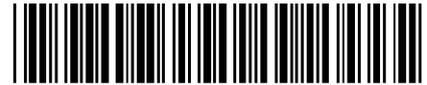




**Registration of a Charge**

Company name: **MAGENTA SHIPPING LIMITED**  
Company number: **11013849**



X6M8YYSB

Received for Electronic Filing: **28/12/2017**

---

**Details of Charge**

Date of creation: **13/12/2017**  
Charge code: **1101 3849 0001**  
Persons entitled: **FORTUNE JESSICA SHIPPING LIMITED**  
Brief description:  
**Contains fixed charge(s).**  
**Contains negative pledge.**

---

**Authentication of Form**

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

---

**Authentication of Instrument**

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 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: 11013849

Charge code: 1101 3849 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 13th December 2017 and created by MAGENTA SHIPPING LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 28th December 2017 .

Given at Companies House, Cardiff on 2nd January 2018

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

**EXECUTION VERSION**

**Dated 13 December 2017**

**Certified True Copy**

*Save for material redacted in accordance with  
585961 of the Companies Act 2006*



**Tan Qingcheng Ryan  
Solicitor, Hong Kong SAR  
Watson Farley & Williams**

**28 DEC 2017**

**MAGENTA SHIPPING LIMITED  
as Shareholder**

and

**Fortune JESSICA Shipping Limited  
as Owner**

**SHARES SECURITY**

relating to  
the shares of Kalamoti Trader Shipping Limited

**WATSON FARLEY  
&  
WILLIAMS**

## Index

Clause	Page
1	Definitions and Interpretation ..... 1
2	Security ..... 2
3	Dealings with Shares ..... 3
4	Representations ..... 4
5	Undertakings ..... 6
6	Preservation and Release of Security ..... 7
7	Enforceability and Owner's Powers ..... 8
8	Receiver ..... 11
9	Protection of Third Parties ..... 12
10	Application of Moneys ..... 12
11	Further Assurances ..... 12
12	Power of Attorney ..... 13
13	Incorporation of Charter Provisions ..... 14
14	Protective provisions ..... 14
15	Indemnities ..... 16
16	Costs and expenses ..... 17
17	Supplemental ..... 17
18	Changes to the Parties ..... 18
19	Law and Jurisdiction ..... 18
 <b>Schedules</b>	
Schedule 1	The Original Shares ..... 20
 <b>Execution</b>	
Execution Page	..... 21

## EXECUTION VERSION

THIS DEED is made on 13 December 2017

### **PARTIES**

- (1) **MAGENTA SHIPPING LIMITED**, a company incorporated in England with registered number 11013849 whose registered office is at 13-14 Hobart Place, London, SW1W 0HH, United Kingdom (the "Shareholder")
- (2) **Fortune JESSICA Shipping Limited**, a corporation incorporated under the laws of the Republic of the Marshall Islands whose registered office is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 (the "Owner").

### **BACKGROUND**

- (A) By a bareboat charter dated on or around the date of this Deed (the "Charter") and made between (i) the Owner and (ii) Kalamoti Trader Shipping Limited (the "Charterer"), the Owner agreed to bareboat charter the Vessel to the Charterer pursuant to the terms and conditions contained therein.
- (B) The execution and delivery to the Owner of this Deed is one of the conditions to the chartering of the Vessel under the Charter.
- (C) This Deed supplements the Charter and is the Shares Security referred to in the Charter.

### **OPERATIVE PROVISIONS**

#### **1 DEFINITIONS AND INTERPRETATION**

##### **1.1 Definitions**

In this Deed:

"**Derivative Assets**" means all dividends, interest and other moneys paid or payable after the date of this Deed on all or any of the Shares and all rights accruing at any time to or in respect of all or any of the Shares (including, without limitation, any warrants issued with the Shares, put and call options, pre-emption rights and any proceeds of sale or other realisation of all or any part of the Shares).

"**Original Shares**" means all the shares in the Charterer details of which are specified in Schedule 1 (*The Original Shares*).

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

"**Receiver**" means a receiver and/or manager (or joint receivers and/or managers) appointed under Clause 7.3 (*Right to appoint Receiver*).

"**Secured Assets**" means the assets of the Shareholder charged by the Shareholder under this Deed.

"**Secured Liabilities**" means all liabilities which the Charterer has, at the date of this Deed or at any later time or times, to the Owner under or in connection with the Charter or any judgment relating to the Charter and any other Leasing Document; and for this purpose, there shall be disregarded any total or partial discharge of these liabilities, or variation of their terms, which is effected by, or in connection with, any bankruptcy, liquidation, arrangement or other procedure under the insolvency laws of any country.

"**Shares**" means:

- (a) the Original Shares; and

- (b) all other shares in the Charterer from time to time owned by the Shareholder during the Charter Period (and includes all stocks, shares and other securities issued or accruing at any time by way of redemption, bonus, rights, preference or otherwise to the Shareholder in respect of all or any of the shares in the Charterer or offered in substitution or exchange for all or any of those shares).

