the Security Agent that all loss and damage resulting from the casualty has been properly made good and repaired and that all repair accounts and other liabilities connected with the casualty have been paid by the Owner; and
  - (ii) the insurers with whom the fire and usual marine risks and war risks insurances are effected may in the case of any Major Casualty, and with the prior written consent of the Security Agent, make payment to the Owner on account of the repairs which are being carried out; and
- (c) any other sum recoverable under the Insurances against fire and usual marine risks and war risks shall be paid to the Owner which shall apply it in making good the loss and fully repairing all damage in respect of which that insurance money was received; and
- (d) any sum recoverable under the Insurances against protection and indemnity risks shall be paid direct to the person to whom was incurred the liability to which such sum relates (or to the Owner in reimbursement to it of monies expended to discharge that liability).

### **4.3 Receipt of Insurances after an Event of Default**

On or after the occurrence of an Event of Default, all sums recoverable in respect of the Insurances shall be payable to the Security Agent.

### **4.4 Receipt of Requisition Compensation**

Any Requisition Compensation shall at all times be payable to the Security Agent.

## **5 UNDERTAKINGS**

### **5.1 General**

The undertakings in this Clause 5 (*Undertakings*) remain in force throughout the Security Period except as the Security Agent may otherwise permit.

### **5.2 Insurance and Ship Undertakings**

The Owner shall comply with the provisions of clause 26 (*insurance undertakings*), clause 27 (*pre-delivery ship undertakings*) and clause 28 (*general ownership undertaking*) of the Facility Agreement.

## **6 PRESERVATION AND RELEASE OF SECURITY**

### **6.1 Security Agent's right to protect or maintain security**

The Security Agent may, but shall not be obliged to, take any action which it may think fit for the purpose of protecting or maintaining the Security created or intended to be created by the Second Gibraltar Mortgage and this Deed or for any similar or related purpose.

### **6.2 No obligations imposed on Security Agent**

Without prejudice to paragraph 10 of Schedule 1 of the Merchant Shipping Act 1995, the Owner shall remain liable to perform all obligations connected with the Secured Assets and the Security Agent shall not, in any circumstances, have or incur any obligation of any kind in connection with any Secured Asset.

### **6.3 Security Agent's right to insure, repair etc.**

Without limiting the generality of Clause 6.1 (*Security Agent's right to protect or maintain security*), if the Owner does not comply with Clause 5 (*Undertakings*), the Security Agent may:

- (a) effect, replace and renew any Insurances;
- (b) arrange for the carrying out of such surveys and/or repairs of the Ship as it deems expedient or necessary; and
- (c) discharge any liabilities charged on the Ship, or otherwise relating to or affecting it, and/or take any measures which the Security Agent may think expedient or necessary for the purpose of preventing its arrest and securing its release.

### **6.4 New accounts**

Upon a Secured Party receiving notice (either actual or otherwise) of any subsequent Security affecting the Secured Assets or the proceeds of sale of the Secured Assets, any Secured Party may open a new account in the name of the Owner with that Secured Party (whether or not it permits any existing account to continue) and if that Secured Party does not open such new account, it shall nevertheless be treated as if it had done so when the relevant event occurred and no monies paid on or on behalf of the Owner to a Secured Party into any account, whether new or continuing, after that event shall discharge or reduce the Secured Liabilities or the amount recoverable by the Secured Party under any Finance Document to which the Owner is a party.

## **6.5 Release of Security**

At the end of the Security Period, the Security Agent shall, at the request and cost of the Owner, discharge the Second Gibraltar Mortgage and the Security over the Ship created by this Deed and re-assign (without any warranty, representation, covenant or other recourse) to the Owner such rights as the Security Agent then has to, or in connection with, the other Secured Assets. The Security Agent shall, at the cost of the Owner, execute all such notices, directions and agreements and do all such things as the Owner may reasonably request in order to give effect to such discharge and re-assignment.

