



Registration of a Charge

Company name: **SET DRILLING COMPANY LIMITED**

Company number: **SC167498**



X65RILQ9

Received for Electronic Filing: **05/05/2017**

Details of Charge

Date of creation: **27/04/2017**

Charge code: **SC16 7498 0002**

Persons entitled: **LLOYDS BANK PLC**

Brief description:

Contains fixed charge(s).

Contains floating 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.**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 167498

Charge code: SC16 7498 0002

The Registrar of Companies for Scotland hereby certifies that a charge dated 27th April 2017 and created by SET DRILLING COMPANY LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 5th May 2017 .

Given at Companies House, Edinburgh on 5th May 2017

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

27 April 2017

SET DRILLING COMPANY LIMITED

(as Chargor)

and

LLOYDS BANK PLC

(as Security Agent)

DEBENTURE

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THIS DEED is dated 27 April 2017 and made between:

- (1) **SET DRILLING COMPANY LIMITED**, a limited liability company incorporated under the laws of Scotland with registered number SC167498 as the chargor (the “**Chargor**”); and
- (2) **LLOYDS BANK PLC** as security agent for the benefit of the Secured Parties (the “**Security Agent**”).

Background

- (A) The Security Agent and the Chargor intend this document to take effect as a deed (even though the Security Agent only executes it under hand).
- (B) The Security Agent holds the benefit of this Deed on trust for the Secured Parties on the terms of the Intercreditor Agreement.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed, unless a contrary indication appears, terms used in the Intercreditor Agreement have the same meaning and construction and:

“**Administrator**” means an administrator appointed under Schedule B1 to the Insolvency Act.

“**Assigned Contracts**” means:

- (a) any Intercompany Loan Agreement;
- (b) any Charter Contracts; and
- (c) any Insurances.

“**Bank Accounts**” of the Chargor means all current, deposit or other accounts with any bank or financial institution in which it now or in the future has an interest and (to the extent of its interest) all balances now or in the future standing to the credit of or accrued or accruing on those accounts.

“**Book Debts**” of the Chargor means all book and other debts of any nature, and all other rights to receive money (excluding Bank Accounts), now or in the future due, owing or payable to it and the benefit of all related negotiable instruments, rights, Security, guarantees and indemnities of any kind.

“**Charged Assets**” means the assets from time to time subject, or expressed to be subject, to the Charges or any part of those assets.

“**Charges**” means all or any of the Security created or expressed to be created by or pursuant to this Deed.

“**Charter Contracts**” means all charter agreements, management contracts or contracts of a similar nature entered into by the Chargor, now or in the future.

“**Currency of Account**” means the currency in which the relevant indebtedness is denominated or, if different, is payable.

“**Delegate**” means a delegate or sub-delegate appointed under Clause 14.3 (*Delegation*).

“**Dividends**” means, in relation to any Share or Investment, all present and future:

- (a) dividends and distributions of any kind and any other sum received or receivable in respect of that Share or Investment;
- (b) rights, shares, money or other assets accruing or offered by way of redemption, bonus, option or otherwise in respect of that Share or Investment;
- (c) allotments, offers and rights accruing or offered in respect of that Share or Investment; and
- (d) other rights and assets attaching to, deriving from or exercisable by virtue of the ownership of, that Share or Investment.

“**Enforcement Event**” means a Senior Secured Facilities Acceleration Event, a Senior Secured Notes Acceleration Event, a Pari Passu Debt Acceleration Event or, after the Senior Secured Discharge Date, a High Yield Acceleration Event (in respect of the High Yield Secured Documents only).

“**Equipment**” means all plant, machinery, computers, office and other equipment, furnishings and vehicles and other chattels together with any spare parts, replacements or modifications and the benefit of all contracts, licences and warranties relating thereto.

“**Insolvency Act**” means the Insolvency Act 1986.

“**Insurances**” of the Chargor means;

- (a) all contracts and policies of insurance with respect to the Rigs now or in the future taken out by or on behalf of it or (to the extent of its interest) in which it now or in the future has an interest;
- (b) all payments paid or payable to the Chargor pursuant to any policy in (a) above; and/or
- (c) all claims, rights and remedies of the Chargor pursuant to any policy in (a) above.

“**Intercompany Loan Agreement**” means any documented intercompany loan agreement entered into from time to time by the Chargor with a member of the Restricted Group, excluding any such agreement entered into in the ordinary course of business for the purposes of intra-group cash management or netting.

“**Intercreditor Agreement**” means the intercreditor agreement dated 15 March 2008 and made between, among others, Holdco, Parent, Senior Secured Notes Issuer, the Original Debtors, the Administrative Agent, the RCF Agent, the Senior Secured Notes Trustee, the Security Agent, Hedging Banks and the Arrangers, each as defined therein as amended and restated from time to time.

“**Investments**” of the Chargor means:

- (a) securities and investments of any kind in another Debtor (including shares, stock, debentures, units, depositary receipts, bonds, notes, commercial paper and certificates of deposit) whether owned directly by or to the order of the Chargor or by any trustee, fiduciary, nominee or clearance system on its behalf;

- (b) warrants, options or other rights to subscribe for, purchase or otherwise acquire such securities and investments;
- (c) all rights relating to such securities and investments which are deposited with, or registered in the name of, any depository, custodian, nominee, clearing house or system, investment manager, chargee or other similar person or their nominee, in each case whether or not on a fungible basis (including rights against any such person); and
- (d) all other rights attaching or relating to such securities or investments and all cash or other securities or investments in the future deriving from Investments or such rights,

in each case now or in the future owned by it or (to the extent of its interest) in which it now or in the future has an interest.

“LPA” means the Law of Property Act 1925.

“Party” means a party to this Deed.

“Quasi-Security” means a transaction in which the Chargor:

- (a) sells, transfers or otherwise disposes of any of its assets on terms whereby they are or may be leased to or re-acquired by the Chargor or any other member of its Restricted Group;
- (b) sells, transfers or otherwise disposes of any of its receivables on recourse terms;
- (c) enters into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
- (d) enters into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Indebtedness or of financing the acquisition of an asset.

“Receiver” means a receiver and manager or other receiver appointed in respect of the Charged Assets and shall, if allowed by law, include an administrative receiver.

“Rigs” means all rigs (whether land-based, classed as a vessel or otherwise), or plant of a similar nature, owned by the Chargor now or in the future.

“Secured Debt Document” means the Finance Documents other than the High Yield Unsecured Documents.

“Secured Liabilities” means the Senior Secured Facilities Lender Liabilities, the Creditor Representative Liabilities, the Arranger Liabilities, the Senior Secured Notes Liabilities, the Pari Passu Debt, the High Yield Secured Liabilities and the Hedging Liabilities.

“Secured Obligations” means:

- (a) all the Secured Liabilities; and
- (b) all other present and future debts and obligations at any time due, owing or incurred by any member of the Restricted Group and by each Debtor to any Secured Party under the relevant Debt Documents, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity including the Parallel Debt Obligations.

