



Registration of a Charge

Company name: **FC SHIPPING LIMITED**

Company number: **05085910**

Received for Electronic Filing: **03/07/2015**



X4AVYXOS

Details of Charge

Date of creation: **23/06/2015**

Charge code: **0508 5910 0014**

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

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: **NORTON ROSE FULBRIGHT LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 5085910

Charge code: 0508 5910 0014

The Registrar of Companies for England and Wales hereby certifies that a charge dated 23rd June 2015 and created by FC SHIPPING LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 3rd July 2015 .

Given at Companies House, Cardiff on 6th July 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

Private & Confidential

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

Sign & Dated NORTON ROSE FULBRIGHT LLP
011071 2015

Dated 23 JUNE 2015

Lessor Owner
FC SHIPPING LIMITED

Charterer
FC TANKSHIP I LTD.

Mortgagee
ABN AMRO BANK N.V.

FIRST GENERAL ASSIGNMENT
m.v. "IVER PROGRESS"

 **NORTON ROSE FULBRIGHT**

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THIS DEED is dated 23 JUNE 2015 and made between:

- (1) **FC SHIPPING LIMITED** (as described in more detail in Schedule 1) (the **Lessor Owner**);
- (2) **FC TANKSHIP I LTD.** (as described in more detail in Schedule 1) (the **Charterer**); and
- (3) **ABN AMRO BANK N.V.** acting in its capacity as agent and as trustee for the Finance Parties (the **Mortgagee**).

IT IS AGREED as follows:

1 Definitions and interpretation

- 1.1 Terms defined in the Facility Agreement have, unless defined differently in this Deed, the same meaning when used in this Deed. In addition, in this Deed:

Assigned Property means in respect of the Lessor Owner, the Lessor Owner's Assigned Property and in respect of the Charterer, the Charterer's Assigned Property.

Charterer's Assigned Property means all of the rights which the Charterer has now or may obtain at any time in the future under or in respect of:

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

of the Ship.

Charterer's Secured Obligations means the indebtedness and obligations undertaken to be paid or discharged by the Charterer to the Lessor Owner under the Lease.

Enforcement Time means any time at which an Event of Default has happened and is continuing.

Facility Agreement means the agreement described in Schedule 1 as it may from time to time be amended, restated, novated or replaced (however fundamentally, including by an increase of any size in any facility made available under it, the alteration of the nature, purpose or period of any such facility or the change of its parties).

Insurance Notice means a notice of assignment in the form set out in Schedule 3 to the Intercreditor Agreement or another approved form.

Intercreditor Agreement means the intercreditor agreement dated 23 JUNE 2015 and made between, inter alios, the Lessor Owner, the Charterer, the Mortgagee, Santander Asset Finance plc and the financial institutions listed therein as Lenders and Hedging Providers.

Lease means the charter commitment for the Ship details of which are provided in Schedule 1.

Lease Earnings means all money at any time payable to the Lessor Owner under or pursuant to the Lease, damages for breach of the Lease and payments for termination or variation of the Lease.

Lessor Owner's Assigned Property means all of the rights which the Lessor Owner has now or may obtain at any time in the future under or in respect of:

- (a) the Earnings, the Lease and any rights accruing to, derived from them or otherwise connected with them including the right to receive Lease Earnings and the benefit of the other Charterer's Secured Obligations;
 - (b) the Insurances; and
 - (c) any Requisition Compensation,
- of the Ship.

Loss Payable Clause means the provisions concerning payment of claims under the Ship's Insurances in the form set out in Schedule 2 to the Intercreditor Agreement or another approved form.

Mortgage means a first preferred mortgage over the Ship in favour of the Mortgagee dated on or about the same date as this Deed.

Receiver means a receiver and/or manager appointed under this Deed.

Ship means the vessel described in Schedule 1 and as described in more detail in the Mortgage.

Secured Obligations means the indebtedness and obligations undertaken to be paid or discharged by the Borrowers and the other Obligor under the Finance Documents.

- 1.2 Clauses 1.2 to 1.7 (*Construction*), 1.8 to 1.10 (*Third party rights*) and 1.11 (*Finance Documents*) of the Facility Agreement and any other provision of the Facility Agreement which, by its terms, purports to apply to all of the Finance Documents and/or any Obligor shall apply to this Deed as if set out in it but with all necessary changes and as if references in the provision to Finance Documents referred to this Deed.

