



Registration of a Charge

Company name: **"K" LINE LNG SHIPPING (UK) LIMITED**

Company number: **05356484**



X70DF155

Received for Electronic Filing: **23/02/2018**

Details of Charge

Date of creation: **15/02/2018**

Charge code: **0535 6484 0008**

Persons entitled: **MUFG UNION BANK, N.A.**

Brief description: **ASSIGNMENT OF INSURANCES IN RELATION TO THE FOLLOWING SHIP:
SS ARCTIC DISCOVERER REGISTERED UNDER BAHAMAS FLAG WITH
OFFICIAL NUMBER 8001065 AND IMO NUMBER 9276389**

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 THE ELECTRONIC COPY INSTRUMENT
DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION
IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **SABRINA CHONG**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 5356484

Charge code: 0535 6484 0008

The Registrar of Companies for England and Wales hereby certifies that a charge dated 15th February 2018 and created by "K" LINE LNG SHIPPING (UK) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 23rd February 2018 .

Given at Companies House, Cardiff on 27th February 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



|Private & Confidential

Manager's Undertaking

To: **MUFG UNION BANK, N.A.**
1251 Avenue of the Americas, 19th Floor,
New York, NY 10020 U.S.A.

15 February 2018

Dear Sirs

Facility of up to \$90,000,000

1 We refer to the facility agreement dated 26 January 2018 (the **Facility Agreement**) made between among others, Northern LNG Transport CO., I Ltd. (the **Borrower**) and you as agent and trustee for (among others) the banks and financial institutions named as lenders in that agreement (the **Lenders**) and their assignees and transferees pursuant to which the Lenders have agreed to make a facility of up to \$90,000,000 (the **Facility**) available to the Borrower. A copy of the Facility Agreement has been disclosed to us.

2 We understand that it is a condition of the Lenders making such facility available to the Borrower that we enter into this letter in your favour as agent and trustee under the Facility Agreement.

3 In this letter:

Enforcement Time means any time following the occurrence of an Event of Default and for so long as the same is continuing.

Mortgage means any mortgage (including any related deed of covenant) over the Ship in your favour in relation to the Facility.

Ship means SS "Arctic Discoverer" with IMO Number 9276389.

Ship Management Agreement means the ship management agreement between the Borrower and ourselves dated 15 February 2018 under which we are appointed as managers of the Ship.

Other capitalised terms use in this letter which are defined in the Facility Agreement shall bear the same meaning in this letter.

4 We confirm that we have been appointed by the Borrower as the technical manager of the Ship on the terms of the Ship Management Agreement.

- 5 We certify that the attached copy of the Ship Management Agreement is correct, complete and in full force and effect and that no addenda or supplements to it exist as at the date of this letter.
- 6 In consideration of the sum of ten United States Dollars paid by you to us (the receipt and adequacy of which we acknowledge), we hereby agree and undertake to comply with the following provisions of this letter for the duration of the Facility Period.
- 7 All claims of whatsoever nature which we have or may at any time after the date of this Letter have against or in connection with the Ship, the Earnings, the Insurances and the Requisition Compensation or against the Borrower shall rank after and be in all respects subordinate to all of the rights and claims of all the Finance Parties.
- 8 We will not make any claim under or in connection with the Ship Management Agreement which will or may result in the Ship being arrested, detained or sold or take any other action (including taking any step to exercise or enforce any right or remedy or institute any legal or administration action or quasi-legal proceedings under any applicable law) in relation to the Ship (or its Earnings, Insurances or Requisition Compensation) except with your prior consent in writing.
- 9 We hereby waive any such right we might otherwise have had to make such a claim and agree not to make any claim against you in respect of any interference with our rights under the Ship Management Agreement resulting from your exercise of such rights or powers. However, subject to your prior written consent, this shall not prevent us submitting a claim in any process where the Ship has been arrested by a third party and we hereby undertake to immediately pay you an amount equal to any proceeds recovered by us as a consequence of such process provided such amount shall not (when aggregated with all moneys then held by, or previously paid to, the Finance Parties) exceed the Borrower's obligations and liabilities owing to the Finance Parties under or in connection with the Finance Documents (the **Secured Liabilities**). Without prejudice to the foregoing, we hereby agree that all such proceeds recovered by us shall be held on trust for the Finance Parties.
- 10 We will not exercise any lien we have on the Ship in priority to, or in competition with, your rights under the Finance Documents.
- 11 Despite the terms of the Ship Management Agreement, if you become entitled to enforce the Mortgage, you may (as between ourselves and yourselves) terminate any Ship Management Agreement of the Ship by giving us written notice declaring it to be terminated whereupon we shall ensure that such Ship Management Agreement shall be immediately terminated. We will not be entitled to claim against you for any resulting loss, damages or expenses whatsoever.
- 12 If, and to the extent that any recovery by us as a consequence of competing with you or any Lender in the liquidation, winding-up or other dissolution of the Borrower causes a reduction in the amount recovered by you or such Lender in such process we hereby agree that such amounts