“Secured Parties” means the Senior Secured Creditors, the High Yield Secured Creditors, the Arrangers, the Security Agent and any Receiver or Delegate thereof from time to time but:

- (a) in the case of each Senior Secured Creditor and High Yield Secured Creditor, only if its Creditor Representative is party to the Intercreditor Agreement or has acceded to the Intercreditor Agreement, in the appropriate capacity, pursuant to clause 21 (*Changes to the Parties*) of the Intercreditor Agreement;
- (b) in the case of each Senior Secured Facilities Lender and Pari Passu Creditor under a bilateral loan, credit or guarantee facility who is not represented by a facility agent, each Hedging Bank, each Ancillary Lender which is an Affiliate of a Senior Secured Facilities Lender and each Arranger, only if it is party to the Intercreditor Agreement or has acceded to the Intercreditor Agreement, in the appropriate capacity, pursuant to clause 21 (*Changes to the Parties*) of the Intercreditor Agreement.

“Shares” of the Chargor means:

- (a) all present and future shares in an Debtor legally or beneficially owned by the Chargor including, but not limited to, the shares issued and outstanding at the date of this Deed described in Schedule 1 (*Shares*);
- (b) all rights relating to any of those shares which are deposited with or registered in the name of, any depositary, custodian, nominee, clearing house or system, investment manager, chargee or other similar person or their nominee, in each case whether or not on a fungible basis (including any rights against any such person);
- (c) all warrants, options and other rights to subscribe for, purchase or otherwise acquire any of those shares; and
- (d) all other rights attaching or relating to such shares and all cash or other shares in the future deriving from Shares or such rights,

in each case now or in the future owned by it or (to the extent of its interest) in which it now or in the future has an interest.

“Unrestricted Subsidiary” has the meaning given to such term in the Senior Secured Facilities Agreement (in its form at the date of this Deed), in the Senior Secured Notes Indenture (in its form at the date of this Deed), the Term Loan Agreement (in its form as at the date of this Deed), any Pari Passu Debt Documents, and any High Yield Documents.

1.2 Construction

The provisions in clause 1.2 (*Construction*) of the Intercreditor Agreement apply to this Deed with all necessary changes.

1.3 Third Party Rights

A person who is not a Party 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.

1.4 Section 1A of the Insolvency Act 1986

Notwithstanding any other provision of this Deed, the obtaining of a moratorium under section 1A of the Insolvency Act, or anything done with a view to obtaining such a moratorium (including any preliminary decision or investigation), shall not impose restrictions on the disposal of property by the Chargor which would not otherwise apply, or constitute a ground for the appointment of a Receiver.

2. UNDERTAKING TO PAY

The Chargor as primary obligor shall on demand pay or discharge the Secured Obligations when they fall due in the manner provided for in the Secured Debt Documents.

3. ASSIGNMENT

Subject to Clause 6 (*Limitations*), the Chargor, with full title guarantee and as security for the payment of the Secured Obligations, assigns absolutely to the Security Agent all its present and future right, title and interest in and to the Assigned Contracts, including all moneys payable to the Chargor, and any claims, awards and judgments in favour of the Chargor, under or in connection with the Assigned Contracts.

4. FIXED CHARGES

Subject to Clause 6 (*Limitations*), the Chargor, with full title guarantee and as security for the payment of the Secured Obligations, charges in favour of the Security Agent (as trustee for the Secured Parties) by way of first fixed charge, all its present and future:

- (a) uncalled capital and goodwill;
- (b) Book Debts;
- (c) Bank Accounts;
- (d) Investments and Dividends;
- (e) Shares and Dividends;
- (f) Rigs;
- (g) rights and interest under the Hedging Agreements;
- (h) Equipment; and
- (i) rights in any Assigned Contract (to the extent not effectively assigned under Clause 3 (*Assignment*)).

5. FLOATING CHARGE

5.1 Creation

The Chargor, with full title guarantee and as security for the payment of the Secured Obligations, charges in favour of the Security Agent (as trustee for the Secured Parties) by way of first floating charge its undertaking and all its rights and assets, both present and future (including assets not effectively charged by Clause 4 (*Fixed Charges*) or assigned by Clause 3 (*Assignment*)), and all its assets situated in Scotland whether or not effectively mortgaged, charged or assigned by way of fixed mortgage under this Deed) other than any Shares or Investments in any Unrestricted Subsidiaries.

5.2 Qualifying Floating Charge

- (a) The floating Charge created by the Chargor pursuant to Clause 5.1 (*Creation*) above is a “qualifying floating charge” for the purposes of paragraph 14.2(a) of Schedule B1 to the Insolvency Act.

- (b) Paragraph 14 of Schedule B1 to the Insolvency Act shall apply to this Deed and the Security Agent may appoint an Administrator of the Chargor pursuant to that paragraph.

5.3 Conversion by notice

The Security Agent may convert the floating Charge over all or any of the Charged Assets into a fixed Charge with immediate effect by notice to the Chargor specifying the relevant Charged Assets (either generally or specifically):

- (a) if it is necessary to do so in order to protect or preserve the Charges over those Charged Assets and/or the priority of those Charges; and/or
- (b) after the occurrence of an Enforcement Event.

5.4 Automatic conversion

If:

- (a) the Chargor takes any step to create any Security in breach of Clause 8.1 (*Security*) over any of the Charged Assets not subject to a fixed Charge;
- (b) any corporate action, legal proceedings or other procedure or step is taken in relation to the administration, winding up, dissolution, suspension of payments or reorganisation (by way of voluntary arrangement, scheme or otherwise) of the Chargor; or
- (c) any person takes any step to effect any expropriation, attachment, sequestration, distress or execution against any of those Charged Assets,

the floating Charge over the relevant Charged Assets shall automatically and immediately be converted into a fixed Charge.

5.5 Scottish Assets

Clauses 5.3 and 5.4 will not apply to any Charged Assets situated in Scotland or governed by Scots law if, and to the extent that, a Receiver would not be capable of exercising his powers in Scotland pursuant to Section 72 of the Insolvency Act by reason of such conversion by notice or automatic conversion.

6. LIMITATIONS

- 6.1 There shall be excluded from the assignment under Clause 3 (*Assignment*) and from the charge created by Clause 4 (*Fixed Charges*) and from any further assurances and perfection obligations under this Deed:

- (a) (other than in relation to the Shares and the Intercompany Loan Agreements) any right, asset or undertaking on or over which the Chargor is prohibited from creating Security by reason of any contract, lease, licence or other agreement, which is permitted by the Secured Debt Documents, with a third party for so long as such prohibition is in existence;
- (b) (other than in relation to the Shares and the Intercompany Loan Agreements) any right, asset or undertaking which, if assigned or subject to Security, would give a third party the right to terminate or amend any agreement with, or any right or obligation of, the Chargor in respect of that right, asset or undertaking, which is permitted by the Secured Debt Documents, for so long as such right is in existence; and

- (c) any right, asset or undertaking on or over which the creation of Security or the assignment thereof is unlawful or would present a material risk of personal or criminal liability for any officer of the Chargor or a material risk of breach of fiduciary duty by such officer for so long as it remains unlawful or presents a material risk, provided that the Chargor use reasonable endeavours to overcome such risk.