## **1.2 Defined expressions**

Defined expressions in the Charter 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 Charter**

Clauses 55.2, 55.3 and 55.6 of the Charter applies to this Deed as if it were expressly incorporated in it with any necessary modifications.

## **1.4 Inconsistency between Charter provisions and this Deed**

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

## **1.5 Third party rights**

A person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed.

## **2 SECURITY**

### **2.1 Charge**

- (a) As continuing security for the payment of the Secured Liabilities, the Shareholder charges by way of first fixed charge to the Owner, with full title guarantee, all rights and interests of every kind which now or at any later time it has to, or in connection with:

- (i) the Shares; and
- (ii) the Derivative Assets.

- (b) Each Security Interest created in respect of any of the items of the Secured Assets by paragraph (a) above is a separate and independent Security Interest 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.

### **2.2 Continuing and additional security**

- (a) This Deed shall remain in force until the end of the Charter Period as a continuing security and, in particular:
  - (i) the Security Interest created by this Clause 2 (*Security*) will extend to the ultimate balance of all sums payable by the Shareholder under the Leasing Documents, regardless of any intermediate payment or discharge in whole or in part;
  - (ii) the Security Interest created by this Clause 2 (*Security*), and the rights of the Owner 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 Owner;

- (iii) no failure or delay by or on behalf of the Owner to enforce or exercise a Security Interest created by this Clause 2 (*Security*) or a right of the Owner under this Deed, and no act, course of conduct, acquiescence or failure to act (or to prevent the Shareholder from taking certain action) which is inconsistent with such a Security Interest or such a right or with such a Security Interest being a fixed security shall preclude or estop the Owner (either permanently or temporarily) from enforcing or exercising it or result in a Security Interest 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 Interest or any other right of recourse now or subsequently held by the Owner or any right of set-off or netting or rights to combine accounts in connection with the Leasing Documents.

### **2.3 Security documentation**

- (a) The Shareholder shall deliver, or procure there to be delivered, to the Owner or as it directs, immediately after the execution of this Deed:
  - (i) all share certificates in respect of the Original Shares (unless such share certificates are held by third parties acceptable to the Owner and who have undertaken directly with the Owner to hold them to the order of the Owner);
  - (ii) undated stock transfer forms in respect of the Original Shares, duly executed by the Shareholder and forms of waiver of any pre-emption rights necessary to enable such transfers to be registered.
- (b) The Shareholder shall deliver, or procure there to be delivered, to the Owner immediately upon the issue of any further Shares to it:
  - (i) all share certificates in respect of those further Shares; and
  - (ii) undated stock transfer forms in respect of such further Shares, duly executed by the Shareholder and forms of waiver of any pre-emption rights necessary to enable such transfers to be registered.

## **3 DEALINGS WITH SHARES**

### **3.1 Exercise of voting rights etc.**

Unless and until a Termination Event has occurred (and notwithstanding any registration of Secured Assets in the name of the Owner (or its nominee) pursuant to Clause 3.1 (*Registration of Shares and Derivative Assets in name of Owner*)):

- (a) the Shareholder (or its nominee) shall be entitled to exercise, or (as the case may be) direct the exercise of, all voting and/or consensual powers pertaining to the Shares or any part of them for all purposes not prejudicial to the Security Interest created by this Deed nor otherwise inconsistent with the terms of this Deed and the other Leasing Documents; for the avoidance of doubt, the Shareholder shall not (without the prior written consent of the Owner) be entitled to exercise any such powers to effect any amendment or revocation of the Charterer's constitutional documents;
- (b) the Owner shall not exercise any of the powers of enforcement referred to in Clause 7.1 (*Right to enforce Security*) and shall not complete, put into effect or utilise any of the items delivered to the Owner pursuant to Clause 2.3 (*Security documentation*); and
- (c) subject to Clause 3.2 (*No obligation on Owner in relation to Derivative Assets*) and Clause 7.6 (*No liability of Owner or Receiver*), the Shareholder shall be entitled to receive (directly or, as the case may be, through payment over by the Owner or its nominee) and retain any

Derivative Assets accruing on or in respect of the Shares which, once received by the Shareholder, shall (for the avoidance of doubt) cease to be part of the Secured Assets.

### **3.2 No obligation on Owner in relation to Derivative Assets**

Without limiting the generality of Clause 7.6 (*No liability of Owner or Receiver*), the Owner shall not have any duty to ensure that any Derivative Assets receivable in respect of the Shares are duly and punctually paid, received or collected as and when they become due and payable or to ensure that the correct amounts (if any) are paid or received on or in respect of the Shares or Derivative Assets or to ensure the taking up of any (or any offer of any) Shares or Derivative Assets accruing or offered at any time by way of redemption, bonus, rights, preference, or otherwise on or in respect of, any of the Secured Assets.

