



**Registration of a Charge**

Company name: **SET DRILLING COMPANY LIMITED**

Company number: **SC167498**



X65RIOSH

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

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**Details of Charge**

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

Charge code: **SC16 7498 0004**

Persons entitled: **LLOYDS BANK PLC**

Brief description:

**Contains floating charge(s) (floating charge covers all the property or undertaking of the company).**

**Contains negative pledge.**

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**Authentication of Form**

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

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**Authentication of Instrument**

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by:

**CMS CAMERON MCKENNA LLP**



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

Company number: 167498

Charge code: SC16 7498 0004

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**

**DATE: 27 April 2017**

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**BOND AND FLOATING CHARGE**

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Between

**SET DRILLING COMPANY LIMITED**  
(as Chargor)

and

**LLOYDS BANK PLC**  
(as Security Agent)

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**BOND AND FLOATING CHARGE** delivered on the 27th day of April 2017

**BY:**

- (1) **SET DRILLING COMPANY LIMITED**, a company incorporated in Scotland with registered number SC167498 and having its registered office at KCA Deutag, Group Headquarters Bankhead Drive, City South Office Park, Portlethen, Aberdeen, Scotland AB12 4XX (the “Chargor”); in favour of
- (2) **LLOYDS BANK PLC**, for itself and as security trustee for the benefit of the Secured Parties (the “Security Agent”).

**CONSIDERING THAT:**

- (A) The Chargor enters into this Floating Charge in connection with the Secured Debt Documents (as defined below).
- (B) The board of directors of the Chargor is satisfied that entering into this Floating Charge is for the purposes and to the benefit of the Chargor and its business.
- (C) The Security Agent holds the benefit of this Floating Charge for itself and on trust for the Secured Parties on the terms of the Intercreditor Agreement.
- (D) The Notes were issued on 5 April 2017. Furthermore, the Senior Facilities Agreement has been amended and restated on 21 March 2017.
- (E) For the avoidance of doubt, the Obligations (as defined in the Senior Facilities Agreement) under the amended and restated Senior Facilities Agreement and the obligations under the Notes shall constitute Secured Obligations for the purposes of this Floating Charge. Furthermore, the Finance Parties (as defined in the Senior Facilities Agreement) and the noteholders and trustee of the Notes shall constitute Secured Parties for the purpose of this Floating Charge.

**NOW IT IS AGREED as follows:**

## **1. DEFINITIONS AND INTERPRETATION**

- 1.1 In this Floating Charge, unless a contrary indication appears, terms used in the Intercreditor Agreement have the same meaning and construction. In addition, the following definitions shall also apply:

“Act” means the Companies Act 1985;

“Administrator” means any administrator appointed under Schedule B1 to the Insolvency Act;

“Agreed Security Principles” means the principles set forth in Schedule 1.01A of the Senior Facilities Agreement;

“Bank Accounts” means all current, deposit or other accounts with any bank or financial institution in which the Chargor 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” 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;

“**Cash Management Account**” means all current, deposit or other accounts of the Chargor with HSBC Bank plc in London or Aberdeen which are or become subject to the Cash Management Arrangement;

“**Cash Management Account Bank**” means HSBC Bank plc or any other bank notified by the Chargor to the Security Agent as providing cash pooling, netting, set-off or similar arrangements;

“**Cash Management Arrangement**” means the grouped accounts multi-currency collective net overdraft facility dated on or about the date hereof between HSBC Bank plc and the Chargor (among others);

“**Charged Assets**” means the whole of the property (including uncalled capital) which is or may be from time to time while this Floating Charge is in force comprised in the property and undertaking of the Chargor;

“**Charges**” means all or any of the Security created or expressed to be created by or pursuant to this Floating Charge;

“**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 8.2 (*Security Agent’s Rights*);

“**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);

“**Fixtures**” means fixtures, fittings (including trade fixtures and fittings) and fixed plant, machinery and apparatus;

“**Floating Charge**” means this bond and floating charge;

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

“**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;

“**Notes**” means the 9 7/8% senior secured notes due 2022 in an aggregate principal amount of \$535,000,000 to be issued by KCA DEUTAG UK Finance plc.