2 Assignment

- 2.1 The assignments from the Lessor Owner and the Charterer contained in this clause 2 secure the payment and discharge of the Secured Obligations and are given with full title guarantee.
- 2.2 The undertakings of the Lessor Owner and the Charterer under this clause 2 and the other provisions of this Deed and the assignments contained in this clause 2 are given to the Mortgagee as agent and trustee for the Finance Parties.
- 2.3 The Lessor Owner assigns the Lessor Owner's Assigned Property to the Mortgagee.
- 2.4 The Charterer assigns the Charterer's Assigned Property to the Mortgagee.
- 2.5 Unless it is an Enforcement Time and the Mortgagee directs to the contrary, the Ship's Earnings (including the Lease Earnings) shall be payable to an Operating Account, but following such a direction, such Earnings shall be payable to the Mortgagee or as it may direct and the Mortgagee may instruct any person from whom such Earnings are due to pay them accordingly. Any such Earnings then in the hands of an agent of the Lessor Owner or the Charterer shall be deemed to be held to the order of the Mortgagee.
- 2.6 Insurance or Requisition Compensation moneys for the Ship in respect of:
 - (a) a Total Loss of the Ship or a Major Casualty suffered by the Ship, shall be payable to the Mortgagee in accordance with the relevant Loss Payable Clause;
 - (b) loss of the Ship's Earnings, shall be payable in the same way as Earnings under clause 2.5; and

- (c) any other matter, shall be payable to the Charterer in accordance with the relevant Loss Payable Clause until an Enforcement Time (when the Mortgagee may direct the insurers to pay such moneys to the Mortgagee).
- 2.7 Any moneys received by the Mortgagee in accordance with clauses 2.5 or 2.6 shall be applied in accordance with clause 7 (*Application of proceeds*) except that so long as it is not an Enforcement Time, if the Mortgagee receives such moneys in respect of a Major Casualty suffered by the Ship it shall pay them to the Charterer if all damage resulting from the Major Casualty has been made good and repaired and all liabilities in respect of repairing such damage have been discharged. If the Charterer or the Ship's insurers request the Mortgagee's consent or authority to the insurers making payments to a ship repairer on account of repairs being made to the Ship as a result of it suffering a Major Casualty, then, as long as it is not an Enforcement Time, the Mortgagee shall not unreasonably withhold or delay giving such consent or authority.
- 2.8 Promptly on being requested to so do by the Mortgagee, the Lessor Owner and the Charterer shall give written notice (in the form of the Insurance Notice in respect of the assignment of the Ship's Insurances and otherwise in such form as the Mortgagee shall require consistent with this clause 2) of the assignments in this Deed to anyone from whom any part of the Assigned Property is or may be due and provide the Mortgagee with as many of such notices signed by the Lessor Owner and the Charterer as the Mortgagee may require in its reasonable discretion.
- 2.9 Each of the Lessor Owner and the Charterer shall ensure that the interest of the Mortgagee as assignee of the Ship's Insurances is endorsed on all insurance policies and other documents for such Insurances by the incorporation of a Loss Payable Clause and an Insurance Notice signed by the Lessor Owner and the Charterer and, unless otherwise approved, each other person assured under the relevant cover (other than the Mortgagee itself).
- 2.10 The Charterer hereby acknowledges that it has been given notice by the Lessor Owner of the assignment of the Lease and the Lease Earnings contained herein and confirms that it will pay the Lease Earnings to the Operating Account or to the Mortgagee or as it may direct, in accordance with the arrangements described in clause 2.5. Each of the Lessor Owner and the Charterer agrees with the Mortgagee that it shall not, without approval, terminate or purport to terminate the Lease.
- 2.11 If the Mortgagee is satisfied that all the Secured Obligations have been irrevocably and unconditionally discharged in full, the Mortgagee shall, at the request and cost of the Charterer, release and discharge the security constituted by this Deed and reassign the Assigned Property to the Lessor Owner and the Charterer. Section 93 of the Law of Property Act 1925 shall not apply to this Deed.

3 Restrictions on security and disposal

Each of the Lessor Owner and the Charterer shall ensure that, whilst the Ship is subject to a Mortgage:

- (a) except as permitted under the Finance Documents there is no disposal of any of the Assigned Property and, except for this Deed, no Security Interest shall exist over, or in relation to, the Assigned Property; and
- (b) the undertakings contained in clause 22 (*Insurance*) of the Facility Agreement are complied with.

4 Perfection and protection of security

- 4.1 Each of the Lessor Owner and the Charterer shall, as soon as reasonably practicable, execute all such documents (including notices), effect all such registrations and filings, deposit all such documents and do all such things as the Mortgagee may reasonably require in order to:

- (a) ensure that it has an effective first priority assignment of the Assigned Property; and
- (b) facilitate the enforcement of this Deed, the realisation of the Assigned Property or the exercise of any rights held by the Mortgagee or any Receiver under or in connection with this Deed.