so recovered shall be held on trust for the Finance Parties and we shall immediately hand over to you the corresponding amount of the proceeds so received by us for application towards the Secured Liabilities.

- 13 During an Enforcement Time, we will not demand or accept payment of any moneys due to us in respect of the management of the Ship or under the terms of the Ship Management Agreement or otherwise in connection with our management of the Ship or in connection thereto.
- 14 We will not appoint a sub-manager of the Ship without your prior written approval (and will procure that any sub-manager so approved will enter into a letter on substantially the same terms as this letter).
- 15 We will not amend or terminate the Ship Management Agreement without your prior written consent.
- 16 Insurance matters
 - (a) As continuing security for the due and punctual payment and discharge by the Borrower of the Secured Liabilities and the observation and performance of our obligations under this letter, we, with full title guarantee, assign to you absolutely, subject to a proviso for re-assignment on redemption, all rights and interests of every kind which we now or at any later time have to, in or in connection with the Insurances.
 - (b) This letter shall remain in force until the end of the Facility Period as a continuing security and, in particular:
 - (i) the security created by sub-paragraph (a) will extend to the ultimate balance of all sums payable by the Borrower under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part;
 - (ii) the security created by sub-paragraph (a), and the your rights under this letter, 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 you;
 - (iii) no failure or delay by or on behalf of you to enforce or exercise a security created by sub-paragraph (a) or your rights under this letter, and no act, course of conduct, acquiescence or failure to act (or to prevent the Borrower or us from taking certain action) which is inconsistent with such a security or such a right or with such a security being a fixed security shall preclude or estop you (either permanently or temporarily) from enforcing or exercising it or result in a security expressed to be a fixed security taking effect as a floating security.

- (c) This letter is in addition to and is not in any way prejudiced by, and shall not prejudice any guarantee or other security or any other right of recourse now or subsequently held by you or any right of set-off or netting or rights to combine accounts in connection with the Finance Documents.
 - (d) We shall immediately after the execution of this letter and otherwise, upon your written request from time to time, give written notice of the assignment contained in sub-paragraph (a) to any insurers of the Ship as advised by the Borrower or you.
 - (e) A notice given in accordance with sub-paragraph (d) above shall be in the form set out in Schedule 1 (*Notice of Assignment*) to this letter with a loss payable clause to be endorsed on each policy in the form set out in Schedule 2 (*Loss Payable Clause*) to the General Assignment.
 - (f) We understand that the Borrower shall procure that such notice is promptly endorsed on all policies and entries in respect of the Insurances, and we agree promptly to authorise and/or instruct any broker, insurer or association with or through whom any of the Insurances may be effected, details of which shall be advised by you or the Borrower, to endorse the notice on any policy or entry or otherwise to give effect to such loss payable clause as may be stipulated by yourselves.
 - (g) At the end of the Facility Period, you shall, at our request and cost, re-assign (without any warranty, representation, covenant or other recourse) to us such rights as you then have to, in or in connection with, the Insurances as assigned to you under this letter.
 - (h) We undertake to sign any consent required by any approved broker and/or any approved underwriters which they may require so that you can collect or recover any moneys payable in respect of our rights to, in or in connection with the Insurances as assigned to you under this letter.
 - (i) We shall not create or permit to subsist any security over our rights and interest to, in or in connection with the Insurances.
 - (j) We 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 our rights and interests to, in or in connection with, the Insurances.
 - (k) We shall not enter into any transaction, nor do anything, which is contrary to, or which may adversely affect, your rights under this letter.
- 17 We, by way of security for the performance of our obligations under this letter, irrevocably appoint (with full power of substitution) you as our attorney-in-fact:

- (i) to do all acts and execute or sign all documents which we ourselves can do and execute in relation to our rights to, in or in connection with, the Insurances including, without limitation, all acts and documents necessary to realise and dispose of our rights to, in or in connection with, the Insurances by such means and on such terms as you may determine; and
- (ii) to do all acts and things and execute or sign all documents which we are obliged to do, execute or sign under this letter and which we have failed so to do, execute or sign immediately upon your first written demand,

provided that the power of attorney constituted by this paragraph shall be exercisable only during the Enforcement Time.