7. ASSIGNED AND CHARGED CONTRACTS

7.1 Notice of assignment - Acknowledgement by Chargor

The Chargor, by its execution of this Deed, confirms that it has received and acknowledged a notice of assignment in Clause 3 (*Assignment*) in respect of each Assigned Contract to which it is a party in accordance with the terms of the Notice of Assignment as set out in Schedule 3 (*Form of Notice of Assignment of Intercompany Loans*).

7.2 Notice of assignment - Acknowledgment by Restricted Group Counterparties

To the extent that a counterparty to an Intercompany Loan Agreement is a member of the Restricted Group, but not a party to this Deed, the Chargor shall as soon as practicable upon entering into such Intercompany Loan Agreement give a notice of assignment in respect of each such Intercompany Loan Agreement to the counterparties thereto substantially in the form set out at Schedule 3 (*Form of Notice of Assignment of Intercompany Loans*) and shall use its reasonable endeavours to ensure that each counterparty promptly signs and returns the relevant form of acknowledgement.

7.3 Notice of assignment - Charter Contracts

After the occurrence of an Enforcement Event, the Chargor shall promptly give a notice of assignment in respect of each such Charter Contract to the counterparties thereto substantially in the form set out at Schedule 4 (*Form of Notice of Assignment of Charter Contracts*) and shall use its reasonable endeavours to ensure that each counterparty signs and returns as soon as practicable the relevant form of acknowledgement.

7.4 Notice of assignment - Insurances

The Chargor shall as soon as practicable after the date of this Deed (and if any change occurs thereafter, as soon as practicable after such change):

- (a) execute and/or deliver to the Security Agent a copy of the Insurances, as the Security Agent reasonably requires; and
- (b) procure that notice of the assignment over its Insurances is as soon as practicable given to the insurers under the relevant policies in the form of Schedule 5 (*Form of Notice of Assignment of Insurances*) and shall use its reasonable endeavours to ensure that each insurer signs and returns as soon as practicable the relevant form of acknowledgement.

7.5 Notice of charge - Hedging Agreements

The Chargor shall as soon as practicable after the date of this Deed (and if any change occurs thereafter, as soon as practicable after such change):

- (a) deliver to the Security Agent details of each Hedging Agreement, and such other documents relating to the Hedging Agreements, as the Security Agent reasonably requires; and

- (b) procure that notice of the charge over its Hedging Agreements is given as soon as practicable in respect of each Hedging Agreement to the counterparties thereto substantially in the form set out at Schedule 6 (*Form of Notice of Charge of Hedging Agreements*) and shall use its reasonable endeavours to ensure that each counterparty signs and returns as soon as practicable the relevant form of acknowledgement.

7.6 Rights prior to enforcement

Prior to an Enforcement Event, the Chargor shall remain entitled to exercise all its rights, powers and discretions under each Assigned Contract and Hedging Agreement to which it is a party.

7.7 Chargor still liable

The Chargor shall remain liable to perform all its obligations under the Assigned Contracts and Hedging Agreements. Neither the Security Agent nor any Receiver or Delegate shall be under any obligation or liability to the Chargor or any other person under or in respect of any Assigned Contract or Hedging Agreement.

8. NEGATIVE PLEDGE AND FURTHER ASSURANCE

8.1 Security

The Chargor shall not create or permit to subsist any Security or Quasi-Security over any Charged Asset except as permitted by the Secured Debt Documents.

8.2 Disposal

The Chargor shall not (nor shall the Chargor agree to):

- (a) enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, transfer or otherwise dispose of any Charged Asset; or
- (b) dispose of the equity of redemption in respect of all or any part of the Charged Assets, except as permitted by the Secured Debt Documents or with the prior written consent of the Security Agent.

8.3 Further assurance

The Chargor shall promptly do whatever the Security Agent reasonably requires:

- (a) to create, perfect or protect the Charges or the priority of the Charges; or
- (b) after the occurrence of an Enforcement Event, to facilitate the realisation of the Charged Assets or the exercise of any rights vested in the Security Agent or any Receiver, including executing any transfer, charge, assignment or assurance of the Charged Assets (whether to the Security Agent or its nominees or otherwise), making any registration and giving any notice, order or direction.

9. BOOK DEBTS

9.1 Book Debts prior to enforcement

Prior to the occurrence of an Enforcement Event, the Chargor shall be entitled to receive, dispose of and deal with any Book Debts.

9.2 Book Debts following enforcement

Upon the occurrence of an Enforcement Event:

- (a) the Security over each Book Debt will become enforceable and the Chargor shall not be entitled to dispose of or deal with any Book Debt except with the prior written consent of the Security Agent; and
- (b) the Chargor shall take such steps as the Security Agent may require to perfect the Charge of its Book Debts charged pursuant to Clause 4 (*Fixed Charges*) including, without prejudice to the generality of the foregoing and without prejudice to the Security Agent's right to do so, giving notice of any such Charge to any of the persons (as the Security Agent shall specify) from whom such Book Debts are due, owing or incurred by delivery to each such person of a notice of charge duly executed by the Chargor and using reasonable endeavours to ensure that each such person delivers to the Security Agent a written acknowledgement thereto.

10. BANK ACCOUNTS

10.1 Withdrawals

If an amount is withdrawn from a Bank Account, that amount shall be automatically released from the fixed Charge on that Bank Account on that withdrawal being made. However, if all or part of that amount is paid into another Bank Account which is in credit or becomes in credit as a result, it shall automatically become subject to the fixed Charge on that Bank Account.

10.2 Notification of Bank Accounts

The Chargor shall as soon as practicable after the date of this Deed (and if any change occurs thereafter, as soon as practicable after such change):

- (a) deliver to the Security Agent details of each Bank Account maintained by it with any bank or financial institution; and
- (b) deliver to the relevant bank or financial institution maintaining that Bank Account a notice substantially in the form set out in Schedule 7 (*Form of Notice of Charge of Bank Accounts*) and use its reasonable endeavours to ensure that each such bank or financial institution delivers to the Security Agent a written acknowledge in respect thereof.

10.3 Bank Accounts before Enforcement Event

Notwithstanding the fixed charge created by Clause 4 (*Fixed Charges*), the Chargor shall prior to the occurrence of an Enforcement Event be entitled to receive, withdraw or otherwise transfer or deal with any credit or debit balance from time to time on any Bank Account.

10.4 Bank Accounts after Enforcement Event

After the occurrence of an Enforcement Event, the Chargor shall not be entitled to receive, withdraw or otherwise transfer or deal with any credit or debit balance on any Bank Account from time to time except with the prior written consent of the Security Agent.

11. SHARES AND INVESTMENTS

11.1 Share Certificates etc.

The Chargor shall on the date of this Deed or, in the case of Shares acquired after the date of this Deed, as soon as practicable after the date of such acquisition deliver to the Security Agent, or as it directs, all certificates representing Shares and stamped transfers of the Shares executed in blank and shall promptly deliver to the Security Agent any other documents relating to the Shares which the Security Agent reasonably requests.