4.2 The Mortgagee may take any action it thinks appropriate to protect or maintain its rights under this Deed or to remedy any breach by the Lessor Owner and the Charterer of its undertakings under the Finance Documents relating to the Assigned Property (including taking out insurances for the Ship).

5 Representations

Each of the Lessor Owner and the Charterer represents and warrants that:

- (a) it is the sole legal and beneficial owner of the relevant Assigned Property free from all Security Interests except as permitted by the Finance Documents;
- (b) it has not disposed of any of the relevant Assigned Property; and
- (c) the representations and warranties concerning the Lessor Owner and the Charterer and/or this Deed made or deemed repeated on the date of this Deed under the Facility Agreement and the relevant Lessor Owner Guarantee are true and correct.

6 Enforcement

6.1 The Mortgagee may enforce the security created by this Deed in any way it may decide at any time which is an Enforcement Time by exercising any powers conferred on it by law or by this Deed and, in addition, may:

- (a) exercise any of the Lessor Owner's rights under the Lease, including any right to terminate or rescind the Lease;
- (b) require that all documents and records relating to the Ship's Insurances be delivered immediately to the Mortgagee or its nominee;
- (c) collect, recover and give a good discharge for any moneys or claims in respect of the Assigned Property and permit any brokers through whom collection or recovery is effected to charge the usual brokerage for doing so;
- (d) settle, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person relating to the Assigned Property and/or the Lease;
- (e) terminate or rescind or amend or vary or replace the Lease or any person's obligations under it on such terms and conditions as the Mortgagee may require;
- (f) assign the Assigned Property;
- (g) bring, prosecute, defend or abandon any action, suit or proceedings in relation to the Assigned Property;
- (h) do anything incidental or conducive to the exercise of its rights as assignee of the Assigned Property; and/or
- (i) appoint a Receiver of the Assigned Property.

6.2 The Mortgagee and any Receiver may use the name of the Lessor Owner or the Charterer when exercising their powers under this Deed.

- 6.3 Section 103 of the Law of Property Act 1925 shall not apply to any disposal of the Assigned Property pursuant to this Deed.
- 6.4 A Receiver must be appointed by an instrument in writing and must be a person who is qualified to act as such under any applicable law. The appointment of a Receiver and the powers given by that appointment may be made subject to such limitations as are specified by the Mortgagee in the appointment. Subject to any applicable law, the Mortgagee may remove or replace any Receiver.
- 6.5 A Receiver shall have:
- (a) the powers given to him by law;
 - (b) all the powers given to a mortgagee or a receiver by the Law of Property Act 1925;
 - (c) all the powers and discretions conferred on the Mortgagee by this Deed; and
 - (d) the power to do, or omit to do, on behalf of the Lessor Owner or the Charterer, anything which the Lessor Owner or the Charterer could have done, or omitted to do, in respect of the Assigned Property if the Receiver had not been appointed.
- 6.6 A Receiver shall be the agent of the Lessor Owner or the Charterer until otherwise required by any applicable law and the Lessor Owner or the Charterer shall be solely responsible for the Receiver's acts or defaults and for the Receiver's remuneration. A Receiver shall have no authority to act as agent for the Mortgagee, even if the Receiver ceases to be the agent of the Lessor Owner or the Charterer under any applicable law. The Mortgagee may from time to time determine the remuneration of any Receiver and any applicable law or regulation restricting such remuneration shall be varied accordingly. A person dealing with the Mortgagee or a Receiver or any officer, employee or agent of the Mortgagee or a Receiver is entitled to assume, unless it has actual knowledge to the contrary, that those persons have the power to do those things which they are purporting to do and are exercising their powers properly.
- 6.7 The Mortgagee or any Receiver may delegate in any manner to any person any right, power or discretion exercisable by it under this Deed. Any such delegation may be made on such terms (including power to sub-delegate) as the Mortgagee or Receiver thinks fit.

7 Application of proceeds

- 7.1 All moneys received by the Mortgagee or by a Receiver in the exercise of their rights under this Deed shall, subject to the rights of any persons having priority, be applied first, in or towards payment of any amounts payable under clause 11 (*Enforcement costs*) and after that in accordance with clauses 3.76 to 3.78 (*Order of application*) of Schedule 8 (*Administration, agency and other provisions*) to the Facility Agreement.
- 7.2 If the moneys applied in this way are not sufficient fully to pay and discharge the Secured Obligations, the Lessor Owner and the Charterer shall continue to be liable for the balance of the Secured Obligations.