## **7 ENFORCEABILITY AND SECURITY AGENT'S POWERS**

### **7.1 Right to enforce security**

If an Event of Default occurs which is continuing and irrespective of whether a notice has been served under clause 31.19 (*acceleration*) of the Facility Agreement and without the necessity for the Security Agent to serve any notice or take any other action or for any court order in any jurisdiction to the effect that an Event of Default has occurred and is continuing or that the Security constituted by the Second Gibraltar Mortgage and this Deed has become enforceable:

- (a) the Security constituted by the Second Gibraltar Mortgage and this Deed shall immediately become enforceable for all purposes; and
- (b) the Security Agent shall be entitled then or at any later time or times to exercise the powers set out in Clause 7.2 (*Right to take possession, exercise rights etc.*) and 7.4 (*Right to appoint Receiver or Administrator*).

### **7.2 Right to take possession, exercise rights etc.**

If the Security constituted by this Deed has become enforceable, the Security Agent shall be entitled then or at any later time or times:

- (a) to exercise the powers possessed by it as mortgagee, chargee and assignee of any of the Secured Assets conferred by English law (being the governing law of this Deed) and by the law of any country or territory in which any Secured Asset is physically present or deemed to be sited, the courts of which have or claim any jurisdiction in respect of the Owner, the Ship or any other Secured Asset;
- (b) to exercise any right forming part of the Secured Assets;
- (c) to take possession of the Ship whether actually or constructively and/or otherwise to take control of the Ship wherever the Ship may be and cause the Owner or any other person in possession of the Ship forthwith upon demand to surrender the Ship to the Security Agent without legal process and without the Security Agent or any other Secured Party being liable for any losses caused by such actions or to account to the Owner in connection with the same;
- (d) to sell the Ship or any share in it with or without prior notice to the Owner, and with or without the benefit of any Charter, by public auction or private contract at any time, at any place and upon any terms (including, without limitation, on terms that all or any part or parts of the purchase price be satisfied by shares, loan stock or other securities and/or be left outstanding as a debt, whether secured or unsecured and whether carrying interest or not) which the Security Agent may think fit, with power for the Security Agent to purchase the Ship at any such public auction and to set off the purchase price against all or any part of the Secured Liabilities;

- (e) to manage, insure, maintain and repair the Ship and to charter, employ, lay up or in any other manner whatsoever deal with the Ship, upon any terms and for any period which the Security Agent may think fit, in all respects as if the Security Agent were the owner of the Ship and without the Security Agent or any other Secured Party being responsible for any loss incurred as a result of or in connection with any such action;
- (f) to require that all policies and other documents relating to the Insurances (including details of and correspondence concerning outstanding claims) be forthwith delivered to or to the order of the Security Agent;
- (g) to collect, recover and give good discharge for any monies or claims forming part of, or arising in relation to, any Secured Asset and to permit any brokers through whom collection or recovery is effected to charge the usual brokerage for the same;
- (h) to enter into all kinds of transactions for the purpose of hedging risks which have arisen, or which the Security Agent considers may arise, in respect of any Secured Asset and of movements in exchange rates, interest rates or other risks of any kind;
- (i) to take over or commence or defend (if necessary using the name of the Owner) any claims or proceedings relating to, or affecting, any Secured Asset which the Security Agent may think fit and to abandon, release or settle in any way any such claims or proceedings; and
- (j) generally, to enter into any transaction or arrangement of any kind and to do anything in relation to any Secured Asset which the Security Agent may think fit.

### **7.3 Possession**

If the Security Agent, any Receiver or any Delegate takes possession of any Secured Asset it may go out of possession at any time.

### **7.4 Right to appoint Receiver or Administrator**

If the Security constituted by this Deed has become enforceable, the Security Agent may:

- (a) appoint a receiver and/or manager (or joint receivers and/or managers) of any and all Secured Assets, and the provisions of Clause 8 (*Receiver*) shall apply; or
- (b) appoint one or more persons to be an administrator of the Owner.

### **7.5 Effect of moratorium**

For as long as such action is prohibited under the Insolvency Act 1986 or otherwise at law, the Security Agent shall not be entitled to exercise its rights under Clause 7.4 (*Right to appoint Receiver or Administrator*) solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under schedule A1 to the Insolvency Act 1986 except with the leave of the court.