### **3.3 Registration of Shares and Derivative Assets in name of Owner**

The Shareholder authorises the Owner to arrange at any time and from time to time after the occurrence of a Termination Event and whilst the same is continuing for the Shares and Derivative Assets owned by it (or any part of them) to be registered in the name of the Owner (or its nominee) and held, as so registered, subject to the terms of this Deed.

### **3.4 Payment of calls and discharge of other obligations by Shareholder**

The Shareholder will pay all calls or other payments and will discharge all other obligations and meet all liabilities, which may become due for performance or payment in respect of any of the Shares and Derivative Assets owned by it (including, without limitation, in respect of any Shares registered in the name of the Owner (or its nominee)).

### **3.5 Trust**

Any moneys or other asset comprising the Secured Assets which are received by the Shareholder on or after any time at which, in accordance with the provisions of this Deed, they are required to be paid or delivered to the Owner or as it may direct (as the case may be) shall, pending such payment or delivery, be held by the Shareholder on trust for the Owner.

## **4 REPRESENTATIONS**

### **4.1 General**

The Shareholder makes the representations and warranties set out in this Clause 4 (*Representations*) on the date of this Deed.

### **4.2 Status**

The Shareholder is a company, duly incorporated and validly existing in good standing under the law of its jurisdiction of incorporation.

### **4.3 Power and authority**

- (a) The Shareholder has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Deed.
- (b) No limit on its powers will be exceeded as a result of its entry into this Deed.

### **4.4 Validity and admissibility in evidence**

All Authorisations required or desirable:

- (a) to enable it lawfully to enter into and comply with its obligations in this Deed; and

- (b) to make this Deed admissible in evidence in its Relevant Jurisdictions, have been obtained or effected and are in full force and effect.

#### **4.5 Binding obligations**

The obligations expressed to be assumed by it in this Deed are legal, valid, binding and enforceable obligations.

#### **4.6 Validity, effectiveness and ranking of Security**

- (a) This Deed will, upon execution and delivery and registration create the Security Interest it purports to create over the Secured Assets and such Security Interest will be valid and effective.
- (b) No third party has or will have any Security Interest (except for Permitted Security) over the Secured Assets.
- (c) The Security Interest created or intended to be created by this Deed has first ranking priority and is not subject to any prior ranking or pari passu ranking Security Interest.

#### **4.7 Non-conflict with other obligations**

The entry into and performance by it of this Deed does not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) the constitutional documents of any Relevant Person; or
- (c) any agreement or instrument binding upon it or any Relevant Person or any Relevant Person's assets or constitute a default or termination event (however described) under any such agreement or instrument.

#### **4.8 Share capital and ownership**

- (a) The Charterer has an authorised share capital of £1 divided into 1 registered share of £1, such share has been issued fully paid.
- (b) Subject to any registration of Secured Assets in the name of the Owner (or its nominee) pursuant to Clause 3.3 (*Registration of Shares and Derivative Assets in name of Owner*), the legal title to and beneficial interest in the Shares and any Derivative Assets is held by the Shareholder free of any Security Interest or any other claim.
- (c) None of the Shares is subject to any option to purchase or other similar rights and the constitutional documents of the Charterer do not and could not restrict or inhibit any transfer of the Shares on creation or enforcement of the Security Interest conferred by this Deed.

#### **4.9 Contents of Leasing Documents**

The Shareholder is fully familiar with, and agrees to all the provisions of, the Leasing Documents to which it is not a party.

#### **4.10 Repetition**

The representations and warranties set out in this Clause 4 (*Representations*) are deemed to be made by the Shareholder by reference to the facts and circumstances on the date of this Deed with reference to the circumstances now existing.

## **5 UNDERTAKINGS**

### **5.1 General**

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

### **5.2 Shares**

The Shareholder will procure that the Charterer shall not:

- (a) purchase, cancel or redeem any of its shares; or
- (b) issue any further shares (except to the Shareholder and provided such new shares are made subject to the terms of this Deed immediately upon such issue in a manner satisfactory to the Owner and the terms of paragraph (b) of Clause 2.3 (*Security documentation*) are complied with);

In each case, without the prior consent in writing of the Owner.

### **5.3 Dividends**

The Shareholder shall procure that the Charterer will not make or pay any dividend or other distribution (in cash or in kind) in respect of any of its shares without the prior consent in writing of the Owner following the occurrence of a Termination Event or if a Termination Event may occur from the proposed distribution.

### **5.4 People of significant control regime**

The Shareholder will:

- (a) within the relevant timeframe, comply with any notice it receives pursuant to Part 21A of the Companies Act 2006 from any company incorporated in the United Kingdom whose shares are the subject of the Security Interest; and
- (b) promptly provide the Owner with a copy of that notice.

### **5.5 Information**

The Shareholder shall supply to the Owner:

- (a) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against any Relevant Person (other than the Seller), and which might, if adversely determined, have a Material Adverse Effect;
- (b) as soon as practicable after the Owner's request, such further information and/or documents regarding:
  - (i) the Charterer; and
  - (ii) the Secured Assets,as the Owner may reasonably request; and
- (c) promptly, such further information and/or documents as the Owner may reasonably request so as to enable the Owner to comply with any laws applicable to it.