“**Permitted Transaction**” means any transaction, arrangement, agreement, investment, security, disposal, acquisition or payment permitted by or arising under any Secured Debt Document;

“**Person**” includes any individual, company, corporation, firm, partnership, joint venture, association, organisation, trust, state or agency of a state (in each case whether or not having separate legal personality);

“**Real Property**” means any material freehold and leasehold property in England and Wales and other material real property anywhere in the world including, without prejudice to the foregoing generality, any heritable or leasehold property located in Scotland (in each case including any

estate or interest therein, all rights from time to time attached or relating thereto and all Fixtures from time to time therein or thereon);

“**Receiver**” means a receiver and manager or other receiver appointed in respect of the Charged Assets (whether pursuant to this Floating Charge, pursuant to any statute, by a Court or otherwise) and includes, joint receivers and shall, if allowed by law, include an administrative receiver;

“**Secured Debt Documents**” 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; and

“**Secured Parties**” means the Senior Secured Creditors, the High Yield Secured Creditors, the Arrangers, the Security Agent and any Receiver or Delegate 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.

“**Senior Facilities Agreement**” means the senior facilities agreement dated 16 May 2014 between, among others, KCA Deutag Alpha Limited as parent and certain of its subsidiaries as revolving borrowers, Goldman Sachs Lending Partners LLC as term loan administrative agent and Lloyds Bank plc as revolving credit administrative agent as amended and/or restated from time to time.

- 1.2 References in this Floating Charge to a “fixed security” shall be construed as a reference to a fixed security as defined by Section 486 of the Act as in force at the date of this Floating Charge.
- 1.3 The expressions the “Chargor” and the “Security Agent” shall include the permitted successors, assignees and transferees of the Chargor and the Security Agent.
- 1.4 Any reference in this Floating Charge to a “Secured Debt Document” or any other agreement or instrument is a reference to that Secured Debt Document or other agreement or instrument as amended, novated, supplemented, extended, restated (however fundamentally and whether or



not more onerous) or replaced and includes any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under that Secured Debt Document or other agreement or instrument.

- 1.5 The other provisions in clause 1.2 (*Construction*) of the Intercreditor Agreement apply to this Floating Charge with all necessary changes.
- 1.6 This Floating Charge shall be construed in accordance with the Intercreditor Agreement. If any provision of this Floating Charge conflicts with the Intercreditor Agreement, the Intercreditor Agreement shall prevail unless contrary to law.
- 1.7 Paragraph 14 of Schedule B1 to the Insolvency Act applies to the floating charge created by this Floating Charge which is accordingly a “qualifying floating charge” for the purposes of paragraph 14.2(a) of Schedule B1 to the Insolvency Act and the Security Agent may appoint an Administrator of the Chargor pursuant to that paragraph.
- 1.8 The date of delivery of this Floating Charge is the date of delivery stated below the signature of the Chargor.

## **2. BOND**

- 2.1 The Chargor undertakes to the Security Agent that it shall pay the Secured Obligations when due in accordance with the terms of the relevant Secured Debt Document.

## **3. FLOATING CHARGE**

- 3.1 The Chargor as security for the payment of all Secured Obligations hereby grants in favour of the Security Agent a floating charge over the Charged Assets.

## **4. RANKING**

- 4.1 The floating charge created by this Floating Charge shall rank:
  - 4.1.1 subject to Section 464(2) of the Act, behind all the fixed security created by the Chargor; but
  - 4.1.2 subject to the Legal Reservations, in priority to any other Security over the Charged Assets except for any Security ranking in priority in accordance with Clause 7.1.6 (*Rights of Receivers*).