8 Power of attorney

- 8.1 Each of the Lessor Owner and the Charterer by way of security irrevocably appoints each of the Mortgagee and any Receiver severally to be its attorney (with full powers of substitution) in its name and on its behalf to do all things which the attorney may consider necessary or desirable to enable it:
- (a) to perform any action which it is obliged to take under this Deed;
 - (b) to exercise any of the rights, powers and authorities conferred on it by this Deed or by law;
- or

(c) to record this Deed and any document executed pursuant to clause 4 (*Perfection and protection of security*) in any court, public office or elsewhere.

8.2 The power of attorney in this clause 8 may only be exercised at an Enforcement Time but the exercise of such power shall be conclusive evidence of the Mortgagee's or the Receiver's right to exercise it and no person dealing with the Mortgagee or the Receiver shall need to enquire whether it is, or shall be affected by notice that it is not, an Enforcement Time. Each of the Lessor Owner and the Charterer ratifies and confirms whatever the attorney does or purports to do under clause 8.1.

9 Continuing security

9.1 This Deed and the obligations of the Lessor Owner and the Charterer under this Deed shall extend to the ultimate balance owing in respect of the Secured Obligations, regardless of any intermediate payment in whole or in part.

9.2 This Deed is in addition to and is not in any way prejudiced by any other security, guarantee, right, power or remedy now or subsequently held by the Mortgagee or any of the other Finance Parties.

9.3 Neither the Mortgagee nor any Receiver shall be obliged to enquire about the nature or sufficiency of any payment received by it under this Deed or to take any action to enforce this Deed.

9.4 Each of the Lessor Owner and the Charterer shall remain liable to perform all their respective obligations in relation to the Assigned Property and the Mortgagee is not responsible for those obligations.

10 Sale of Ship

10.1 Termination of Lease

Notwithstanding anything contained in the Lease, if and when the Mortgagee becomes entitled to put into force and exercise all the powers possessed by it as mortgagee of the Ship or otherwise pursuant to the Mortgage or at any time thereafter, the Mortgagee shall be entitled (but not bound) to determine the Lease at any time by notice in writing to the Lessor Owner and the Charterer which notice shall operate to determine the Lease forthwith if the Ship is then in port and free of cargo or otherwise upon completion of the voyage (including discharge of cargo if any) upon which the Ship was engaged at the time when the said notice to determine was given.

10.2 Preservation of Lessor Owner's rights

If the circumstances in which the Mortgagee becomes entitled under clause 10.1 to determine the Lease shall constitute or include grounds on which the Lessor Owner was entitled to determine the same, any determination by the Mortgagee shall (as between the Lessor Owner and the Charterer) operate as an acceptance by the Lessor Owner of the Charterer's repudiation of the Lease and the Lessor Owner's right to recover damages in respect of such repudiation shall be fully preserved.

10.3 Sale free of or subject to Charter

Notwithstanding anything herein contained, in the event of a sale of the Ship during the existence of the Lease pursuant to the powers vested in the Mortgagee by virtue of the Security Documents, such sale shall be free of, or subject to, the Lease at the option of the Mortgagee.

10.4 Sale free of Lease

If the Ship is sold free of the Lease, the Lessor Owner and the Charterer shall enter into such form of agreement or agreements as the Mortgagee may require for determination of the Lease by mutual consent.

11 Enforcement costs

Each of the Lessor Owner and the Charterer shall, on demand by the Mortgagee, pay (and indemnify the Mortgagee and any Receiver against) all costs, expenses, liabilities or other amounts incurred by the Mortgagee, any Finance Party or any Receiver in connection with:

- (a) the taking, holding, protection, enforcement or preservation of this Deed;
- (b) the exercise or purported exercise of any of the rights, powers, discretions and remedies vested in the Mortgagee and each Receiver by this Deed or by law unless and to the extent that it was caused by its gross negligence or wilful misconduct;
- (c) any claim (whether relating to the environment or otherwise) made or asserted against it which would not have arisen but for the execution or enforcement of this Deed (unless and to the extent it is caused by its gross negligence or wilful misconduct);
- (d) any breach by the Lessor Owner or the Charterer of this Deed; or
- (e) any amendment, waiver, consent or release of this Deed,

and pay any remuneration payable to any Receiver.

12 Benefit of Deed

The Mortgagee may assign its rights under this Deed to any person appointed as Security Agent under the Facility Agreement. It is intended that this document takes effect as a deed even though the Mortgagee may only execute it under hand.

13 Governing law and enforcement

- 13.1 This Deed and any non-contractual obligations connected with it are governed by English law.
- 13.2 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed or any non-contractual obligations connected with it (including a dispute regarding the existence, validity or termination of this Deed) (a **Dispute**).
- 13.3 The parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and, accordingly, that they shall not argue to the contrary.
- 13.4 Clauses 13.2 and 13.3 are for the benefit of the Mortgagee only. As a result, the Mortgagee shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Mortgagee may take concurrent proceedings in any number of jurisdictions.