## **5.6 Authorisations**

The Shareholder shall promptly:

- (a) obtain, comply with and do all that is necessary to maintain in full force and effect; and
- (b) supply certified copies to the Owner of any authorisation required under any law or regulation of a Relevant Jurisdiction to enable it to:
  - (i) perform its obligations under this Deed; and
  - (ii) ensure the legality, validity, enforceability or admissibility in evidence in any Relevant Jurisdiction of this Deed.

## **5.7 Compliance with laws**

The Shareholder shall comply in all respects with all laws and regulations to which it may be subject, if failure so to comply has or is reasonably likely to have a Material Adverse Effect.

## **5.8 Negative pledge**

- (a) The Shareholder shall not create or permit to subsist any Security Interest over any of the Secured Assets.
- (b) Paragraph (a) above does not apply to any Permitted Security Interest.
- (c) This Clause 5.8 (*Negative pledge*) is in addition to, and shall not be limited by, any provision of the Charter.

## **5.9 Disposals**

The Shareholder shall not enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, transfer or otherwise dispose of the whole or any part of the Secured Assets.

## **5.10 Title**

Subject to any registration of Secured Assets in the name of the Owner (or its nominee) pursuant to Clause 3.3 (*Registration of Shares and Derivative Assets In name of Owner*), the Shareholder shall hold the legal title to and own the entire beneficial interest in the Shares and the Derivative Assets.

## **5.11 Protection of Owner interests**

The Shareholder shall not enter into any transaction, or do anything, which is contrary to, or which may adversely affect, the rights of the Owner under this Deed.

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

### **6.1 Protection of Security**

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

## **6.2 No obligations imposed on the Owner**

The Shareholder shall remain liable to perform all obligations connected with the Secured Assets and the Owner shall not, in any circumstances, have or incur any obligation of any kind in connection with any Secured Asset.

## **6.3 Payment of calls, etc.**

Without limiting the generality of Clause 6.1 (*Protection of Security*), if the Shareholder does not comply with Clause 3.4 (*Payment of calls and discharge of other obligations by Shareholder*), the Owner may, if it thinks fit, pay the calls or other payments, discharge the obligations and meet the liabilities of the Shareholder under Clause 3.4 (*Payment of calls and discharge of other obligations by Shareholder*). Any sums so paid by the Owner shall be repayable by the Shareholder to the Owner on demand and pending such repayment shall constitute part of the Secured Liabilities.

## **6.4 New accounts**

Upon:

- (a) the Owner receiving notice (either actual or otherwise) of any subsequent Security Interest affecting the Secured Assets or the proceeds of sale of the Secured Assets; or
- (b) the presentation of a petition or the passing of a resolution in relation to the winding up of the Shareholder,

the Owner may open a new account in the name of the Shareholder with the Owner (whether or not it permits any existing account to continue) and if the Owner does not open such new account, it shall nevertheless be treated as if it had done so when the relevant event occurred and no moneys paid into any account, whether new or continuing, after that event shall discharge or reduce the Secured Liabilities or the amount recoverable by the Owner under any Leasing Document to which the Shareholder is a party.

## **6.5 Release of Security**

At the end of the Charter Period, the Owner shall, at the request and cost of the Shareholder release the charges created in Clause 2.1 (*Charge*).

## **7 ENFORCEABILITY AND OWNER'S POWERS**

### **7.1 Right to enforce Security**

If a Termination Event occurs, irrespective of whether a notice has been served under clause 44.2 of the Charter and without the necessity for the Owner to serve any notice or take any other action or for any court order in any jurisdiction to the effect that a Termination Event has occurred or that the Security Interest constituted by this Deed has become enforceable, the Security Interest constituted by this Deed shall immediately become enforceable for all purposes.

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

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

- (a) to exercise the power of sale and other powers conferred by Section 101 of the Law of Property Act, 1925 as varied or amended by this Deed;
- (b) to exercise, procure the exercise of or require the Shareholder to exercise any voting rights attached to any of the Shares for the purpose only of preserving the value of any of the

Secured Assets or preserving or realising the Security Interest over the Secured Assets created by this Deed;

- (c) to receive and retain all Derivative Assets accruing on or in respect of the Shares or any of them, such Derivative Assets to be held by the Owner, until applied in the manner described in Clause 10 (*Application of Moneys*), and any such Derivative Assets received by the Shareholder after such time shall be immediately paid or transferred to the Owner;
- (d) to sell the Shares or any part of them at such place and in such manner and at such price or prices as the Owner may deem fit, and upon any such sale the Owner shall have the right to deliver, assign and transfer to each purchaser of the same the Shares so sold;
- (e) to collect, recover and give good discharge for any moneys or claims forming part of, or arising in relation to, any Secured Assets and to permit any brokers through whom collection or recovery is effected to charge the usual brokerage for the same;
- (f) to take over or commence or defend (if necessary using the name of the Shareholder) any claims or proceedings relating to, or affecting, any Secured Asset which the Owner may think fit and to abandon, release or settle in any way any such claims or proceedings; and
- (g) generally, to enter into any transaction or arrangement of any kind and to do anything in relation to any Secured Asset which the Owner may think fit.