### **7.6 Law of Property Act 1925 not applicable**

The Owner:

- (a) waives the entitlement conferred by section 93 of the Law of Property Act 1925; and
- (b) agrees that section 103 of that Act shall not apply to the Security created by the Second Gibraltar Mortgage and this Deed.

### **7.7 No liability of Security Agent or Receiver**

- (a) None of the Security Agent, any Receiver or any Delegate shall be obliged to:
  - (i) check the nature or sufficiency of any payment received by it or him under the Second Gibraltar Mortgage or this Deed; or
  - (ii) preserve, exercise or enforce any right forming part of, or relating to, any Secured Assets.
- (b) In addition to, and without limiting, any exclusion or limitation of liability of any Secured Party under any Finance Document, none of the Security Agent, any Receiver or any Delegate shall have any liability to any Obligor:
  - (i) for any loss caused by an exercise of, or failure to exercise, rights under or enforcement of, or failure to enforce any Security created by the Second Gibraltar Mortgage or this Deed;
  - (ii) as mortgagee in possession or otherwise, to account for any income or principal amount which might have been produced or realised from any asset forming part of or subject to any Security created by the Second Gibraltar Mortgage or this Deed; or
  - (iii) as mortgagee in possession or otherwise, for any reduction in the value of any asset forming part of or subject to any Security created by the Second Gibraltar Mortgage or this Deed.

#### **7.8 No requirement to commence proceedings**

Neither the Security Agent nor any other Secured Party will need to commence any proceedings under, or enforce any Security created by, the Facility Agreement or any other Finance Document before commencing proceedings under, or enforcing any Security created by, this Deed.

#### **7.9 Prior Security**

- (a) At any time after the Security created by this Deed has become enforceable, the Security Agent may:
  - (i) redeem any prior Security over all or any part of the Secured Assets;
  - (ii) procure the transfer of that Security to itself; and/or
  - (iii) settle the accounts of any prior mortgagee, chargee or encumbrancer and any accounts so settled will be, in the absence of manifest error, conclusive and binding on the Owner.
- (b) The Owner shall pay to the Security Agent immediately upon demand the costs and expenses incurred by the Security Agent in connection with any such redemption, settlement and/or transfer including the payment of any principal or interest.

### **8 RECEIVER**

#### **8.1 Appointment of Receiver**

- (a) An appointment of a Receiver shall be by deed or, at the Security Agent's option, by a document signed by any of its officers.
- (b) An appointment in respect of only some of the Secured Assets may later be extended to all or any part of the remaining Secured Assets.

## **8.2 Relationship with Security Agent**

- (a) The Security Agent may exercise any of the powers conferred by the Second Gibraltar Mortgage or this Deed while a Receiver is in office and is acting.
- (b) To the fullest extent permitted by law, a Receiver shall be the Owner's agent, and the Owner shall be responsible, to the exclusion of any liability on the part of the Security Agent and the other Secured Parties, for his remuneration and for his contracts, acts and defaults.

## **8.3 Powers of Receiver**

- (a) A Receiver shall have all the powers conferred by Clause 7.2 (*Right to take possession, exercise rights etc.*) as if references to the Security Agent in Clause 7.2 (*Right to take possession, exercise rights etc.*) were references to the Receiver, and all the powers conferred on a Receiver by the Law of Property Act 1925.
- (b) In the case of joint Receivers, any of the powers (including the discretions) conferred by this Deed or by the general law (including the Insolvency Act 1986) may be exercised by any one or more of them, unless their appointment specifically states the contrary.

## **8.4 Receivers' powers in relation to Ship**

Without prejudice to Clause 7.4 (*Right to appoint Receiver or Administrator*) and the other provisions of this Clause 8 (*Receiver*), it is specifically declared that, if the appointment of a Receiver comprises the Ship, it shall have power to:

- (a) commence, defend and settle any proceedings or take any other steps with a view to, or relating to, the arrest of the Ship or in connection with any other matter relating to the Ship;
- (b) operate the Ship (and to issue bills of lading and other documents in the name of the Owner);
- (c) enter into charterparties, insurances and other contracts in respect of the Ship;
- (d) sell the Ship; and
- (e) do all things which appear to the Receiver to be conducive to or connected with any of the matters relevant to the above.