## **5. RESTRICTIONS AND FURTHER ASSURANCE**

- 5.1 The Chargor shall not create or permit to subsist any Security over any Charged Asset other than pursuant to a Permitted Transaction.
- 5.2 The Chargor shall not (nor shall the Chargor agree to) 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 other than pursuant to a Permitted Transaction.
- 5.3 The Chargor shall promptly do whatever the Security Agent reasonably requires:
  - 5.3.1 subject to the Agreed Security Principles, to create, perfect or protect the Charges or the priority of the Charges; or

5.3.2 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, conveyance, charge, assignment, assignation 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.

## **6. ENFORCEMENT**

6.1 In addition to any statutory provisions concerning enforceability or attachment the floating charge created by this Floating Charge shall become enforceable upon and the Security Agent's powers of appointment and other rights and powers shall become exercisable after the occurrence of an Enforcement Event (whether or not the Security Agent has taken possession of the Charged Assets), provided that the Cash Management Account Bank may continue to deal with the Cash Management Accounts in the normal course of business in accordance with the Cash Management Arrangement, and the Security Agent may then (or as soon thereafter as permitted by law) by instrument 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. 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.

6.2 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 Clause 7 (*Rights of Receivers*) shall have effect as though every reference in that clause to any Charged Assets were a reference to the part of those assets so specified or any part of those assets.

6.3 Any Receiver appointed pursuant to this Clause 6 shall have the rights, powers and immunities conferred by the Insolvency Act on administrative or other receivers duly appointed under the Insolvency Act, and shall have the rights set out in Clause 7 (*Rights of Receivers*).

6.4 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.

6.5 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.

## **7. RIGHTS OF RECEIVERS**

7.1 Any Receiver appointed pursuant to Clause 6 (*Enforcement*) 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:

7.1.1 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;

7.1.2 to manage and carry on any business of the Chargor;

- 7.1.3 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;
- 7.1.4 to sell, transfer, assign, exchange, hire out, lend or otherwise dispose of or realise the Charged Assets (including any Fixtures which may be sold separately from the related Real Property) to any person (including a new company formed pursuant to Clause 7.1.5 below) 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);
- 7.1.5 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;
- 7.1.6 to borrow or raise money either unsecured or on the security of the Charged Assets (either in priority to the Charges or otherwise);
- 7.1.7 to enter into bonds, covenants, guarantees, indemnities and other commitments and to make all payments needed to effect, maintain or satisfy them;
- 7.1.8 to grant leases, tenancies, licences and rights of user, grant renewals and accept surrenders of leases, tenancies, licences or rights of user, and otherwise to reach agreements and make arrangements with, and to make allowances to, any lessees, tenants or other persons (including a new company formed pursuant to Clause 7.1.5 above) from whom any rents and profits may be receivable (including those relating to the grant of any licences, the review of rent in accordance with the terms of, and the variation of, the provisions of any leases, tenancies, licences or rights of user affecting the Charged Assets);
- 7.1.9 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 owner of the Charged Assets;
- 7.1.10 to insure the Charged Assets on such terms as he thinks fit, to carry out decorations, repairs, alterations, improvements and additions to the Charged Assets (including the development or redevelopment of any Real Property) and to purchase or otherwise acquire or do anything in connection with the Charged Assets;
- 7.1.11 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;
- 7.1.12 to bring, prosecute, enforce, defend and abandon actions, suits and proceedings in relation to the Charged Assets or any business of the Chargor;
- 7.1.13 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;
- 7.1.14 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;

- 7.1.15 to exercise all powers set out in Schedule 1, Schedule B1 or Schedule 2 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 or Schedule 2, as the case may be, after the date of this Floating Charge; and
- 7.1.16 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, or the Insolvency Act.

## **8. SECURITY AGENT'S RIGHTS**

- 8.1 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.
- 8.2 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.

## **9. ORDER OF DISTRIBUTIONS**

- 9.1 All amounts received or recovered by the Security Agent or any Receiver or Delegate in exercise of their rights under this Floating Charge shall, subject to the rights of any creditors having priority, be applied in the order provided in clause 17 (*Application of Proceeds*) of the Intercreditor Agreement.