- 18 We agree that any moneys received by you in respect of such insurances will be applied in accordance with the terms of the applicable Finance Documents in respect of the Ship in your favour.
- 19 We shall not refuse, withhold (or otherwise delay giving) our consent to the payment of any moneys which become payable by any insurer to the Borrower or (as the case may be) yourself under the Insurances (as such term is defined under the Facility Agreement).
- 20 If you are satisfied that the Secured Liabilities have been irrevocably and unconditionally discharged in full, you will, at our cost, reassign and release the security (if any) created by paragraph 16.
- 21 We represent that as at the date of this letter:
 - (a) All authorisations required or desirable (i) to enable us to lawfully enter into, exercise our rights and comply with our obligations under this letter, (ii) to make this letter admissible in evidence in England and (iii) to ensure that the Security Interest created under this letter has the priority and ranking contemplated hereunder, have been obtained or effected and are in full force and effect, except for filing this letter with Companies House in England and Wales, which filing will be promptly effected within any applicable period.
 - (b) All authorisations necessary for the conduct of our business, trade and ordinary activities have been obtained or effected and are in full force and effect, if failure to obtain or effect those authorisations might have a Material Adverse Effect.
 - (c) The choice of governing law of this letter will (subject to Legal Reservations) be recognised and enforced in England.
 - (d) Any judgment obtained in relation to this Letter in the courts of England will (subject to Legal Reservations) be recognised and enforced in England.

- (e) It is not necessary under the laws of England (i) in order to enable you to enforce your rights under this letter or (ii) by reason of the execution of this letter of the performance of our obligations under this letter, that any Finance Party should be licensed, qualified or otherwise entitled to carry on business in England.
 - (f) No Finance Party is or will be deemed to be resident, domiciled or carrying on business in England by reason only of the execution, performance and/or enforcement of this letter.
 - (g) It is not, and to its knowledge, none of its directors, officers, agents or employees is a Sanctioned Person.
 - (h) It shall promptly upon becoming aware of the same, supply to the Security Agent details of any claim, action, suit, proceedings or investigation against it with respect to Sanctions.
 - (i) It has conducted and shall conduct its business in compliance with applicable anti-corruption laws (including instituting and maintaining policies and procedures designed to promote and achieve compliance with such laws).
- 22 All communications to be sent to us in connection with this letter may be sent to us at 200 Aldersgate Street, London, EC1A 4HD or through fax no.: +44(0)2073825189 and marked for the attention of "Commercial Division" or to such other address as we may notify you for this purpose in the future.
- 23 The benefit of our obligations under this letter may be assigned by you to any person to whom you assign or otherwise transfer your rights under the Mortgage.
- 24 This letter and any non-contractual obligations connected with it are governed by English law.
- 25 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this letter or any non-contractual obligations connected with it (a **Dispute**) and we agree that the courts of England are the most appropriate and convenient courts to settle Disputes and, accordingly, we will not argue to the contrary. However, notwithstanding this, you will not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, you may take concurrent proceedings in any number of jurisdictions.

Yours faithfully



For and on behalf of

"K" Line LNG Shipping (UK) Limited

SCHEDULE 1

NOTICE OF ASSIGNMENT

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

SS "Arctic Discoverer" (the "Ship")

(For attachment by way of endorsement to the Policy)

Each of:

- (a) **Northern LNG Transport Co., I Ltd. of M&C Corporate Services Limited, Ugland House, P.O. Box 309, George Town, Grand Cayman, Cayman Islands the Owner of the SS "Arctic Discoverer" (the Ship); and**
- (b) **"K" Line LNG Shipping (UK) Limited of River Plate House, 7-11 Finsbury Circus, London EC2M 7EA, the technical manager of the Ship,**

GIVES NOTICE that by a first priority general assignment dated [date] and a manager's undertaking dated [date] and respectively entered into by us with **MUFG Union Bank, N.A. of 1251 Avenue of the Americas, 19th Floor, New York, NY 10020 U.S.A.**, there has been assigned by way of a first priority assignment by us to **MUFG Union Bank, N.A.** as Security Agent:

- (a) all policies and contracts of insurances, including entries of the Ship in any protection and indemnity or war risks association, which are effected in respect of the Ship, its earnings or otherwise in relation to it (whether before, on or after the date of this Insurance Notice), including the insurances constituted by the Policy on which this notice is endorsed; and
- (b) all rights and other assets relating to, or derived from, any such policies, contracts or entries, including any rights to a return of a premium (and any rights in respect of any claim, whether or not the relevant policy, contract of insurance or entry has expired on or before the date of this Insurance Notice).