11.2 Documents

The Chargor shall promptly upon the request of the Security Agent following an Enforcement Event, deliver (or procure delivery) to the Security Agent, and the Security Agent shall be entitled to retain, all of the Shares and Investments and any certificates and other documents of title representing the Shares and Investments to which the Chargor (or its nominee(s)) is or becomes entitled together with any other document which the Security Agent may reasonably request (in such form and executed as the Security Agent may reasonably require) with a view to perfecting or improving its security over the Shares and Investments or to registering any Share or Investment in its name or the name of any nominee(s).

11.3 Voting before enforcement

Subject to Clause 11.4 (*Voting after enforcement*), the Chargor shall be entitled to:

- (a) exercise or direct the exercise of the voting and other rights attached to any Shares or Investment in any manner which does not adversely affect the validity or enforceability of the Charges or cause an event of default, however defined under the Secured Debt Documents, to occur; and
- (b) receive, retain and dispose of any dividends, interest and other distributions paid in respect of any Shares or Investments.

11.4 Voting after enforcement

At any time after the occurrence of an Enforcement Event:

- (a) the Security Agent or the Receiver shall be entitled to exercise or direct the exercise of the voting and other rights attached to any Share or Investment in such manner as it or he sees fit (acting reasonably);
- (b) the Security Agent shall be entitled to receive and retain any dividends, interests and other distributions paid in respect of any Shares or Investments; and
- (c) the Chargor shall comply or procure the compliance with any directions of the Security Agent or the Receiver in respect of the exercise of those rights and shall promptly execute and/or deliver to the Security Agent or the Receiver such forms of proxy as it or he requires with a view to enabling such person as it or he selects to exercise those rights.

12. ENFORCEMENT

12.1 When enforceable

As between the Chargor and the Security Agent, the Charges shall be enforceable, and the powers conferred by Section 101 of the LPA as varied and extended by this Deed shall be exercisable, immediately upon the occurrence of an Enforcement Event.

12.2 Power of sale

The statutory power of sale, of appointing a Receiver and the other statutory powers conferred on mortgagees by Section 101 of the LPA as varied and extended by this Deed shall arise on the date of this Deed.

12.3 Section 103 LPA

Section 103 of the LPA shall not apply to this Deed.

13. APPOINTMENT AND RIGHTS OF RECEIVERS

13.1 Appointment of receivers

After the occurrence of an Enforcement Event (whether or not the Security Agent has taken possession of the Charged Assets), without any notice or further notice, the Security Agent may, by deed, or otherwise in writing signed by any officer or manager of the Security Agent or any person authorised for this purpose by the Security Agent, appoint one or more persons to be a Receiver. The Security Agent may similarly remove any Receiver and appoint any person instead of any Receiver (subject to section 45 of the Insolvency Act in the case of administrative receivership). If the Security Agent appoints more than one person as Receiver, the Security Agent may give those persons power to act either jointly or severally. Section 109(1) of the LPA shall not apply to this Deed.

13.2 Scope of appointment

Any Receiver may be appointed Receiver of all of the Charged Assets or Receiver of a part of the Charged Assets specified in the appointment. In the latter case, the rights conferred on a Receiver as set out in Schedule 2 (*Rights of Receivers*) shall have effect as though every reference in that Schedule to any Charged Assets were a reference to the part of those assets so specified or any part of those assets.

13.3 Rights of Receivers

Any Receiver appointed pursuant to this Clause 13 shall have the rights, powers, privileges and immunities conferred by the LPA and the Insolvency Act on administrative or other receivers duly appointed under the Insolvency Act, and shall also have the rights set out in Schedule 2 (*Rights of Receivers*).

13.4 Agent of Chargor

Any Receiver shall be the agent of the Chargor for all purposes. The Chargor alone shall be responsible for the Receiver's contracts, engagements, acts, omissions, defaults and losses and for liabilities incurred by the Receiver.

13.5 Remuneration

The Security Agent may determine the remuneration of any Receiver and direct payment of that remuneration out of moneys he receives as Receiver. The Chargor alone shall be liable for the remuneration and all other costs, losses, liabilities and expenses of the Receiver. Sections 109(6) and (8) of the LPA shall not apply to a Receiver appointed under this Deed.

14. SECURITY AGENT'S RIGHTS

14.1 Security Agent Rights

The provisions set out in clause 19 (*The Security Agent*) of the Intercreditor Agreement shall govern the rights, duties and obligations of the Security Agent under this Deed.

14.2 Same rights as Receiver

Any rights conferred by any Secured Debt Document upon a Receiver may be exercised by the Security Agent, or to the extent permitted by law, an Administrator after the Charges become enforceable, whether or not the Security Agent shall have taken possession or appointed a Receiver of the Charged Assets.

14.3 Delegation

The Security Agent may delegate in any manner to any person any rights exercisable by the Security Agent under any Secured Debt Document. Any such delegation may be made upon such terms and conditions (including power to sub-delegate) as the Security Agent thinks fit.

14.4 Financial collateral arrangement

- (a) To the extent that any of the Charged Assets constitute “financial collateral” and this Deed and the obligations of the Chargor hereunder constitute a “financial collateral arrangement” (in each case as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003 (the “Regulations”)) the Security Agent shall have the right, at any time after the occurrence of an Enforcement Event, to appropriate all or any part of the Charged Assets which constitute “financial collateral” (as defined in the Regulations) in or towards satisfaction of the Secured Obligations in accordance with the Regulations and may exercise that right to appropriate by giving notice to the Chargor at any time after an Enforcement Event has occurred.
- (b) Subject to the provisions of the Intercreditor Agreement, the Parties agree that the value of any such appropriated financial collateral shall be: (x) in the case of securities listed or traded on a recognised exchange, the price at which such securities can be disposed of by the Security Agent on the date of appropriation; and (y) in the case of any other asset, the market value of such financial collateral as determined by the Security Agent, in each case, in a commercially reasonable manner. The Parties agree that the methods of valuation provided for in this paragraph shall constitute commercially reasonable methods of valuation for the purposes of the Regulations.

15. ORDER OF DISTRIBUTIONS

All amounts received or recovered by the Security Agent or any Receiver or Delegate in exercise of their rights under this Deed shall be applied in the order provided in clause 17 (*Application of Proceeds*) of the Intercreditor Agreement.

16. LIABILITY OF SECURITY AGENT, RECEIVERS AND DELEGATES

16.1 Possession

If the Security Agent, any Receiver or any Delegate takes possession of the Charged Assets, it or he may at any time relinquish possession. Without prejudice to Clause 16.2 (*Security Agent's liability*), the Security Agent shall not be liable as a mortgagee or heritable creditor in possession by reason of viewing or repairing any of the present or future assets of the Chargor.

16.2 Security Agent's liability

Neither the Security Agent nor any Receiver or Delegate shall (either by reason of taking possession of the Charged Assets or for any other reason and whether as mortgagee in possession or otherwise) be liable to the Chargor, any Secured Party or any other person for any costs, losses, liabilities or expenses relating to the realisation of any Charged Assets or

from any act, default, omission or misconduct of the Security Agent, any Receiver, any Delegate or their respective officers, employees or agents in relation to the Charged Assets or in connection with the Secured Debt Documents except to the extent caused by its or his own negligence or wilful misconduct or breach of law or the terms of the Secured Debt Documents.