## **8.5 Receiver as Owner's attorney**

The Owner irrevocably and by way of security appoints every Receiver its attorney on its behalf and in its name or otherwise to execute or sign any document and do any act or thing which that Receiver considers necessary or desirable with a view to or in connection with any exercise or proposed exercise of any of his powers.

## **8.6 Removal and replacement**

- (a) The Security Agent may remove a Receiver, with or without appointing another Receiver; such a removal may be effected by a document signed by any of the Security Agent's officers.
- (b) The Security Agent may appoint a Receiver to replace a Receiver who has resigned or for any other reason ceased to hold office.

## **8.7 Remuneration and expenses**

- (a) The remuneration of a Receiver shall be fixed by the Security Agent and the maximum rate specified in Section 109(6) of the Law of Property Act 1925 will not apply.
- (b) A Receiver shall be entitled to retain out of any money received by him such amounts in respect of his expenses (or to cover estimated future expenses) as he may from time to time agree with the Security Agent.

## **9 PROTECTION OF THIRD PARTIES**

**9.1** No person dealing with the Security Agent, any other Secured Party or any Delegate shall be concerned to enquire:

- (a) whether the rights conferred by or pursuant to any Finance Document are exercisable or have been properly exercised;
- (b) whether any Secured Liabilities remain owing;
- (c) whether any laws, directions, restrictions, consents and/or, regulations affecting the rights of the Security Agent or any Secured Party have been obtained or complied with; or
- (d) as to the application of any monies received by the Security Agent.

## **10 APPLICATION OF MONIES**

**10.1** Subject to Clause 4 (*Earnings, Insurances and Requisition Compensation*), all sums received by the Security Agent or by a Receiver under this Deed or in connection with the realisation or enforcement of any Security created by this Deed over all or any part of any Secured Asset shall be held by the Security Agent or the Receiver upon trust:

- (a) **first**, to pay or discharge any expenses or liabilities (including any interest) which have been paid or incurred by the Security Agent or any Receiver or Delegate in or in connection with the exercise of their respective powers under the Finance Documents; and
- (b) **secondly**, to pay the balance over to the Facility Agent for application in accordance with clause 38.5 (*application of receipts; partial payments*) of the Facility Agreement.

## **11 FURTHER ASSURANCE**

Clause 25.24 (*further assurance*) of the Facility Agreement applies to this Deed as if it were expressly incorporated in it with any necessary modifications.

## **12 POWER OF ATTORNEY**

### **12.1 Appointment**

The Owner, by way of security for the performance of its obligations under the Second Gibraltar Mortgage and this Deed, irrevocably appoints (with full power of substitution) the Security Agent as its attorney-in-fact:

- (a) to do all acts and execute or sign all documents which the Owner itself can do and execute in relation to the Secured Assets including, without limitation, all acts and documents necessary to realise and dispose of the Secured Assets (including a sale of the Ship) by such means and on such terms as the Security Agent may determine; and
- (b) to do all acts and things and execute or sign all documents which the Owner is obliged to do, execute or sign under the Second Gibraltar Mortgage and this Deed and which it has failed so to do, execute or sign immediately upon the Security Agent's first written demand,



provided that the power of attorney constituted by this Clause 12.1 (*Appointment*) shall be exercisable only on the occurrence of an Event of Default which is continuing.

#### **12.2 General power of attorney**

The power of attorney constituted by Clause 12.1 (*Appointment*) shall be a general power of attorney.

#### **12.3 Ratification of actions of attorney**

The Owner ratifies and confirms and agrees and will be deemed to have ratified and confirmed and agreed any act, deed or document which the Security Agent (or any Delegate or substitute) does or executes pursuant to its terms in the exercise or purported exercise of the power of attorney granted by it in this Clause 12 (*Power of Attorney*).

