



**Registration of a Charge**

Company Name: **CAIRN ENERGY PLC**

Company Number: **SC226712**



Received for filing in Electronic Format on the: **22/10/2021**

XAFOM103

**Details of Charge**

Date of creation: **21/10/2021**

Charge code: **SC22 6712 0007**

Persons entitled: **DNB BANK ASA, LONDON BRANCH**

Brief description:

**Contains fixed charge(s).**

**Contains negative pledge.**

**Authentication of Form**

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

**Authentication of Instrument**

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

Certified by: **PINSENT MASONS LLP**



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

Company number: 226712

Charge code: SC22 6712 0007

The Registrar of Companies for Scotland hereby certifies that a charge dated 21st October 2021 and created by CAIRN ENERGY PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 22nd October 2021 .

Given at Companies House, Edinburgh on 25th October 2021

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**

**SECURITY AGREEMENT  
(CHARGE OVER CASH DEPOSITS)**

**DATED 21 October 2021**

**BETWEEN**

**CAIRN ENERGY PLC  
as Chargor**

**and**

**DNB BANK ASA, LONDON BRANCH**

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THIS DEED is dated 21 October

2021 and made BETWEEN:

- (1) CAIRN ENERGY PLC (registered number SC226712) (the **Chargor**); and
- (2) DNB BANK ASA, LONDON BRANCH (registered number BR007517) (the **Bank**).

**BACKGROUND:**

- (A) The Chargor enters into this Deed in connection with the Facility Letter (as defined below).
- (B) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

IT IS AGREED as follows:

**1. DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

In this Deed:

**Account** means the account in the name of the Chargor with the Bank at DNB Bank, Sort Code [REDACTED] Account Number [REDACTED] and includes any other account which is a successor to the account on any renumbering or re-designation of accounts and any account into which all or part of a balance from the account is transferred for investment or administrative purposes.

**Act** means the Law of Property Act 1925.

**Cash Collateral** has the meaning given to it in the Facility Letter.

**Credit Balance** means the credit balances from time to time on the Account, including all interest accrued on such balance.

**Deposit** means all the Chargor's present and future rights to, and interest in, all of the amounts from time to time credited to, the Account (less that which is, with the Bank's agreement, debited to the Account). This includes and shall extend to all interest that is credited to the Account (but not interest that is credited to an account that is not charged by this Deed) and other benefits arising in connection with the Account and those amounts unless the Bank otherwise agrees in writing.

**Debt** means all money and liabilities whatever, whenever and however incurred whether now or in the future due or becoming due from the Chargor to the Bank, in each case, under the Facility Letter, including without limitation the following in relation to the Facility Letter:

- (a) guarantees and indemnities to the Bank and any of the Chargor's other contingent liabilities owed to the Bank;
- (b) discount, commission and other lawful charges and expenses; and
- (c) interest in accordance with the Facility Letter. Interest as above applies before and after any demand or judgment.

The Debt is not any money and liabilities arising under a regulated agreement, as defined under section 189 of the Consumer Credit Act 1974, unless agreed between the Chargor and the Bank.

**Facility Letter** means the uncommitted bonding line facility letter dated on or about the date of this letter between the Chargor and the Bank.

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

**Relevant Debt** means the Debt arising under or in connection with a guarantee or bond issued under the Facility Letter.

**Security** means a mortgage, charge, pledge, standard security, lien, assignment, assignation or transfer for security purposes, retention of title arrangement or other security interest having a similar effect.

**Security Asset** means any asset of the Chargor which is, or is expressed to be, subject to any Security created by this Deed.

**Security Period** means the period beginning on the date of this Deed and ending on the date on which the Deposit becomes available to the Chargor in full in accordance with Clause 14(a) (Availability of Deposit and Release) below.