17. POWER OF ATTORNEY

17.1 Appointment

The Chargor by way of security irrevocably appoints the Security Agent, every Receiver and every Delegate severally as its attorney (with full power of substitution), on its behalf and in its name or otherwise, following the occurrence of an Enforcement Event (or a failure to comply with a written request to fulfil a further assurance or perfection obligation within 20 Business Days of request), to execute, seal and deliver (using the company seal where appropriate) and otherwise perfect and do any deed, assurance, agreement, instrument, act or thing which it is required to execute or do under the terms of this Deed or to exercise any of the rights conferred on the Security Agent, any Receiver or any Delegate in relation to the Charged Assets or under any Secured Debt Document, the LPA or the Insolvency Act.

17.2 Ratification

The Chargor ratifies and confirms and agrees to ratify and confirm whatever any such attorney shall do in the exercise or purported exercise of the power of attorney granted by it in Clause 17.1 (*Appointment*) except to the extent the attorney is acting negligently, with wilful misconduct or in breach of law or the terms of the Secured Debt Documents.

18. PROTECTION OF THIRD PARTIES

18.1 No duty to enquire

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

- (a) whether the rights conferred by or pursuant to this Deed or any other Secured Debt Document are exercisable;
- (b) whether any consents, regulations, restrictions or directions relating to such rights have been obtained or complied with;
- (c) otherwise as to the propriety or regularity of acts purporting or intended to be in exercise of any such rights; or
- (d) as to the application of any money borrowed or raised.

18.2 Protection to purchasers

All the protection to purchasers contained in Sections 104 and 107 of the LPA, Section 42(3) of the Insolvency Act or in any other applicable legislation shall apply to any person purchasing from or dealing with the Security Agent, any other Secured Party, any Receiver or any Delegate.

19. SAVING PROVISIONS

19.1 Continuing Security

Subject to Clause 20 (*Discharge of Security*), the Charges are continuing Security and will extend to the ultimate balance of the Secured Obligations, regardless of any intermediate payment or discharge in whole or in part.

19.2 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of the Chargor or any security for those obligations or otherwise) is made by a Secured Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of the Chargor and the Charges under this deed shall continue or be reinstated as if the discharge, release, or arrangement had not occurred.

19.3 Waiver of defences

The obligations of the Chargor under this Deed and the Charges will not be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under any Secured Debt Document of any of the Charges (without limitation and whether or not known to it or any Secured Party) including:

- (a) any time, waiver or consent granted to, or composition with, the Chargor or other person;
- (b) the release of any other Chargor or any other person under the terms of any composition or arrangement with any creditor of any member of the Restricted Group;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Chargor 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 the Chargor or any other person;
- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of a Secured Debt Document or any other document or security including, without limitation, any change in the purpose of, any extension of or increase in any facility or the addition of any new facility under any Secured Debt Document or other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Secured Debt Document or any other document or security; or
- (g) any insolvency or similar proceedings.

19.4 Immediate recourse

The Chargor waives any right it may have of first requiring any Secured Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Chargor under this Deed. This waiver applies irrespective of any law or any provision of a Secured Debt Document to the contrary.

19.5 Appropriations

Until all amounts which may be or become payable by the Chargor under or in connection with the Secured Obligations have been irrevocably paid in full and all facilities which might give rise to the Secured Obligations have terminated, each Secured Party (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 that Secured Party (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 Chargor shall not be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from the Chargor or on account of the Chargor's liability under this Deed.

19.6 Deferral of Chargor's rights

Until all amounts which may be or become payable by the Chargor under or in connection with the Secured Obligations have been irrevocably paid in full and all facilities which might give rise to the Secured Obligations have terminated and unless the Security Agent otherwise directs, the Chargor will not exercise any rights which it may have by reason of performance by it of its obligations under the Secured Debt Documents:

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

If the Chargor receives any benefit, payment or distribution in relation to such 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 Secured Parties by the Chargor under or in connection with the Secured Debt Documents to be repaid in full on trust for the Secured Parties and shall promptly pay or transfer the same to the Security Agent or as the Security Agent may direct for application in accordance with Clause 23 (*Payments*).

19.7 Additional Security

The Charges are in addition to and are not in any way prejudiced by any other guarantees or security now or subsequently held by any Secured Party.

20. DISCHARGE OF SECURITY

20.1 Final redemption

Subject to Clause 20.2 (*Retention of security*), if all the Secured Obligations have been paid or discharged in full and all contingent liabilities have been repaid or terminated in full (or on such earlier date as any part of the Charged Assets is disposed of as permitted by the Secured Debt Documents or with the prior consent of the Security Agent), the Security Agent shall, at the cost and request of the Chargor, take such steps to release, reassign or discharge (as appropriate) the Charged Assets from the Charges in accordance with the terms of the Secured Debt Documents, including, but not limited to, the issuance of a certificate of non-crystallisation of any floating charge that may reasonably be required or considered necessary or desirable in connection with a disposal.

20.2 Retention of security

If any amount paid or credited to any Secured Party under any Secured Debt Document is capable of being avoided or otherwise set aside, that amount shall not be considered to have been paid for the purposes of determining whether all the Secured Obligations have been irrevocably paid.

20.3 Consolidation

Section 93 of the LPA shall not apply to the Charges.

20.4 Releases

The Security Agent shall release all security granted by this Deed without recourse and without representation or warranty by the Security Agent in accordance with the Intercreditor Agreement.

21. REDEMPTION OF PRIOR CHARGES

The Security Agent may, at any time after an Enforcement Event has occurred, redeem any prior Charges on or relating to any of the Charged Assets or procure the transfer of the Charge to itself, and may settle and pass the accounts of any person entitled to that prior Charge. Any account so settled and passed shall (subject to any manifest error) be conclusive and binding on the Chargor. The Chargor shall within five Business Days of demand pay to the Security Agent all principal monies and interest and all costs and expenses (including, but not limited to, legal fees (subject to agreed caps, if any)) reasonably incurred in connection with any such redemption or transfer.

22. CHANGES TO PARTIES

22.1 Assignment by the Security Agent

The Security Agent may at any time assign or otherwise transfer all or any part of its rights under this Deed in accordance with the Intercreditor Agreement.

22.2 Changes to Parties

The Chargor authorises and agrees to changes to parties under clause 21 (*Changes to Parties*) of the Intercreditor Agreement and authorises the Security Agent to execute on its behalf any document required to effect the necessary transfer of rights or obligations contemplated by those provisions.

23. PAYMENTS

23.1 Payments

All payments by the Chargor under this Deed (including damages for its breach) shall be made in the Currency of Account and to such account, with such financial institution and in such other manner as the Security Agent may direct.

23.2 Continuation of accounts

At any time after:

- (a) the receipt by any Secured Party of notice (either actual or otherwise) of any subsequent Security affecting the Charged Assets (which are charged in favour of such Secured Party) of the Chargor except as permitted by the Intercreditor Agreement; or
- (b) the presentation of a petition or the passing of a resolution in relation to the winding-up of the Chargor,

any Secured Party may open a new account in the name of the Chargor with that Secured Party (whether or not it permits any existing account to continue). If that Secured Party does not open such a new account, it shall nevertheless be treated as if it had done so when the relevant event occurred. No moneys paid into any account, whether new or continuing, after that event shall discharge or reduce the amount recoverable pursuant to any Secured Debt Document to which the Chargor is party.