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

Schedule 1 Information

Lessor Owner

Country of incorporation: England
 Registered number: 05085910
 Registered office: Tobias House
 St Mark's Court
 Teesdale Business Park
 Teesside TS17 6QW
 United Kingdom

Charterer

Country of incorporation: England
 Registered number: 05006774
 Registered office: Tobias House
 St Mark's Court
 Teesdale Business Park
 Teesside TS17 6QW
 United Kingdom

The Ship

Name: m.v. "Iver Progress"
 Flag: Marshall Islands
 Port of Registry: Majuro
 Official Number: 2783
 IMO Number: 9350642

The Lease

Description: Lease in relation to the Ship between the Lessor Owner and the Charterer
 Date: 17 November 2011 (as supplemented and amended)

Facility Agreement

Description: Term Loan Facility Agreement
 Date: 24 December 2014 (as supplemented and amended by a Supplemental Agreement dated 22 JUNE 2015)
 Amount of facility: Up to \$95,000,000
 Parties:

- (a) Borrowers: The Charterer, FB Tankship I Inc., FB Tankship III Limited, FB Tankship IV Limited and FC Tankship I Ltd.
- (b) Arranger: ABN AMRO Bank N.V.
- (c) Lenders: The financial institutions listed in Schedule 1 thereto and Scotiabank Europe plc
- (d) Hedging Providers: ABN AMRO Bank N.V. and The Bank of Nova Scotia

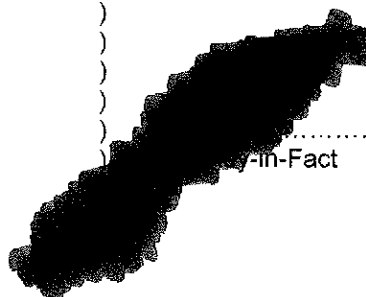
- (e) Agent: ABN AMRO Bank N.V.as agent for the Finance Parties from time to time
- (f) Security Agent: ABN AMRO Bank N.V.as security agent for the Finance Parties from time to time

SIGNATORIES

The Lessor Owner

EXECUTED as a DEED
for and on behalf of
FC SHIPPING LIMITED
under a power of attorney
dated 19 June 2015
in the presence of:

)
)
)
)
)
)



MAES VAALEN

-in-Fact

Witness:



Name: D. Luyckx
Haven Westzijde 21


Address: P.O. Box 28

Occupation: 4510 AA BRESKENS
depl. ass
The Netherlands

The Charterer

EXECUTED as a DEED
for and on behalf of
FC TANKSHIP I LTD.
under a power of attorney
dated 19 June 2015
in the presence of:

)
)
)
)
)
)



MAES VAALEN

-in-Fact

Witness:



Name: D. Luyckx
Haven Westzijde 21

Address: P.O. Box 28

Occupation: 4510 AA BRESKENS
depl. ass
The Netherlands

The Mortgagee

Signed by
ABN AMRO BANK N.V.

)
)

By:

Private & Confidential

Dated 23 JUNE 2015

Lessor Owner
FC SHIPPING LIMITED

Charterer
FC TANKSHIP I LTD.

Mortgagee
ABN AMRO BANK N.V.

FIRST GENERAL ASSIGNMENT
m.v. "IVER PROGRESS"

 NORTON ROSE FULBRIGHT

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- (c) any other matter, shall be payable to the Charterer in accordance with the relevant Loss Payable Clause until an Enforcement Time (when the Mortgagee may direct the insurers to pay such moneys to the Mortgagee).