#### **7.3 Right to appoint Receiver**

If the Security Interest constituted by this Deed has become enforceable, the Owner may then or at any later time or times 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.

#### **7.4 Effect of moratorium**

For as long as such action is prohibited under the Insolvency Act 1986 or otherwise at law, the Owner shall not be entitled to exercise its rights under Clause 7.3 (*Right to appoint Receiver*) 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.

#### **7.5 Law of Property Act 1925 provisions**

The Shareholder:

- (a) waives the entitlement conferred by section 93 of the Law of Property Act 1925;
- (b) agrees that section 103 of that Act shall not apply to the Security Interest created by this Deed; and
- (c) agrees that the power of sale and other powers conferred by section 101 of that Act (as varied or supplemented by this Deed) shall arise on execution of this Deed but shall not be exercisable until the Security Interest constituted by this Deed has become enforceable.

#### **7.6 No liability of Owner or Receiver**

- (a) Neither the Owner nor any Receiver shall be obliged to:
  - (i) check the nature or sufficiency of any payment received by it or him under this Deed; or

- (ii) preserve, exercise or enforce any right forming part of, or relating to, any Secured Asset.
- (b) In addition to, and without limiting, any exclusion or limitation of liability of the Owner or any Receiver under any Leasing Document, neither the Owner nor any Receiver shall have any liability:
  - (i) for any loss caused by an exercise of, or failure to exercise, rights under or enforcement of, or failure to enforce any Security Interest created by 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 Interest created by 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 Interest created by this Deed.

#### **7.7 No requirement to commence proceedings**

Neither the Owner nor any Receiver will need to commence any proceedings under, or enforce any Security Interest created by, the Charter or any other Leasing Document before commencing proceedings under, or enforcing any Security Interest created by, this Deed.

#### **7.8 Financial Collateral Arrangement**

- (a) It is intended that this Deed shall take effect as a Financial Collateral Arrangement as defined in regulation 3 of the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226) as amended (the "Regulations").
- (b) To the extent that the Secured Assets constitute "financial collateral" and this Deed and the obligations of the Shareholder under this Deed constitute a "security financial collateral arrangement" (in each case for the purpose of and as defined in the Regulations), the Owner shall have the right at any time after the Security Interest constituted by this Deed has become enforceable, to appropriate all or any part of such financial collateral in or towards the satisfaction of the Secured Liabilities.
- (c) For the purpose of any appropriation as provided in paragraph (b) above, the Parties agree that the value of any Secured Asset so appropriated shall be its market value determined by the Owner by reference to an independent valuation or by such other process as the Owner may select. The Parties agree that the method of valuation provided for in this Deed shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

#### **7.9 Prior Security**

- (a) At any time after the Security Interest created by this Deed has become enforceable, the Owner may:
  - (i) redeem any prior Security Interest over all or any part of the Secured Assets;
  - (ii) procure the transfer of that Security Interest 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 Shareholder.
- (b) The Shareholder shall pay to the Owner immediately upon demand the costs and expenses incurred by the Owner 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 Owner's option, by a document signed by any of its officers.
- (b) An appointment in respect of some only of the Secured Assets may later be extended to all or any part of the remaining Secured Assets.

### **8.2 Relationship with Owner**

- (a) The Owner may exercise any of the powers conferred by this Deed while a Receiver is in office and is acting.
- (b) To the fullest extent permitted by law, a Receiver shall be the Shareholder's agent, and the Shareholder shall be responsible, to the exclusion of any liability on the part of the Owner and any Receiver, 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 Owner 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 Receiver as Shareholder's attorney**

The Shareholder 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.

### **8.5 Delegation**

A Receiver may delegate to any person or persons any of the powers (including the discretions) conferred on him by, or pursuant to, this Deed and may do so on terms authorising successive sub-delegations.

### **8.6 Removal and replacement**

- (a) The Owner may remove a Receiver, with or without appointing another Receiver; such a removal may be effected by a document signed by any of the Owner's officers.
- (b) The Owner 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 Owner 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 Owner.

## **9 PROTECTION OF THIRD PARTIES**

No person dealing with the Owner or any Receiver shall be concerned to enquire:

- (a) whether the rights conferred by or pursuant to any Leasing 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 Owner or any Receiver have been obtained or complied with; or
- (d) as to the application of any monies received by the Owner.

## **10 APPLICATION OF MONEYS**

All sums received by the Owner or by a Receiver under this Deed or in connection with the realisation or enforcement of any Security Interest created by this Deed over all or any part of any Secured Asset shall be held by the Owner or the Receiver upon trust in the first place to pay or discharge any expenses or liabilities (including any interest) which have been paid or incurred by the Owner or the Receiver in or in connection with the exercise of their respective powers and to apply the balance in such manner as the Owner may determine in its absolute discretion.