24. RIGHTS, WAIVERS AND DETERMINATIONS

24.1 Ambiguity

Where there is any ambiguity or conflict between the rights conferred by law and those conferred by or pursuant to the Intercreditor Agreement, the terms of the Intercreditor Agreement shall prevail.

24.2 Exercise of rights

No non- to exercise, nor any delay in exercising, on the part of any Secured Party, Receiver or Delegate, any right or remedy under any Secured Debt Document shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in the Secured Debt Documents are cumulative and not exclusive of any rights or remedies provided by law, including the right to appoint an Administrator under the Insolvency Act.

24.3 Amendments and waivers

Any term of this Deed may be amended or waived only with the consent of the Security Agent and the Chargor in accordance with the Intercreditor Agreement.

24.4 Partial Invalidity

If any provision of this Deed shall be prohibited, illegal, invalid or unenforceable under applicable law, it shall be ineffective only to such extent and in the relevant jurisdiction, without invalidating or otherwise detrimentally affecting the remainder of this Deed.

25. NOTICES

Each communication to be made under or in connection with this Agreement shall be made in accordance with Clause 27 (*Notices*) of the Intercreditor Agreement, as though the same was set out herein *mutatis mutandis*.

26. COUNTERPARTS

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

27. GOVERNING LAW

This Deed and any non-contractual claims arising out of or in connection with it shall be governed by English law and construed in accordance with English law.

28. JURISDICTION

28.1 Jurisdiction of English courts

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed) or any non-contractual obligation arising out of or in connection with this Deed (a “Dispute”).
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This Clause 28.1 is for the benefit of the Security Agent only. As a result, Security Agent shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent may take concurrent proceedings in any number of jurisdictions.

In witness whereof this Deed has been duly delivered on the date stated at the beginning of this Deed.

SCHEDULE 1

SHARES

Name of Charging Party which holds the shares	Name of company issuing shares	Number and class of shares
N/A	N/A	N/A

SCHEDULE 2

RIGHTS OF RECEIVERS

Any Receiver appointed pursuant to Clause 13 (*Appointment and rights of Receivers*) shall have the right, either in his own name or in the name of the Chargor or otherwise and in such manner and upon such terms and conditions as the Receiver thinks fit, and either alone or jointly with any other person:

(a) Enter into possession

to take possession of, get in and collect the Charged Assets, and to require payment to him or to any Secured Party of any Book Debts or credit balance on any Bank Account;

(b) Carry on business

to manage and carry on any business of the Chargor;

(c) Contracts

to enter into any contract or arrangement and to perform, repudiate, rescind or vary any contract or arrangement to which the Chargor is a party;

(d) Deal with Charged Assets

to sell, transfer, assign, exchange, hire out, lend or otherwise dispose of or realise the Charged Assets to any person (including a new company formed pursuant to paragraph (e) (*Hive down*)) either by public offer or auction, tender or private contract and for a consideration of any kind (which may be payable or delivered in one amount or by instalments spread over a period or deferred);

(e) Hive down

to form a new company and to subscribe for or acquire (for cash or otherwise) any investment in or of the new company and to sell, transfer, assign, exchange and otherwise dispose of or realise any such investments or part thereof or any rights attaching thereto;

(f) Borrow money

to borrow or raise money either unsecured or on the security of the Charged Assets (either in priority to the Charges or otherwise);

(g) Covenants and guarantees

to enter into bonds, covenants, guarantees, indemnities and other commitments and to make all payments needed to effect, maintain or satisfy them;

(h) Rights of ownership

to manage and use the Charged Assets and to exercise and do (or permit the Chargor or any nominee of it to exercise and do) all such rights and things as the Receiver would be capable of exercising or doing if he were the absolute beneficial owner, of the Charged Assets;

(i) Claims

to settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes questions and demands with or by any person who is or claims to be a creditor of the Chargor, or relating to the Charged Assets;

(j) Legal actions

to bring, prosecute, enforce, defend and abandon actions, suits and proceedings in relation to the Charged Assets or any business of the Chargor;

(k) Redemption of Security

to redeem any Security (whether or not having priority to the Charges) over the Charged Assets and to settle the accounts of any person with an interest in the Charged Assets;

(l) Employees etc.

to appoint, hire and employ officers, employees, contractors, agents, advisors and others and to discharge any such persons and any such persons appointed, hired or employed by the Chargor;

(m) Insolvency Act

to exercise all powers set out in Schedule 1 and Schedule B1 to the Insolvency Act as now in force (whether or not in force at the date of exercise and whether or not the Receiver is an administrative receiver) and any powers added to Schedule 1, after the date of this Deed; and

(n) Other powers

to do anything else he may think fit for the realisation of the Charged Assets or incidental to the exercise of any of the rights conferred on the Receiver under or by virtue of any Secured Debt Document to which the Chargor is party, the LPA or the Insolvency Act.

SCHEDULE 3

FORM OF NOTICE OF ASSIGNMENT OF INTERCOMPANY LOANS

To: [Party to Assigned Contract]

[Date]

Address:

1. [•] (the “Security Agent”) and [] (the “Chargor”) give notice that, by an assignment contained in a deed dated [] between, inter alia, the Chargor and the Security Agent, the Chargor assigned to the Security Agent (subject to a provision for re-assignment) all its present and future right, title and interest in and to the contracts listed below (the “Assigned Contracts”), including all moneys payable to the Chargor, and any claims, awards and judgments in favour of the Chargor, under or in connection with the Assigned Contracts.

Assigned Contracts

[•]

2. You may continue to deal with the Chargor in relation to the Assigned Contract (including making payments direct to the Chargor) unless and until you receive written notice from the Security Agent that an Enforcement Event has occurred, in which event you should make all future payments as directed by the Security Agent.
3. Despite the assignment referred to above or the making of any payment by you to the Security Agent under or in connection with it:
 - (a) the Chargor shall remain liable to perform all its obligations under each Assigned Contract; and
 - (b) neither the Security Agent nor any delegate or sub-delegate shall at any time be under any obligation or liability to you under or in respect of any Assigned Contract.
4. Despite the assignment referred to above:
 - (a) the Chargor shall remain entitled to exercise all its rights, powers and discretions under each Assigned Contract, except that the Chargor shall not and you agree that the Chargor shall not amend, supplement, vary or waive (or agree to amend, supplement, vary or waive) any provision of any Assigned Contract or exercise any right to rescind, cancel or terminate any Assigned Contract or give any consent under any Assigned Contract without the prior written consent of the Security Agent or where such amendment, variation or waiver does not materially and adversely affect the interest of any lender providing financing in relation to the transaction under the Assigned Contract or where permitted under the Secured Debt Documents; and
 - (b) you should continue to give notices under each Assigned Contract to the Chargor, in each case unless and until you receive written notice from the Security Agent to the contrary, in which event all such rights, powers and discretions shall be exercisable by, and notices shall be given to, the Security Agent or as it directs.
5. Please acknowledge receipt of this Notice of Assignment and confirm that:
 - (a) following notice from the Security Agent that an Enforcement Event has occurred, you will pay all sums due under each Assigned Contract as directed by the Security Agent;

- (b) you do not have and will not claim or exercise any set-off or counterclaim in respect of any Assigned Contract unless permitted under the Secured Debt Documents;
- (c) you have not received any other notice of any assignment or charge of any Assigned Contract or of any other interest of any third party in any Assigned Contract;
- (d) you will comply with the other provisions of this Notice of Assignment; and
- (e) you submit to the exclusive jurisdiction of the courts of England to settle any dispute arising out of or in connection with this Notice of Assignment (a “Dispute”) and agree that the courts of England are the most appropriate and convenient courts to settle Disputes; and

by signing the acknowledgement on the attached copy of this Notice of Assignment and returning that copy to the Security Agent at [•] marked for the attention of [•] .