- 2.7 Any moneys received by the Mortgagee in accordance with clauses 2.5 or 2.6 shall be applied in accordance with clause 7 (*Application of proceeds*) except that so long as it is not an Enforcement Time, if the Mortgagee receives such moneys in respect of a Major Casualty suffered by the Ship it shall pay them to the Charterer if all damage resulting from the Major Casualty has been made good and repaired and all liabilities in respect of repairing such damage have been discharged. If the Charterer or the Ship's insurers request the Mortgagee's consent or authority to the insurers making payments to a ship repairer on account of repairs being made to the Ship as a result of it suffering a Major Casualty, then, as long as it is not an Enforcement Time, the Mortgagee shall not unreasonably withhold or delay giving such consent or authority.
- 2.8 Promptly on being requested to so do by the Mortgagee, the Lessor Owner and the Charterer shall give written notice (in the form of the Insurance Notice in respect of the assignment of the Ship's Insurances and otherwise in such form as the Mortgagee shall require consistent with this clause 2) of the assignments in this Deed to anyone from whom any part of the Assigned Property is or may be due and provide the Mortgagee with as many of such notices signed by the Lessor Owner and the Charterer as the Mortgagee may require in its reasonable discretion.
- 2.9 Each of the Lessor Owner and the Charterer shall ensure that the interest of the Mortgagee as assignee of the Ship's Insurances is endorsed on all insurance policies and other documents for such Insurances by the incorporation of a Loss Payable Clause and an Insurance Notice signed by the Lessor Owner and the Charterer and, unless otherwise approved, each other person assured under the relevant cover (other than the Mortgagee itself).
- 2.10 The Charterer hereby acknowledges that it has been given notice by the Lessor Owner of the assignment of the Lease and the Lease Earnings contained herein and confirms that it will pay the Lease Earnings to the Operating Account or to the Mortgagee or as it may direct, in accordance with the arrangements described in clause 2.5. Each of the Lessor Owner and the Charterer agrees with the Mortgagee that it shall not, without approval, terminate or purport to terminate the Lease.
- 2.11 If the Mortgagee is satisfied that all the Secured Obligations have been irrevocably and unconditionally discharged in full, the Mortgagee shall, at the request and cost of the Charterer, release and discharge the security constituted by this Deed and reassign the Assigned Property to the Lessor Owner and the Charterer. Section 93 of the Law of Property Act 1925 shall not apply to this Deed.

3 Restrictions on security and disposal

Each of the Lessor Owner and the Charterer shall ensure that, whilst the Ship is subject to a Mortgage:

- (a) except as permitted under the Finance Documents there is no disposal of any of the Assigned Property and, except for this Deed, no Security Interest shall exist over, or in relation to, the Assigned Property; and
- (b) the undertakings contained in clause 22 (*Insurance*) of the Facility Agreement are complied with.

4 Perfection and protection of security

- 4.1 Each of the Lessor Owner and the Charterer shall, as soon as reasonably practicable, execute all such documents (including notices), effect all such registrations and filings, deposit all such documents and do all such things as the Mortgagee may reasonably require in order to:

- (a) ensure that it has an effective first priority assignment of the Assigned Property; and
 - (b) facilitate the enforcement of this Deed, the realisation of the Assigned Property or the exercise of any rights held by the Mortgagee or any Receiver under or in connection with this Deed.
- 4.2 The Mortgagee may take any action it thinks appropriate to protect or maintain its rights under this Deed or to remedy any breach by the Lessor Owner and the Charterer of its undertakings under the Finance Documents relating to the Assigned Property (including taking out insurances for the Ship).

5 Representations

Each of the Lessor Owner and the Charterer represents and warrants that:

- (a) it is the sole legal and beneficial owner of the relevant Assigned Property free from all Security Interests except as permitted by the Finance Documents;
- (b) it has not disposed of any of the relevant Assigned Property; and
- (c) the representations and warranties concerning the Lessor Owner and the Charterer and/or this Deed made or deemed repeated on the date of this Deed under the Facility Agreement and the relevant Lessor Owner Guarantee are true and correct.

6 Enforcement

- 6.1 The Mortgagee may enforce the security created by this Deed in any way it may decide at any time which is an Enforcement Time by exercising any powers conferred on it by law or by this Deed and, in addition, may:
- (a) exercise any of the Lessor Owner's rights under the Lease, including any right to terminate or rescind the Lease;
 - (b) require that all documents and records relating to the Ship's Insurances be delivered immediately to the Mortgagee or its nominee;
 - (c) collect, recover and give a good discharge for any moneys or claims in respect of the Assigned Property and permit any brokers through whom collection or recovery is effected to charge the usual brokerage for doing so;
 - (d) settle, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person relating to the Assigned Property and/or the Lease;
 - (e) terminate or rescind or amend or vary or replace the Lease or any person's obligations under it on such terms and conditions as the Mortgagee may require;
 - (f) assign the Assigned Property;
 - (g) bring, prosecute, defend or abandon any action, suit or proceedings in relation to the Assigned Property;
 - (h) do anything incidental or conducive to the exercise of its rights as assignee of the Assigned Property; and/or
 - (i) appoint a Receiver of the Assigned Property.
- 6.2 The Mortgagee and any Receiver may use the name of the Lessor Owner or the Charterer when exercising their powers under this Deed.