#### **12.4 Conclusiveness of exercise**

The exercise of the power of attorney constituted by Clause 12.1 (*Appointment*) shall not put any person dealing with the Security Agent (or any Delegate or substitute) on enquiry whether, by its terms, the power of attorney is exercisable and the exercise by the Security Agent (or any Delegate or substitute) of its powers shall, as between the Security Agent (or any Delegate or substitute) and any third party, be conclusive evidence of the Security Agent's right (or the right of any Delegate or substitute) to exercise the same.

#### **12.5 Duration**

The power of attorney constituted by Clause 12.1 (*Appointment*) shall be granted for the duration of the Security Period.

### **13 INCORPORATION OF FACILITY AGREEMENT PROVISIONS**

#### **13.1 Incorporation of specific provisions**

The following provisions of the Facility Agreement apply to the Second Gibraltar Mortgage and this Deed as if they were expressly incorporated in the Second Gibraltar Mortgage and this Deed with any necessary modifications:

clause 38.6 (*no set-off by obligors*);

clause 41 (*notices*);

clause 43 (*partial invalidity*);

clause 44 (*remedies and waivers*);

clause 46 (*irrevocable payment*); and

clause 49 (*counterparts*).

#### **13.2 Incorporation of general provisions**

Clause 13.1 (*Incorporation of specific provisions*) is without prejudice to the application to the Second Gibraltar Mortgage and this Deed of any provision of the Facility Agreement which, by its terms, applies or relates to the Finance Documents generally or the Second Gibraltar Mortgage and/or this Deed specifically.

## **14 SUPPLEMENTAL**

### **14.1 No restriction on other rights**

Nothing in the Second Gibraltar Mortgage or this Deed shall be taken to exclude or restrict any power, right or remedy which the Security Agent or any other Secured Party may at any time have under:

- (a) any other Finance Document; or
- (b) the law of any country or territory the courts of which have or claim any jurisdiction in respect of the Owner, the Ship or any other Secured Asset.

### **14.2 Exercise of other rights**

The Security Agent may exercise any right under the Second Gibraltar Mortgage and this Deed before it or any other Secured Party has exercised any right referred to in paragraphs (a) or (b) of Clause 14.1 (*No restriction on other rights*).

### **14.3 Settlement or discharge conditional**

Any settlement or discharge under the Second Gibraltar Mortgage and this Deed (or either of them) between the Security Agent or any other Secured Party and the Owner shall be conditional upon no security or payment to the Security Agent or any other Secured Party by the Owner or any other person being set aside, adjusted or ordered to be repaid, whether under any insolvency law or otherwise.

### **14.4 Delegation**

- (a) Each of the Security Agent and any Receiver may delegate in any manner to any person any rights exercisable by it under this Deed (including the power of attorney). Any such delegation may be made upon such terms and conditions (including power to sub-delegate) as the Security Agent thinks fit.
- (b) Provided that neither the Security Agent nor any Receiver acts with gross negligence or wilful misconduct when delegating their rights in accordance with paragraph (a) above, neither the Security Agent nor any Receiver will in any way be liable or responsible to the Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate or sub-Delegate.

## **15 CHANGES TO THE PARTIES**

### **15.1 Owner**

The Owner may not assign any of its rights or transfer any of its rights or obligations under this Deed.

### **15.2 Security Agent**

The Security Agent may:

- (a) assign any of its rights; or
  - (b) transfer any of its rights and obligations,
- under this Deed in accordance with the provisions of the Facility Agreement.

**16 GOVERNING LAW**

This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

**17 ENFORCEMENT**

**17.1 Jurisdiction**

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a "**Dispute**").
- (b) The Owner accepts that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly it will not argue to the contrary.
- (c) This Clause 17.1 (*Jurisdiction*) is for the benefit of the Security Agent only. As a result, the Security Agent shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent may take concurrent proceedings in any number of jurisdictions.