**Third Party Rights Act** means the Contracts (Rights of Third Parties) Act 1999.

## 1.2 Construction

- (a) Capitalised terms defined in the Facility Letter have the same meaning in this Deed unless expressly defined in this Deed.
- (b) The provisions of clause 1 (Interpretation) of the Facility Letter apply to this Deed as though they were set out in full in this Deed, except that references to the Facility Letter shall be construed as references to this Deed.
- (c) Unless a contrary indication appears, any reference in this Deed to:
  - (i) the **Facility Letter** or other agreement or instrument is a reference to the Facility Letter or other agreement or instrument as amended;
  - (ii) any **rights** in respect of an asset includes:
    - (A) all amounts and proceeds paid or payable;
    - (B) all rights to make any demand or claim; and
    - (C) all powers, remedies, causes of action, security, guarantees and indemnities,
 in each case, in respect of or derived from that asset;
  - (iii) the term **this Security** means any Security created by this Deed; and
  - (iv) an agreement, instrument or other document **to which it is a party** includes any agreement, instrument or other document issued in the relevant person's favour or of which it otherwise has the benefit (in whole or in part).
- (d) Any covenant of the Chargor under this Deed (other than a payment obligation which has been discharged) remains in force during the Security Period.

- (e) If the Bank considers that an amount paid it under the Facility Letter is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed.

### **1.3 Third party rights**

- (a) A person who is not a Party has no right under the Third Parties Act to enforce or to enjoy the benefit of any term of this Deed.
- (b) The consent of any person who is not a Party is not required to rescind or vary this Deed at any time.

## **2. CREATION OF SECURITY**

### **2.1 General**

- (a) The Chargor shall pay or discharge the Debt in the manner provided for in the Facility Letter.
- (b) All the Security created under this Deed:
  - (i) is created in favour of the Bank;
  - (ii) is created over present and future rights and interests of the Chargor in the Deposit;
  - (iii) is security for the payment, discharge and performance of the Debt; and
  - (iv) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

### **2.2 Deposit**

- (a) The Chargor charges by way of a first fixed charge all of its rights in respect of the Deposit.
- (b) If or to the extent that the charging of the Deposit pursuant to Clause (a) is ineffective, the Chargor holds the Deposit on trust for the Bank.

## **3. RESTRICTIONS ON DEALINGS**

Except with the prior written consent of the Bank, the Chargor shall not:

- (a) create or permit to subsist any Security or any third party interest over or in the Deposit ; or
- (b) enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, licence, transfer or otherwise dispose of any of its rights to the Deposit.

## **4. REPRESENTATIONS**

### **4.1 Nature of security**

The Chargor represents and warrants to the Bank that:

- (a) it is the sole legal and beneficial owner of the Deposit;

- (b) the Deposit is free from any Security (except for any Security created by or pursuant to this Deed) and any other rights or interests in favour of third parties; and
- (c) this Deed creates the Security it purports to create and is not liable to be avoided or otherwise set aside on its liquidation or administration or otherwise.

## **4.2 Times for making representations**

- (a) The representations and warranties set out in this Deed (including in this Clause 4) are made on the date of this Deed.
- (b) The representations and warranties under this Deed are deemed to be repeated by the Chargor by reference to the facts and circumstances then existing on each date during the Security Period.

## **5. CREDIT BALANCE**

### **5.1 Withdrawals**

- (a) Except as permitted under the Facility Letter, the Chargor may not withdraw any part of any Credit Balance.
- (b) The Chargor must at all times maintain a Deposit in an amount at least equal to the Cash Collateral. If the Deposit at any time exceeds the Cash Collateral, such excess will be available to the Chargor.

## **6. WHEN SECURITY BECOMES ENFORCEABLE**

### **6.1 Enforceability**

This Security shall become immediately enforceable if:

- (a) the Debt is not paid or discharged when due (whether on demand, at agreed maturity or earlier, as the case may be);
- (b) the Chargor is in breach of any of the obligations under this Deed which is continuing;
- (c) the Chargor enters into any composition or arrangement with its creditors;
- (d) any step is taken for the administration or winding up (which includes, in either case, the board of directors of the Chargor in general meeting, passing a resolution for the same) or bankruptcy of the Chargor (except where, in the case of winding up, the Bank has consented in writing for the purpose of a solvent reconstruction or amalgamation);
- (e) a third party shall take possession of, or a receiver, administrative receiver, administrator or trustee shall be appointed over, or any secured creditor of the Chargor shall seek to enforce his security in respect of, all or any of the Deposit or any other event shall happen which puts in jeopardy all or any part of the security created by this Deed;
- (f) the Bank, in its reasonable discretion, considers that any claim may be or has been made against the Bank under the Facility Letter in respect of which the Bank reasonably considers that it may not be or has not been indemnified in accordance with the terms of the Facility Letter; or
- (g) any other event shall occur which has been agreed by the Parties as an event upon the occurrence of which this or any other Security for the Debt shall be enforceable



## 6.2 Discretion

After this Security has become enforceable, the Bank may enforce all or any part of this Security in any manner it sees fit.

## 7. ENFORCEMENT OF SECURITY

### 7.1 General

- (a) For the purposes of all powers implied by statute, the Debt is deemed to have become due and payable on the date of this Deed.
- (b) Section 103 of the Act (restricting the power of sale) and section 93 of the Act (restricting the right of consolidation) do not apply to this Security.

### 7.2 No liability as mortgagee in possession

The Bank shall not be liable, by reason of entering into possession of a Security Asset to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

### 7.3 Privileges

The Bank is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers duly appointed under the Act, except that section 103 of the Act does not apply.

### 7.4 Contingencies

If this Security is enforced at a time when no amount is due under the Facility Letter but at a time when amounts may or will become due, the Bank may pay the proceeds of any recoveries effected by it into a suspense account or other account selected by it.

### 7.5 Financial collateral

- (a) To the extent that the Security Assets constitute "financial collateral" and this Deed and the obligations of the Chargor under this Deed constitute a "security financial collateral arrangement" (in each case, for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003), the Bank may after this Security has become enforceable appropriate all or any part of that financial collateral in or towards the satisfaction of the Debt.
- (b) Where any financial collateral is appropriated:
  - (i) if it is cash, its value will be the amount standing to the credit of the relevant account on the date of appropriation plus any accrued but uncredited interest;
  - (ii) if it is listed or traded on a recognised exchange, its value will be taken as being the value at which it could have been sold on the exchange on the date of appropriation; or
  - (iii) in any other case, its value will be such amount as the Bank reasonably determines having taken into account advice obtained by it from an independent adviser, investment bank or accountancy firm of national standing selected by it.

**8. APPLICATION OF PROCEEDS**

All amounts from time to time received or recovered by the Bank pursuant to the terms of this Deed or in connection with the realisation or enforcement of all or any part of this Security shall be held by the Bank and applied in the following order of priority:

- (a) in or towards payment of or provision for the Debt and all other amounts expressed to be secured by, or due or payable to the Bank under or in connection with, this Deed; and
- (b) in payment of the surplus (if any) to the Chargor or other person entitled to it.

This Clause 8 is subject to the payment of any claims having priority over this Security. This Clause 8 does not prejudice the right of the Bank to recover any shortfall from the Chargor.

**9. FURTHER ASSURANCES**

- (a) The Chargor shall promptly, at its own expense, take whatever action as is necessary or as may be reasonably requested by the Bank for:
  - (i) creating, perfecting or protecting any security over the Deposit;
  - (ii) facilitating the realisation of the Deposit or the exercise of any right, power or discretion exercisable, by the Bank or any of its delegates or sub-delegates in respect of the Deposit.
- (b) The action that may be required under paragraph (a) above includes (without limitation):
  - (i) the execution of any mortgage, charge, transfer, conveyance, assignment or assurance in respect of any asset, whether to the Bank, its nominee or any other person; or
  - (ii) the giving of any notice, order or direction and the making of any filing or registration,

which, in any such case, the Bank may consider necessary or desirable.

**10. POWER OF ATTORNEY**

The Chargor, by way of security, irrevocably and severally appoints the Bank to be its attorney with the full power and authority of the Chargor to execute, deliver and perfect all deeds, instruments and other documents in its name and otherwise on its behalf and to do or cause to be done all acts and things, in each case, which may be required or which any attorney may, in its absolute discretion, deem necessary for carrying out any obligation of the Chargor under or pursuant to this Deed or generally for enabling the Bank to exercise the powers conferred on it under this Deed or by law. The Chargor ratifies and confirms whatever any attorney in the proper exercise of its powers does or purports to do under its appointment under this Clause 10.