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

Signed

For and on behalf of

Northern LNG Transport Co., I Ltd.

..... 2018

"K" Line LNG Shipping (UK) Limited

..... 2018

SCHEDULE 2

LOSS PAYABLE CLAUSE

Loss Payable Clause for hull and machinery (marine and war risks) insurances

By each of:

1. a first priority general assignment dated [date] **Northern LNG Transport Co., I Ltd. of M&C Corporate Services Limited, Ugland House, P.O. Box 309, George Town, Grand Cayman, Cayman Islands (the Owner); and**
2. a manager's undertaking dated [date], **"K" Line LNG Shipping (UK) Limited of River Plate House, 7-11 Finsbury Circus, London EC2M 7EA (the Manager),**

each of the Owner and the Manager has assigned to **MUFG Union Bank, N.A. of 1251 Avenue of the Americas, 19th Floor, New York, NY 10020 U.S.A. (the Security Agent)** all the Owner's and Manager's respective rights under and to all policies and contracts of insurance from time to time taken out or entered into by or for the benefit of the Owner or Manager in respect of SS **"Arctic Discoverer"** and accordingly:

- (a) all claims under this policy in respect of an actual or constructive or compromised or arranged total loss shall be paid in full to the Security Agent or to its order; and
- (b) any sum payable in relation to a casualty to the Ship in respect of which the claim or the aggregate of claims against all insurers before adjustment for any relevant franchise or deductible exceeding USD 5,000,000 shall be paid to the Security Agent who shall apply the same in accordance with the facility agreement dated [●] and entered into between (amongst others) the Owner and the Security Agent;
- (c) all other claims under this policy shall be paid in full to the Owner or to its order, unless and until the Security Agent shall have notified the insurers under this policy to the contrary, whereupon all such claims shall be paid to the Security Agent or to its order.

Loss Payable Clause for protection and indemnity risks cover

Payment of any recovery which each of **Northern LNG Transport Co., I Ltd. of M&C Corporate Services Limited, Ugland House, P.O. Box 309, George Town, Grand Cayman, Cayman Islands** (the "Owner") and **"K" Line LNG Shipping (UK) Limited of River Plate House, 7-11 Finsbury Circus, London EC2M 7EA** (the "Manager") is entitled to make out of the funds of the Association in respect of any liability, costs or expenses incurred by the Owner or the Manager, shall be made to the Owner or to its order, unless and until the Association receives notice to the contrary from **MUFG Union Bank, N.A. of 1251 Avenue of the Americas, 19th Floor, New York, NY 10020 U.S.A.** (the **Security Agent**) in which event all recoveries shall after such time be paid to the Security Agent or its order, provided always that no liability whatsoever shall attach to the Association, its Managers or their agents for failure to comply with the latter obligation until the expiry of two clear business days from the receipt of such notice.

Form of Loss Payable Clause for loss of earnings cover

By a first priority general assignment dated [date] **Northern LNG Transport Co., I Ltd. of M&C Corporate Services Limited, Ugland House, P.O. Box 309, George Town, Grand Cayman, Cayman Islands** (the **Owner**) the Owner has assigned to **MUFG Union Bank, N.A. of 1251 Avenue of the Americas, 19th Floor, New York, NY 10020 U.S.A.** (the **Security Agent**) its rights under and to all policies and contracts of insurance from time to time taken out or entered into by or for the benefit of the Owner in respect of SS "**Arctic Discoverer**" and accordingly all claims under this policy shall be paid in full to the **Earnings Account** with the following details;

Account Bank:	MUFG UNION BANK, N.A.
Account/IBAN Number:	6710032803
Account Name:	NORTHERN LNG I-EARNINGS ACCOUNT
Account currency	US dollar

, unless and until the Security Agent shall have notified the insurers under this policy to the contrary, whereupon all such claims shall be paid to the Security Agent or its order.