- 6.3 Section 103 of the Law of Property Act 1925 shall not apply to any disposal of the Assigned Property pursuant to this Deed.
- 6.4 A Receiver must be appointed by an instrument in writing and must be a person who is qualified to act as such under any applicable law. The appointment of a Receiver and the powers given by that appointment may be made subject to such limitations as are specified by the Mortgagee in the appointment. Subject to any applicable law, the Mortgagee may remove or replace any Receiver.
- 6.5 A Receiver shall have:
- (a) the powers given to him by law;
 - (b) all the powers given to a mortgagee or a receiver by the Law of Property Act 1925;
 - (c) all the powers and discretions conferred on the Mortgagee by this Deed; and
 - (d) the power to do, or omit to do, on behalf of the Lessor Owner or the Charterer, anything which the Lessor Owner or the Charterer could have done, or omitted to do, in respect of the Assigned Property if the Receiver had not been appointed.
- 6.6 A Receiver shall be the agent of the Lessor Owner or the Charterer until otherwise required by any applicable law and the Lessor Owner or the Charterer shall be solely responsible for the Receiver's acts or defaults and for the Receiver's remuneration. A Receiver shall have no authority to act as agent for the Mortgagee, even if the Receiver ceases to be the agent of the Lessor Owner or the Charterer under any applicable law. The Mortgagee may from time to time determine the remuneration of any Receiver and any applicable law or regulation restricting such remuneration shall be varied accordingly. A person dealing with the Mortgagee or a Receiver or any officer, employee or agent of the Mortgagee or a Receiver is entitled to assume, unless it has actual knowledge to the contrary, that those persons have the power to do those things which they are purporting to do and are exercising their powers properly.
- 6.7 The Mortgagee or any Receiver may delegate in any manner to any person any right, power or discretion exercisable by it under this Deed. Any such delegation may be made on such terms (including power to sub-delegate) as the Mortgagee or Receiver thinks fit.

7 Application of proceeds

- 7.1 All moneys received by the Mortgagee or by a Receiver in the exercise of their rights under this Deed shall, subject to the rights of any persons having priority, be applied first, in or towards payment of any amounts payable under clause 11 (*Enforcement costs*) and after that in accordance with clauses 3.76 to 3.78 (*Order of application*) of Schedule 8 (*Administration, agency and other provisions*) to the Facility Agreement.
- 7.2 If the moneys applied in this way are not sufficient fully to pay and discharge the Secured Obligations, the Lessor Owner and the Charterer shall continue to be liable for the balance of the Secured Obligations.

8 Power of attorney

- 8.1 Each of the Lessor Owner and the Charterer by way of security irrevocably appoints each of the Mortgagee and any Receiver severally to be its attorney (with full powers of substitution) in its name and on its behalf to do all things which the attorney may consider necessary or desirable to enable it:
- (a) to perform any action which it is obliged to take under this Deed;
 - (b) to exercise any of the rights, powers and authorities conferred on it by this Deed or by law; or

(c) to record this Deed and any document executed pursuant to clause 4 (*Perfection and protection of security*) in any court, public office or elsewhere.

- 8.2 The power of attorney in this clause 8 may only be exercised at an Enforcement Time but the exercise of such power shall be conclusive evidence of the Mortgagee's or the Receiver's right to exercise it and no person dealing with the Mortgagee or the Receiver shall need to enquire whether it is, or shall be affected by notice that it is not, an Enforcement Time. Each of the Lessor Owner and the Charterer ratifies and confirms whatever the attorney does or purports to do under clause 8.1.

9 Continuing security

- 9.1 This Deed and the obligations of the Lessor Owner and the Charterer under this Deed shall extend to the ultimate balance owing in respect of the Secured Obligations, regardless of any intermediate payment in whole or in part.
- 9.2 This Deed is in addition to and is not in any way prejudiced by any other security, guarantee, right, power or remedy now or subsequently held by the Mortgagee or any of the other Finance Parties.
- 9.3 Neither the Mortgagee nor any Receiver shall be obliged to enquire about the nature or sufficiency of any payment received by it under this Deed or to take any action to enforce this Deed.
- 9.4 Each of the Lessor Owner and the Charterer shall remain liable to perform all their respective obligations in relation to the Assigned Property and the Mortgagee is not responsible for those obligations.

10 Sale of Ship

10.1 Termination of Lease

Notwithstanding anything contained in the Lease, if and when the Mortgagee becomes entitled to put into force and exercise all the powers possessed by it as mortgagee of the Ship or otherwise pursuant to the Mortgage or at any time thereafter, the Mortgagee shall be entitled (but not bound) to determine the Lease at any time by notice in writing to the Lessor Owner and the Charterer which notice shall operate to determine the Lease forthwith if the Ship is then in port and free of cargo or otherwise upon completion of the voyage (including discharge of cargo if any) upon which the Ship was engaged at the time when the said notice to determine was given.

10.2 Preservation of Lessor Owner's rights

If the circumstances in which the Mortgagee becomes entitled under clause 10.1 to determine the Lease shall constitute or include grounds on which the Lessor Owner was entitled to determine the same, any determination by the Mortgagee shall (as between the Lessor Owner and the Charterer) operate as an acceptance by the Lessor Owner of the Charterer's repudiation of the Lease and the Lessor Owner's right to recover damages in respect of such repudiation shall be fully preserved.