- 6. This authority and instruction is irrevocable without the prior written consent of the Security Agent.
- 7. This Notice of Assignment and your acknowledgement and any non-contractual obligations arising under or in connection with them shall be governed by and construed in accordance with English law.

 For and on behalf of
 [•]
 as Security Agent

 For and on behalf of
 [_____]
 as Chargor

[On duplicate]

We acknowledge receipt of the Notice of Assignment of which this is a copy and confirm each of the matters referred to in paragraph 5 of the Notice of Assignment.

 For and on behalf of
 [Party to Assigned Contract]
 Date: _____

SCHEDULE 4

FORM OF NOTICE OF ASSIGNMENT OF CHARTER CONTRACTS

To: [Party to Assigned Contract]

[Date]

Address:

[•] (the “Security Agent”) and [] (the “Chargor”) give notice that, by an assignment contained in a deed dated [] between, inter alia, the Chargor and the Security Agent (the “Debenture”), the Chargor assigned to the Security Agent (subject to a provision for re-assignment) all its present and future right, title and interest in and to the contracts listed below (the “Assigned Contracts”), including all moneys payable to the Chargor, and any claims, awards and judgments in favour of the Chargor, under or in connection with the Assigned Contracts.

Assigned Contracts

[•]

We hereby give you notice that the security created under the Debenture has now become enforceable and that accordingly:

1. All moneys payable by you to the Chargor in respect of the Assigned Contracts shall be paid to, or to the order of, the Security Agent.
2. All rights, powers and discretions of the Chargor under each Assigned Contract shall be exercisable by the Security Agent only;
 - (a) you shall not accept or agree to any amendment, supplement, variation or waiver of any provision of any Assigned Contract or accept any cancellation or termination of any Assigned Contract without the prior written consent of the Security Agent; and
 - (b) all notices under each Assigned Contract should be given to the Security Agent or as it directs.
3. Despite the assignment referred to above or the making of any payment by you to the Security Agent under or in connection with any Assigned Contract:
 - (a) the Chargor shall remain liable to perform all its obligations under each Assigned Contract; and
 - (b) neither the Security Agent nor any delegate or sub-delegate shall at any time be under any obligation or liability to you under or in respect of any Assigned Contract.
4. Please acknowledge receipt of this Notice of Assignment and confirm that:
 - (a) you will pay all sums due under each Assigned Contract as directed by the Security Agent;
 - (b) you do not have and will not claim or exercise any set-off or counterclaim in respect of any Assigned Contract;
 - (c) you have not received any other notice of any assignment or charge of any Assigned Contract or of any other interest of any third party in any Assigned Contract;
 - (d) you will comply with the other provisions of this Notice of Assignment; and

- (e) you submit to the exclusive jurisdiction of the courts of England to settle any dispute arising out of or in connection with this Notice of Assignment (a “Dispute”) and agree that the courts of England are the most appropriate and convenient courts to settle Disputes,

by signing the acknowledgement on the attached copy of this Notice of Assignment and returning that copy to the Security Agent at [•], marked for the attention of [•]

5. This authority and instruction is irrevocable without the prior written consent of the Security Agent.
6. This Notice of Assignment and your acknowledgement and any non-contractual obligations arising under or in connection with them shall be governed by and construed in accordance with English Law.

For and on behalf of
[•]
as Security Agent

For and on behalf of
[_____]
as Chargor

[On duplicate]

We acknowledge receipt of the Notice of Assignment of which this is a copy and confirm each of the matters referred to in paragraph 4 of the Notice of Assignment.

For and on behalf of
[Party to Assigned Contract]
Date: _____

SCHEDULE 5

FORM OF NOTICE OF ASSIGNMENT OF INSURANCES

To: [The Insurers]

[Address]

cc: [The Security Agent]

[Address]

[Description of Policy]

[Policy Number [] [(the "Insurances")]

Notice of Assignment

1. *[CHARGOR]* (the "Chargor") hereby gives you notice that, by an assignment contained in a debenture (the "Debenture") dated [] entered into between the Chargor and [•] (the "Security Agent"), the Chargor assigned, by way of security to the Security Agent (subject to a provision for re-assignment), all its present and future right, title and interest in and to the insurances, details of which are set out in the attached schedule (the "Insurances") including all claims under the Insurances and the proceeds of those claims and any return of premiums.
2. **You may continue to deal with the Chargor in relation to the Insurances unless and until you receive written notice from the Security Agent that an Enforcement Event has occurred, in which event:**
 - (a) All moneys payable by you to the Chargor in respect of the Insurances shall be paid to, or to the order of, the Security Agent.
 - (b) You shall treat the Security Agent as the only person entitled to make and deal with claims under the Insurances. You shall not deal with the Chargor in relation to the Insurances without the prior consent of the Security Agent.
3. Despite the assignment referred to above or the making of any payment by you to the Security Agent under or in connection with it, the Chargor shall remain liable to perform the obligations assumed by it under the Insurances and the Security Agent is not liable to perform any of those obligations nor liable for the consequences of non-performance. The Security Agent is not liable to pay any premiums.
4. Despite the assignment referred to above:
 - (a) the Chargor shall remain entitled to exercise all its rights, powers and discretions under the Insurances, except that the Chargor shall not and you agree that the Chargor shall not amend, supplement, vary or waive (or agree to amend, supplement, vary or waive) any provision of any of the Insurances or exercise any right to rescind, cancel or terminate any Insurances or give any consent under any Insurances without the prior written consent of the Security Agent; and
 - (b) you should continue to give notices under each of the Insurances to the Chargor,

in each case unless and until you receive written notice from the Security Agent to the contrary, in which event all such rights, powers and discretions shall be exercisable by, and notices shall be given to, the Security Agent or as it directs.

5. Please acknowledge receipt of this Notice of Assignment and confirm that:

- (a) following notice from the Security Agent that an Enforcement Event has occurred, you will pay all sums due under each of the Insurances as directed by the Security Agent;
- (b) you have not received any other notice of any assignment or assignment of any Insurances or of any other interest of any third party in any Insurances;
- (c) you will comply with the other provisions of this Notice of Assignment; and
- (d) you submit to the exclusive jurisdiction of the courts of England to settle any dispute arising out of or in connection with this Notice of Assignment (a “Dispute”) and agree that the courts of England are the most appropriate and convenient courts to settle Disputes; and

by signing the acknowledgement on the attached copy of this Notice of Assignment and returning that copy to the Security Agent at [•] marked for the attention of [•].