## **11 FURTHER ASSURANCES**

### **11.1 Obligation to execute further documents etc. The Shareholder shall:**

- (a) execute and deliver to the Owner (or as it may direct) any assignment, mortgage, power of attorney, proxy or other document, governed by the law of England or such other country as the Owner may, in any particular case, specify; and
- (b) effect any registration or notarisation, give any notice or take any other step,

which the Owner may, by notice to the Shareholder, specify for any of the purposes described in Clause 11.2 or for any similar or related purpose.

### **11.2 Purposes of further assurances. Those purposes are:**

- (a) validly and effectively to create any Security Interest or right of any kind which the Owner intended should be created by or pursuant to this Deed or any other Pertinent Document;
- (b) to create a specific mortgage or assignment of any particular Secured Asset or otherwise to vest in the Owner the title to any particular Secured Asset;
- (c) to protect the priority, or increase the effectiveness, in any jurisdiction of any Security Interest which is created, or which the Owner intended should be created, by or pursuant to this Deed or any other Pertinent Document;
- (d) to enable or assist the Owner or a Receiver to sell or otherwise deal with any Secured Asset, to transfer title to, or grant any interest or right relating to, any Secured Asset or to exercise any power which is referred to in Clause 7.1 above or which is conferred by any Pertinent Document;
- (e) to enable or assist the Owner to enter into any transaction to commence, defend or conduct any proceedings and/or to take any other action relating to any Secured Asset in any country or under the law of any country.

**11.3 Terms of further assurances.** The Owner may specify the terms of any document to be executed by the Shareholder under Clause 11.1, and those terms may include any covenants, powers and provisions which the Owner considers appropriate to protect its or a Receiver's interests.

**11.4 Obligation to comply with notice.** The Shareholder shall comply with a notice under Clause 11.1 by the date specified in the notice.

**11.5 Additional corporate action.** At the same time as the Shareholder delivers to the Owner any document executed under Clause 11.1(a), the Shareholder shall also deliver to the Owner a certificate signed by 2 of the Shareholder's directors which shall:

- (a) set out the text of a resolution of the Shareholder's directors specifically authorising the execution of the document specified by the Owner; and
- (b) state that either the resolution was duly passed at a meeting of the directors validly convened and held throughout which a quorum of directors entitled to vote on the resolution was present or that the resolution has been signed by all the directors and is valid under the Shareholder's articles of association or other constitutional documents.

## **12 POWER OF ATTORNEY**

### **12.1 Appointment**

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

- (a) to do all acts and execute or sign all documents which the Shareholder 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 by such means and on such terms as the Owner may determine; and
- (b) to do all acts and things and execute or sign all documents which the Shareholder is obliged to do, execute or sign under this Deed and which it has failed so to do, execute or sign immediately upon the Owner's first written demand,

provided that the power of attorney constituted by paragraph (a) of this Clause 12.1 (*Appointment*) shall be exercisable only on the occurrence of a Termination Event 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 for the purpose of section 10 of the Powers of Attorney Act 1971.

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

The Shareholder ratifies and confirms, and agrees to ratify and confirm, any act, deed or document which the Owner (or any delegate or substitute) does or executes pursuant to its terms.

### **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 Owner (or any delegate or substitute) on enquiry whether, by its terms, the power of attorney is exercisable and the exercise by the Owner (or any delegate or substitute) of its powers shall, as between the Owner (or any delegate or substitute) and any third party, be conclusive evidence of the Owner's right (or the right of any delegate or substitute) to exercise the same.

## **12.5 Delegation**

The Owner may delegate to any person or persons (including a Receiver and persons designated by him) all or any of the powers and discretions conferred on the Owner by Clause 12 (*Power of Attorney*) and may do so on terms authorising successive sub-delegations.

## **12.6 Liability**

Neither the Owner nor any Receiver shall be bound to supervise, or be in any way responsible for any damages, costs or losses incurred by reason of any misconduct, omission or default on the part of, any such delegate or sub-delegate.

## **12.7 Duration**

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

## **13 INCORPORATION OF CHARTER PROVISIONS**

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

The following provisions of the Charter apply to this Deed as if they were expressly incorporated in this Deed with any necessary modifications:

clause 42 (no waiver of rights);

clause 43 (notices); and

clause 51 (no set-off or tax deduction).

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

Clause 13.1 (*Incorporation of specific provisions*) is without prejudice to the application to this Deed of any provision of the Charter which, by its terms, applies or relates to the Leasing Documents generally or this Deed specifically.