## **10. LIABILITY OF SECURITY AGENT, RECEIVERS AND DELEGATES**

- 10.1 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 10.2 the Security Agent shall not be liable as heritable creditor in possession by reason of viewing or repairing any of the present or future assets of the Chargor.
- 10.2 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 heritable creditor 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.

## **11. POWER OF ATTORNEY**

- 11.1 The Chargor by way of security irrevocably appoints the Security Agent, every Receiver and every Delegate severally to be 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 Floating Charge 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, or the Insolvency Act.

- 11.2 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 11.1 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.

## 12. PROTECTION OF THIRD PARTIES

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

12.1.1 whether the rights conferred by or pursuant to any Secured Debt Document are exercisable;

12.1.2 whether any consents, regulations, restrictions or directions relating to such rights have been obtained or complied with;

12.1.3 otherwise as to the propriety or regularity of acts purporting or intended to be in exercise of any such rights; or

12.1.4 as to the application of any money borrowed or raised.

- 12.2 All the protection to purchasers contained in 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.

## 13. SAVING PROVISIONS

- 13.1 Subject to Clause 14 (*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.

- 13.2 If any payment by the Chargor or any discharge given by a Secured Party (whether in respect of the obligations of the Chargor or any security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event:

13.2.1 the liability of the Chargor and the Charges shall continue as if the payment, discharge, avoidance or reduction had not occurred; and

13.2.2 each Secured Party shall be entitled to recover the value or amount of that security or payment from the Chargor, as if the payment, discharge, avoidance or reduction had not occurred.

- 13.3 Neither the obligations of the Chargor under this Floating Charge nor the Charges will 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:

13.3.1 any time, waiver or consent granted to, or composition with the Chargor or any other person;

13.3.2 the release of the Chargor or any other person under the terms of any composition or arrangement with any creditor of any member of the Restricted Group;

- 13.3.3 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;
  - 13.3.4 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;
  - 13.3.5 any amendment, novation, supplement, extension, restatement (however fundamental) or replacement of a Secured Debt Document or any other document or security;
  - 13.3.6 any unenforceability, illegality or invalidity of any obligation of any person under any Secured Debt Document or any other document or security; or
  - 13.3.7 any insolvency or similar proceedings.
- 13.4 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 Floating Charge. This waiver applies irrespective of any law or any provision of a Secured Debt Document to the contrary.
- 13.5 Until all the 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 Secured Obligations have terminated, each Secured Party (or any trustee or agent on its behalf) may:
  - 13.5.1 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 be entitled to the benefit of the same; and
  - 13.5.2 hold in an interest-bearing suspense account any moneys received from the Chargor or on account of the Chargor's liability under this Floating Charge.
- 13.6 Until all the 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 Secured Obligations have terminated and unless the Security Agent otherwise directs, the Chargor shall not exercise any rights which it may have by reason of performance by it of its obligations under the Secured Debt Documents:
  - 13.6.1 to be indemnified by any person or Obligor;
  - 13.6.2 to claim any contribution from any other provider of any Security for or any other guarantor of any Obligor's obligations under the Secured Debt Documents; and/or
  - 13.6.3 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.
- 13.7 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.

- 13.8 Each Secured Party shall comply with its obligations under the Secured Debt Documents (including any obligation to make further advances).

#### **14. DISCHARGE OF SECURITY**

- 14.1 Subject to Clause 14.2, 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 part of a Permitted Transaction), the Security Agent shall at the request and cost of the Chargor release, reassign or discharge (as appropriate) the Charged Assets from the Charges.

- 14.2 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.

#### **15. ENFORCEMENT EXPENSES**

- 15.1 The Chargor shall, within 3 Business Days of demand, pay and reimburse, or shall procure payment and reimbursement of, all third party costs and expenses to the Security Agent (including legal and other professional fees together with any applicable VAT) incurred by the Security Agent in connection with the preservation or enforcement, or the attempted preservation or enforcement, of any rights under this Floating Charge.

#### **16. PAYMENTS**

- 16.1 All payments by the Chargor under this Floating Charge (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.