6. This authority and instruction is irrevocable without the prior written consent of the Security Agent.

7. This Notice of Assignment and your acknowledgement and any non-contractual obligations arising under or in connection with them shall be governed by and construed in accordance with English law.

For and on behalf of
[•]
as Security Agent

For and on behalf of
[_____]_____
as Chargor

[On duplicate]

We acknowledge receipt of the Notice of Assignment of which this is a copy and confirm each of the matters referred to in paragraph 5 of the Notice of Assignment.

For and on behalf of
[The Insurers]
Date: _____

SCHEDULE 6

FORM OF NOTICE OF CHARGE OF HEDGING AGREEMENTS

To: [Hedging Counterparty]

[Date]

Address:

1. [•] (the “Security Agent”) and [] (the “Chargor”) give notice that, by an charge contained in a deed dated [] between, inter alia, the Chargor and the Security Agent, the Chargor has charged in favour of the Security Agent all its present and future right, title and interest in and to the agreements listed below (the “Hedging Agreements”).

Hedging Agreements

[•]

2. You may continue to deal with the Chargor in relation to the Hedging Agreements unless and until you receive written notice from the Security Agent that an Enforcement Event has occurred, in which event you should make all future payments as directed by the Security Agent.
3. Despite the charge referred to above or the making of any payment by you to the Security Agent under or in connection with it:
 - (a) the Chargor shall remain liable to perform all its obligations under each Hedging Agreement; and
 - (b) neither the Security Agent nor any delegate or sub-delegate shall at any time be under any obligation or liability to you under or in respect of any Hedging Agreement.
4. Despite the charge referred to above:
 - (a) the Chargor shall remain entitled to exercise all its rights, powers and discretions under each Hedging Agreement, except that the Chargor shall not and you agree that the Chargor shall not amend, supplement, vary or waive (or agree to amend, supplement, vary or waive) any provision of any Hedging Agreement or exercise any right to rescind, cancel or terminate any Hedging Agreement or give any consent under any Hedging Agreement without the prior written consent of the Security Agent; and
 - (b) you should continue to give notices under each Hedging Agreement to the Chargor, in each case unless and until you receive written notice from the Security Agent to the contrary, in which event all such rights, powers and discretions shall be exercisable by, and notices shall be given to, the Security Agent or as it directs.
5. Please acknowledge receipt of this Notice of Charge and confirm that:
 - (a) following notice from the Security Agent that an Enforcement Event has occurred, you will pay all sums due under each Hedging Agreement as directed by the Security Agent;
 - (b) you do not have and will not claim or exercise any set-off or counterclaim in respect of any Hedging Agreement;

- (c) you have not received any other notice of any assignment or charge of any Hedging Agreement or of any other interest of any third party in any Hedging Agreement;
- (d) you will comply with the other provisions of this Notice of Charge; and
- (e) you submit to the exclusive jurisdiction of the courts of England to settle any dispute arising out of or in connection with this Notice of Charge (a “Dispute”) and agree that the courts of England are the most appropriate and convenient courts to settle Disputes; and

by signing the acknowledgement on the attached copy of this Notice of Charge and returning that copy to the Security Agent at [•] marked for the attention of [•] .

- 6. This authority and instruction is irrevocable without the prior written consent of the Security Agent.
- 7. This Notice of Charge and your acknowledgement and any non-contractual obligations arising under or in connection with them shall be governed by and construed in accordance with English law.

 For and on behalf of
 [•]
 as Security Agent

 For and on behalf of
 [_____]_____
 as Chargor

[On duplicate]

We acknowledge receipt of the Notice of Charge of which this is a copy and confirm each of the matters referred to in paragraph 5 of the Notice of Charge.

 For and on behalf of
 [Hedging Counterparty]
 Date: _____

SCHEDULE 7

FORM OF NOTICE OF CHARGE OF BANK ACCOUNTS

To: [Account Bank]

[Date]

Address

1. [•] (the “Security Agent”) and [] (the “Chargor”) give notice that, by a Charge contained in a deed dated [] between, inter alia, the Chargor and the Security Agent, the Chargor charges to the Security Agent by way of first fixed charge all its present and future right, title and (interest) in and to the account with you listed below (the “Charged Account”) including all moneys which may at any time be standing to the credit of or accrued or accruing on any Charged Account.

Name of Charged Account

Account Number

[]

[]

2. Upon notification in writing to you by the Security Agent that an Enforcement Event has occurred all payments under or arising from the Charged Accounts shall be made to the Security Agent (or to its order). Until such notification from the Security Agent, all such payments may continue to be made to the Chargor.
3. Please acknowledge receipt of this Notice of Charge and confirm that:
- (a) you will pay all moneys in relation to the Charged Account as directed by or pursuant to this Notice of Charge;
 - (b) you will disclose to the Security Agent such information relating to the Charged Account as the Security Agent may from time to time request;
 - (c) you do not have and will not claim or exercise any security interest in, or set-off, counterclaim or other rights in respect of the Charged Account;
 - (d) you have not received any other notice of any assignment or charge of the Charged Account or that any other person has any security interest in or claims any rights in respect of the Charged Account;
 - (e) you will comply with the other provisions of this Notice of Charge; and
 - (f) you submit to the exclusive jurisdiction of the courts of England to settle any dispute arising out of or in connection with this Notice of Charge (a “Dispute”) and agree that the courts of England are the most appropriate and convenient courts to settle Disputes.
4. This authority and instruction is irrevocable without the prior written consent of the Security Agent.
5. This Notice of Charge and your acknowledgement and any non-contractual obligations arising under or in connection with them shall be governed by and construed in accordance with English law.

For and on behalf of

[•]

For and on behalf of

[]

as Security Agent

as Chargor

[On duplicate]

We acknowledge receipt of the Notice of Charge of which this is a copy and confirm each of the matters referred to in paragraph 3 of the Notice of Charge.

For and on behalf of

[Party to Assigned Contract]

Date: _____

THE CHARGOR

**EXECUTED as a DEED by
SET DRILLING COMPANY LIMITED**

By: 
Name: GARY PAVER
Title: AUTHORISED SIGNATORY

Witness Signature:

Witness Name: GILLIAN A. DOONEY

Witness Address: VCA DEUTAG, PORTLETHEN AB12 4XX

Witness Occupation: LEGAL COUNSEL

Notice Details

Address: BANKHEAD DRIVE, CITY SOUTH OFFICE PARK
PORTLETHEN ABERDEENSHIRE AB12 4XX

Attention: CFO WITH COPY TO GENERAL COUNSEL

THE SECURITY AGENT

EXECUTED as a **DEED** by
LLOYDS BANK PLC acting by:

By:

Name:  RICHARD JAMES ROBINSON

Title: Authorised signatory

Notice Details

Address: 150 Fountainbridge
Edinburgh
EH3 9PE

Facsimile: 0131 229 0234

Attention: SCOTT CHRISTIE

Email: scott.christie@lloydsbanking.com