## **14 PROTECTIVE PROVISIONS**

### **14.1 Waiver of defences**

The obligations of the Shareholder under this Deed and the Security Interest created by this Deed will not be affected or discharged by an act, omission, matter or thing which, but for this Clause 14.1 (*Waiver of defences*), would reduce, release or prejudice any of its obligations under this Deed or the Security Interest created or intended to be created by this Deed (without limitation and whether or not known to it or the Owner) including:

- (a) any time, waiver or consent granted to, or composition with, any Relevant Person or other person;
- (b) the release of any other Relevant Person or any other person under the terms of any composition or arrangement with any creditor of any Relevant Person;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect or delay in perfecting, take up or enforce, any rights against, or security over assets of, any Relevant Person or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;

- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of a Relevant Person or any other person;
- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Leasing Document or any other document or security including, without limitation, any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Leasing Document or other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Leasing Document or any other document or security; or
- (g) any insolvency or similar proceedings.

#### **14.2 Deferral of Shareholder's rights**

All rights which the Shareholder at any time has (whether in respect of this Deed or any other transaction) against the Charterer, any other Relevant Person or their respective assets shall be fully subordinated to the rights of the Owner under the Leasing Documents and until the end of the Charter Period and unless the Owner otherwise directs, the Shareholder will not exercise any rights which it may have (whether in respect of any Leasing Document to which it is a party or any other transaction) by reason of performance by it of its obligations under the Leasing Documents or by reason of any amount being payable, or liability arising, under this Deed:

- (a) to be indemnified by a Relevant Person;
- (b) to claim any contribution from any third party providing security for, or any guarantor of, any Relevant Person's obligations under the Leasing Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Owner under the Leasing Documents or of any guarantee or security taken pursuant to, or in connection with, the Leasing Documents by the Owner;
- (d) to bring legal or other proceedings for an order requiring any Relevant Person to make any payment, or perform any obligation, in respect of which the Shareholder has given a guarantee, undertaking or indemnity under or in connection with this Deed;
- (e) to exercise any right of set-off against any Relevant Person; and/or
- (f) to claim or prove as a creditor of any Relevant Person in competition with the Owner.

#### **14.3 Turnover**

If the Shareholder receives any benefit, payment or distribution in relation to any of the rights referred to in Clause 14.2 (*Deferral of Shareholder's rights*) it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Owner by the Relevant Person under or in connection with the Leasing Documents to be repaid in full on trust for the Owner and shall promptly pay or transfer the same to the Owner or as the Owner may direct for application in their absolute discretion.

#### **14.4 Immediate recourse**

The Shareholder waives any right it may have of first requiring the Owner (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person (including without limitation to commence any proceedings under any Leasing Document or to enforce any Security Interest) before claiming or commencing

proceedings under this Deed. This waiver applies irrespective of any law or any provision of a Leasing Document to the contrary.

#### **14.5 Appropriations**

Until the Secured Liabilities have been irrevocably paid in full, the Owner (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by it (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Shareholder shall not be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from the Shareholder or on account of the Shareholder's liability under this Deed.

#### **14.6 Shareholder Intent**

Without prejudice to the generality of Clauses 1.3 (*Application of construction and interpretation provisions of Charter*) and 14.1 (*Waiver of defences*), the Shareholder expressly confirms that the Security Interest created by this Deed shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Leasing Documents and/or any facility or amount made available under any of the Leasing Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

#### **15 INDEMNITIES**

In addition to, and without limiting, any indemnity in favour of the Owner under any Leasing Document, the Shareholder shall on demand indemnify the Owner and every Receiver and Delegate against any cost, loss or liability incurred by any of them:

- (a) in relation to or as a result of:
  - (i) any failure by the Shareholder to comply with its obligations under this Deed;
  - (ii) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;
  - (iii) the taking, holding, protection or enforcement of this Deed and the Security Interest created, or intended to be created, by this Deed;
  - (iv) the exercise of any of the rights, powers, discretions, authorities and remedies vested in the Owner and each Receiver and Delegate by this Deed or by law;
  - (v) any default by the Shareholder in the performance of any of the obligations expressed to be assumed by it in this Deed;
  - (vi) any action by the Shareholder which vitiates, reduces the value of, or is otherwise prejudicial to, the Security Interest created or intended to be created by this Deed;
  - (vii) instructing lawyers, accountants, tax advisers, surveyors or other professional advisers or experts as permitted under this Deed, or

- (b) which otherwise relates to any of the Secured Assets or the performance of the terms of this Deed (otherwise than by reason of the relevant Owner's, Receiver's or Delegate's gross negligence or wilful misconduct).

## **16 COSTS AND EXPENSES**

### **16.1 Transaction expenses**

The Shareholder shall on demand pay the Owner the amount of all costs and expenses (including legal fees) reasonably incurred by the Owner in connection with the negotiation, preparation, printing, execution, syndication and perfection of:

- (a) this Deed and any other documents referred to in this Deed;
- (b) the Security Interest created or expressed to be created by this Deed; and
- (c) any other Leasing Documents executed after the date of this Deed.