**This Deed has been executed as a Deed and delivered on the date stated at the beginning of this Deed.**

## SCHEDULE 1

### NOTICE OF ASSIGNMENT

(for attachment by way of endorsement to the Policy or Entry in respect of the Ship)

#### **m.v. "Ceona Amazon" (the "Ship")**

We, **CEONA SHIP 1 LIMITED** of 3 Shortlands, London W6 8DA, England, the owner of the Ship give notice that by a second priority assignment dated [●] 2015 made in favour of ABN AMRO Bank N.V. of Agency Syndicated Loans (PAC HQ8042), Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands (the "**Assignee**") acting as agent and trustee for and on behalf of itself and certain other banks and financial institutions, we have assigned absolutely to the Assignee all rights and interests of every kind which we have now or at any later time to, in or in connection with:

- 1 all policies and contracts of insurance, including entries of the Ship in any protection and indemnity or war risks association, which are effected in respect of the Ship, its earnings or otherwise in relation to it; and
- 2 all rights and other assets relating to, or derived from, any of the foregoing, including any rights to a return of a premium.

Endorsement of this Notice of Assignment on a Policy of insurance or Entry in respect of the Ship shall be deemed to constitute acceptance by the underwriters or club to the terms of this Notice of Assignment.

The second priority assignment referred to above is subject to the terms of a first priority assignment dated 25 April 2014 granted by Ceona Ship 1 Limited in favour of the Assignee in respect of the Ship.

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**CEONA SHIP 1 LIMITED**

Name:

Title:

Date:

## **SCHEDULE 2**

### **LOSS PAYABLE CLAUSE**

#### **m.v. "Ceona Amazon" (the "Ship")**

By a second priority assignment dated [●] 2015 made by **CEONA SHIP 1 LIMITED** (the "**Owner**") in favour of ABN AMRO Bank N.V. of Agency Syndicated Loans (PAC HQ8042), Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands (the "**Assignee**") acting on behalf of itself and certain other banks and financial institutions, the Owner has assigned to the Assignee all rights and interests of every kind which it has now or at any later time to, in or in connection with, amongst other things, the insurances to which this Policy or Entry relates.

Except as provided below, all sums payable under this Policy or Entry shall be paid to the Assignee.

The exceptions are that, unless and until the Assignee gives written notice to the contrary:

- 1 any sum payable in relation to a casualty to the Ship in respect of which the claim or the aggregate of claims against all Insurers before adjustment for any relevant franchise or deductible which does not exceed US \$15,000,000 shall be paid to the Owner; and
- 2 any sum payable under insurances against protection and indemnity risks shall be paid direct to the person to whom was incurred the liability to which such sum relates (or to the Owner in reimbursement to it of monies expended to discharge that liability).

The second priority assignment referred to above is subject to the terms of a first priority assignment dated 25 April 2014 granted by the Owner in favour of the Assignee in respect of the Ship.

EXECUTION PAGE

OWNER

EXECUTED AS A DEED  
by CEONA SHIP 1 LIMITED  
acting by *Matthias Ploch*  
in the presence of:

Witness' signature:  
Witness' name:  
Witness' address:

) *M. Ploch*  
)  
) *A. R. Tanner*  
)  
) 3 Linnmill, Chackmannan, FC103P7

SECURITY AGENT

EXECUTED AS A DEED  
by ABM AMRO BANK N.V.  
acting by  
in the presence of:

Witness' signature:  
Witness' name:  
Witness' address:

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)

EXECUTION PAGE

OWNER

EXECUTED AS A DEED  
by CEONA SHIP 1 LIMITED  
acting by  
in the presence of:

Witness' signature:  
Witness' name:  
Witness' address:


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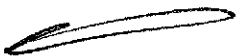
SECURITY AGENT


EXECUTED AS A DEED  
by ABM AMRO BANK N.V.  
acting by  
in the presence of:

Witness' signature:  
Witness' name:  
Witness' address:

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Gary Walsh  
Attorney-in-Fact

  
Emeline Yew  
Attorney in fact

  
Andrea Bhamber  
Trainee Solicitor  
15 Appold Street  
London EC2A 2HB