10.3 Sale free of or subject to Charter

Notwithstanding anything herein contained, in the event of a sale of the Ship during the existence of the Lease pursuant to the powers vested in the Mortgagee by virtue of the Security Documents, such sale shall be free of, or subject to, the Lease at the option of the Mortgagee.

10.4 Sale free of Lease

If the Ship is sold free of the Lease, the Lessor Owner and the Charterer shall enter into such form of agreement or agreements as the Mortgagee may require for determination of the Lease by mutual consent.

11 Enforcement costs

Each of the Lessor Owner and the Charterer shall, on demand by the Mortgagee, pay (and indemnify the Mortgagee and any Receiver against) all costs, expenses, liabilities or other amounts incurred by the Mortgagee, any Finance Party or any Receiver in connection with:

- (a) the taking, holding, protection, enforcement or preservation of this Deed;
- (b) the exercise or purported exercise of any of the rights, powers, discretions and remedies vested in the Mortgagee and each Receiver by this Deed or by law unless and to the extent that it was caused by its gross negligence or wilful misconduct;
- (c) any claim (whether relating to the environment or otherwise) made or asserted against it which would not have arisen but for the execution or enforcement of this Deed (unless and to the extent it is caused by its gross negligence or wilful misconduct);
- (d) any breach by the Lessor Owner or the Charterer of this Deed; or
- (e) any amendment, waiver, consent or release of this Deed,

and pay any remuneration payable to any Receiver.

12 Benefit of Deed

The Mortgagee may assign its rights under this Deed to any person appointed as Security Agent under the Facility Agreement. It is intended that this document takes effect as a deed even though the Mortgagee may only execute it under hand.

13 Governing law and enforcement

- 13.1 This Deed and any non-contractual obligations connected with it are governed by English law.
- 13.2 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed or any non-contractual obligations connected with it (including a dispute regarding the existence, validity or termination of this Deed) (a **Dispute**).
- 13.3 The parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and, accordingly, that they shall not argue to the contrary.
- 13.4 Clauses 13.2 and 13.3 are for the benefit of the Mortgagee only. As a result, the Mortgagee shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Mortgagee may take concurrent proceedings in any number of jurisdictions.

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

Schedule 1 Information

Lessor Owner

Country of incorporation: England
 Registered number: 05085910
 Registered office: Tobias House
 St Mark's Court
 Teesdale Business Park
 Teesside TS17 6QW
 United Kingdom

Charterer

Country of incorporation: England
 Registered number: 05006774
 Registered office: Tobias House
 St Mark's Court
 Teesdale Business Park
 Teesside TS17 6QW
 United Kingdom

The Ship

Name: m.v. "Iver Progress"
 Flag: Marshall Islands
 Port of Registry: Majuro
 Official Number: 2783
 IMO Number: 9350642

The Lease

Description: Lease in relation to the Ship between the Lessor Owner and the Charterer
 Date: 17 November 2011 (as supplemented and amended)

Facility Agreement

Description: Term Loan Facility Agreement
 Date: 24 December 2014 (as supplemented and amended by a Supplemental Agreement dated 22 June 2015)
 Amount of facility: Up to \$95,000,000
 Parties:

- (a) Borrowers: The Charterer, FB Tankship I Inc., FB Tankship III Limited, FB Tankship IV Limited and FC Tankship I Ltd.
- (b) Arranger: ABN AMRO Bank N.V.
- (c) Lenders: The financial institutions listed in Schedule 1 thereto and Scotiabank Europe plc
- (d) Hedging Providers: ABN AMRO Bank N.V. and The Bank of Nova Scotia

- (e) Agent: ABN AMRO Bank N.V.as agent for the Finance Parties from time to time
- (f) Security Agent: ABN AMRO Bank N.V.as security agent for the Finance Parties from time to time

SIGNATORIES

The Lessor Owner

EXECUTED as a DEED
for and on behalf of
FC SHIPPING LIMITED
under a power of attorney
dated 2015
in the presence of:

)
)
)
)
)
) Attorney-in-Fact

.....
Witness

Name:

Address:

Occupation:

The Charterer

EXECUTED as a DEED
for and on behalf of
FC TANKSHIP I LTD.
under a power of attorney
dated 2015
in the presence of:

)
)
)
)
)
) Attorney-in-Fact

.....
Witness


Name:

Address:

Occupation:

The Mortgagee

Signed by
ABN AMRO BANK N.V.

)
)

By: JONATHAN CRIPPI
ATTORNEY-IN-FACT