- 16.2 At any time after:

16.2.1 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; or

16.2.2 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 any Chargor is party.

#### **17. RIGHTS, WAIVERS AND DETERMINATIONS**

- 17.1 Where there is any ambiguity or conflict between the rights conferred by law and those conferred by or pursuant to any Secured Debt Document, the terms of that Secured Debt Document shall prevail.

- 17.2 No failure 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.

17.3 Any term of this Floating Charge may be amended or waived only with the consent of the Security Agent and the Chargor.

17.4 If any provision of this Floating Charge 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 Floating Charge.

## 18. NOTICES

18.1 Each notice under this Floating Charge will be given in accordance with the provisions of Clause 27 (*Notices*) of the Intercreditor Agreement.

## 19. FINANCIAL COLLATERAL

19.1 To the extent that this Floating Charge constitutes a “financial collateral arrangement” (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 any Charged Asset which constitutes “financial collateral” (as defined in the Regulations) in or towards satisfaction of the Secured Obligations in accordance with the Regulations.

19.2 Subject to the provisions of the Intercreditor Agreement, the parties to this Floating Charge 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 to this Floating Charge agree that the methods of valuation provided for in this paragraph shall constitute commercially reasonable methods of valuation for the purposes of the Regulations.

## 20. DESIGNATION

20.1 This Floating Charge is a Finance Document.

## 21. ACKNOWLEDGEMENT BY THE SECURITY AGENT

21.1 The Security Agent acknowledges and confirms that the creation of any Security pursuant to (and the compliance by the Chargor with the terms of) this Floating Charge does not and will not constitute a breach of any provision of the Intercreditor Agreement.

## 22. DATE, COUNTERPARTS AND DELIVERY

22.1 Where executed in counterparts:

22.1.1 this Floating Charge shall not take effect until all of the counterparts have been delivered; and

22.1.2 delivery will take place when the date of delivery is agreed between the parties after execution of this Floating Charge as evidenced by the date inserted at the start of this Floating Charge.



23. **GOVERNING LAW AND JURISDICTION**

*Governing Law*

- 23.1 This Floating Charge and any non-contractual obligations arising out of or in connection with it are governed by the law of Scotland.

*Jurisdiction*

- 23.2 The Court of Session has exclusive jurisdiction to settle any dispute arising out of or in connection with this Floating Charge (including a dispute relating to the existence, validity or termination of this Floating Charge or any non-contractual obligation arising out of or in connection with this Agreement) (a "Dispute").
- 23.3 The parties to this Floating Charge agree that the Court of Session is the most appropriate and convenient court to settle Disputes and accordingly no party will argue to the contrary.
- 23.4 Clauses 23.2 and 23.3 are for the benefit of the Security Agent only. As a result, the Security Agent shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent may take concurrent proceedings in any number of jurisdictions.

24. **CONSENT TO REGISTRATION**

- 24.1 The Chargor consents to the registration of this Floating Charge and of any certificate under this Floating Charge for preservation and execution.

IN WITNESS WHEREOF these presents consisting of this and the preceding eleven (11) pages have been executed as follows:

For and on behalf of SET DRILLING COMPANY LIMITED

signature of  
director/secretary/authorised signatory/witness

GILLIAN A. ROONEY

full name of above (print)

KCA DEUTAG  
PORTLETHEN AB12 4XX

Address of witness

signature of  
director/secretary/authorised signatory

ANTHONY BYRNE

full name of above (print)

24/04/2017  
date of signing

PORTLETHEN, ABERDEENSHIRE  
place of signing

For and on behalf of **LLOYDS BANK PLC**



signature of

~~director/secretary/authorised signatory~~/witness

SCOTT CHRISTIE

full name of above (print)

150 Fountainbridge  
Edinburgh  
EH3 9PE

Address of witness



signature of

~~director/secretary~~/authorised signatory

RICHARD JAMES ROBINSON

full name of above (print)

21 April 2017

date of signing

EDINBURGH

place of signing