### **16.2 Amendment costs**

If:

- (a) the Shareholder requests an amendment, waiver or consent;
- (b) the Shareholder requests and the Owner agrees to, the release of any Secured Asset from the Security Interest created by this Deed,

the Shareholder shall, on demand, reimburse the Owner for the amount of all costs and expenses (including legal fees) reasonably incurred by the Owner in responding to, evaluating, negotiating or complying with that request or requirement.

### **16.3 Enforcement and preservation costs**

The Shareholder shall, on demand, pay to the Owner the amount of all costs and expenses (including legal fees) incurred by the Owner in connection with the enforcement of, or the preservation of any rights under, this Deed and the Security Interest created or intended to be created by this Deed and any proceedings instituted by or against the Owner as a consequence of taking or holding the Security Interest created or intended to be created by this Deed or enforcing those rights.

### **16.4 Interest**

- (a) Any sum payable by the Shareholder under this Deed will bear interest from the date on which it is due or, if it is payable on demand, from the date of demand, until payment (both before and after judgment).
- (b) All interest payable under this Deed shall be calculated and accrue in the same way as interest is calculated and accrues under clause 36.10 of the Charter.

## **17 SUPPLEMENTAL**

### **17.1 No restriction on other rights**

Nothing in this Deed shall be taken to exclude or restrict any power, right or remedy which the Owner or any Receiver may at any time have under:

- (a) any other Leasing Document; or

- (b) the law of any country or territory the courts of which have or claim any jurisdiction in respect of the Shareholder or any Secured Asset.

**17.2 Exercise of other rights**

The Owner may exercise any right under this Deed before it or any Receiver has exercised any right referred to in paragraphs (a) or (b) of Clause 17.1 (*No restriction on other rights*).

**17.3 Settlement or discharge conditional**

Any settlement or discharge under this Deed between the Owner and the Shareholder shall be conditional upon no Security Interest or payment to the Owner or any Receiver by the Shareholder or any other person being set aside, adjusted or ordered to be repaid, whether under any insolvency law or otherwise.

**18 CHANGES TO THE PARTIES**

**18.1 Shareholder**

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

**18.2 Owner**

The Owner may assign any of its rights under this Deed in accordance with the provisions of the Charter.

**19 LAW AND JURISDICTION**

- 19.1** This Deed and any non-contractual obligations arising under or in connection with it, shall be governed by and construed in accordance with English law.

- 19.2** 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") shall be referred to and finally resolved by arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause 19. The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.

- 19.3** The reference shall be to three arbitrators. A party wishing to refer a Dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a Dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement. Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.

- 19.4** Where the reference is to three arbitrators the procedure for making appointments shall be in accordance with the procedure for full arbitration stated above.

- 19.5** The language of the arbitration shall be English.

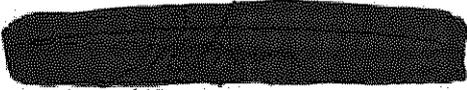
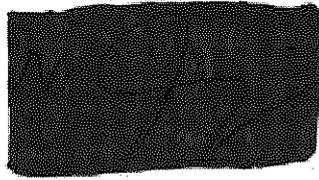
**This Deed has been executed as a Deed and delivered on the date stated at the beginning of this Deed.**

**SCHEDULE 1**  
**THE ORIGINAL SHARES**

EXECUTION PAGE

SHAREHOLDER

SIGNED, SEALED and DELIVERED as a DEED )  
for and on behalf of )  
MAGENTA SHIPPING LIMITED )  
by *George Nicholas Georgian* )  
its duly authorised Attorney in Fact )  
pursuant to a Power of Attorney )  
dated *17 November 2017* )  
in the presence of: )



Witness' Name:  
*Joanna Pinaei*  
*12 Hobart Place*  
*SWW 2444*

OWNER

EXECUTED AND DELIVERED AS A DEED )  
by )  
for and on behalf of )  
Fortune JESSICA Shipping Limited )  
expressly authorised in accordance )  
with the laws of the Republic of the Marshall Islands )  
in the presence of: )

Witness' Name:

*Shareholder*

EXECUTION PAGE

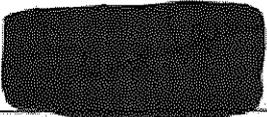
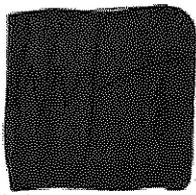
SHAREHOLDER

SIGNED, SEALED and DELIVERED as a DEED )  
for and on behalf of )  
MAGENTA SHIPPING LIMITED )  
by )  
its duly authorised Attorney-in-Fact )  
pursuant to a Power of Attorney )  
dated )  
in the presence of: )

\_\_\_\_\_  
Witness' Name:

OWNER

EXECUTED AND DELIVERED AS A DEED )  
by He Fan )  
for and on behalf of )  
Fortune JESSICA Shipping Limited )  
expressly authorised in accordance )  
with the laws of the Republic of the Marshall Islands )  
in the presence of: )



\_\_\_\_\_  
Witness' Name:

**Dongchen Shi**