**11. CHANGES TO THE PARTIES**

- (a) The Chargor may not assign or transfer any of its rights or obligations under this Deed without the prior consent of the Bank.
- (b) The Bank may assign or otherwise dispose of all or any of its rights under this Deed in accordance with the terms of the Facility Letter and may disclose any information in its possession relating to the Chargor, this Deed or any Secured Asset as is necessary to any actual or prospective assignee, transferee or participant.

**12. MISCELLANEOUS****12.1 Continuing Security**

This Security is a continuing security and shall extend to the ultimate balance of the Debt regardless of any intermediate payment or discharge in whole or in part.

**12.2 Tacking**

The Bank shall perform its obligations under the Facility Letter (including any obligation to make available further advances).

**12.3 New Accounts**

- (a) If any subsequent charge or other interest affects the Debt, the Bank may open a new account with the Chargor.
- (b) If the Bank does not open a new account, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that charge or other interest.
- (c) As from that time all payments made to the Bank will be credited or be treated as having been credited to the new account and will not operate to reduce any of the Debt.

**12.4 Currencies**

For the purpose of exercising any right to apply the Deposit against the Debt, if all or any part of the Deposit and the Debt are in different currencies, the Bank may convert either amount at a market rate of exchange in accordance with the terms of the Facility Letter.

**13. SET-OFF**

The Bank may, without notice, after this Deed shall have become enforceable:

- (a) set off or transfer the Deposit (or any part of it) in payment or discharge of the Debt (or any part of it) in accordance with the terms of the Facility Letter; and
- (b) for the purposes of this clause and this Deed, value the Debt (or any part of it) which is a future or contingent liability at an amount that the Bank reasonably considers appropriate and, if the obligations are in different currencies, the Bank may convert either obligation into the other currency in accordance with Clause 12.4 (Currencies). For the same purposes, the Bank may certify or determine the amount of a rate or amount applicable or due under this Deed and in relation to the Debt. These certifications and determinations by the Bank shall, in the absence of manifest error, be conclusive evidence of those rates and amounts.

**14. AVAILABILITY OF DEPOSIT AND RELEASE**

- (a) The Deposit will become available to you and the fixed charge specified in Clause 2.2 (Deposit) shall be released in an amount equal to the Cash Collateral deposited in respect of any Relevant Debt on the first date on which the Bank is satisfied that such Relevant Debt is no longer outstanding and the Bank is not obliged (actually or contingently) to do anything which would cause that Relevant Debt to arise at a later date.

- (b) If the Deposit (or any part of it) becomes available to the Chargor under paragraph (a) above, the Bank may exercise any other rights which the Bank may have against the Deposit (or that part of it) which may include statutory or other rights of set-off, combination and transfer.
- (c) At the end of the Security Period, the Bank shall, at the request and cost of the Chargor, take whatever action is reasonably necessary to release the Deposit from this Security.

#### **15. GOVERNING LAW**

This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

**THIS Deed has been executed as a deed and delivered by the Chargor on the date stated at the beginning of this Deed.**

SIGNATORIES

Chargor

EXECUTED AS A DEED by )  
CAIRN ENERGY PLC )  
acting by JAMES DONALD SMITH )

Director

In the presence

Name: ELIZABETH RITCHIE

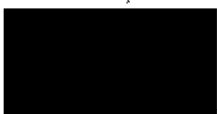
Signature:

Address

**The Bank**

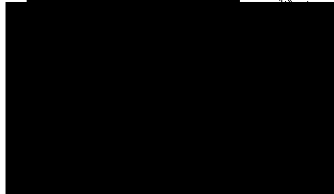
**DNB BANK ASA, LONDON BRANCH**

By:



Kay Newman  
Authorised Signatory

By:



Craig Ramsay  
Authorised Signatory