



**Registration of a Charge**

Company name: **KCA DEUTAG DRILLING GROUP LIMITED**

Company number: **01059871**



X9KHQTF6

Received for Electronic Filing: **23/12/2020**

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**Details of Charge**

Date of creation: **21/12/2020**

Charge code: **0105 9871 0041**

Persons entitled: **LUCID TRUSTEE SERVICES LIMITED**

Brief description:

**Contains fixed charge(s).**

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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: **BRODIES LLP**



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

Company number: 1059871

Charge code: 0105 9871 0041

The Registrar of Companies for England and Wales hereby certifies that a charge dated 21st December 2020 and created by KCA DEUTAG DRILLING GROUP LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 23rd December 2020 .

Given at Companies House, Cardiff on 30th December 2020

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



Brodies LLP  
Solicitors

Date: 23 December 2020  
Ref: LLO1.110

 **Burness Paul**

**KCA DEUTAG DRILLING GROUP LIMITED**  
as Chargor

in favour of

**LUCID TRUSTEE SERVICES LIMITED**  
as Security Agent for the Secured Parties

**DEED OF PLEDGE**  
of shares in the capital of KCA Deutag Technical Support Limited

## TABLE OF CONTENTS

Clause		Page No.
1	DEFINITIONS AND INTERPRETATION	1
2	BOND	5
3	PLEDGE	6
4	THE SHARES	7
5	LIABILITY OF THE SECURITY AGENT	10
6	PROTECTION OF THIRD PARTIES	10
7	ENFORCEMENT	10
8	APPLICATION OF PROCEEDS	12
9	EXPENSES AND INDEMNITY	12
10	DELEGATION	12
11	FURTHER ASSURANCES	13
12	POWER OF ATTORNEY	13
13	PRESERVATION OF SECURITY	14
14	MISCELLANEOUS	18
15	RELEASE	18
16	CHANGES TO THE PARTIES	18
17	CALCULATIONS AND CERTIFICATES	19
18	PARTIAL INVALIDITY	19
19	REMEDIES AND WAIVERS	19
20	COUNTERPARTS	19
21	ENFORCEMENT	20
22	CONSENT TO REGISTRATION	21
	SCHEDULE SHARES IN THE CAPITAL OF THE COMPANY	23

## DEED OF PLEDGE

by

- (1) **KCA DEUTAG DRILLING GROUP LIMITED**, a company incorporated under the laws of England and Wales with registered number 01059871 and having its registered office at 1 Park Row, Leeds, LS1 5AB (the “**Chargor**”)

in favour of

- (2) **LUCID TRUSTEE SERVICES LIMITED**, as security trustee for the Secured Parties (as defined below) (the “**Security Agent**”)

## CONSIDERING THAT:

The Chargor enters into this Deed in connection with the Secured Debt Documents (as defined below).

**NOW IT IS HEREBY AGREED AND DECLARED** as follows:

## 1 DEFINITIONS AND INTERPRETATION

1.1 In this Deed:

“**Charge**” means the security created or expressed to be created by or pursuant to this Deed;

“**Company**” means KCA Deutag Technical Support Limited, a company incorporated under the Companies Acts with registered number SC219425 and having its registered office at KCA Deutag Group Headquarters, Bankhead Drive, City South Office Park, Portlethen, Aberdeen, AB12 4XX;

“**Enforcement Notice**” means a notice in writing by the Security Agent to the Chargor specifying that (i) an Enforcement Trigger has occurred and is continuing and (ii) it has elected to exercise the voting rights and other rights and powers in respect of the Shares;

“**Enforcement Trigger**” means the occurrence of a First Lien Acceleration Event or a Second Lien Acceleration Event (as defined in the Intercreditor Agreement);

“**Existing Shares**” means the shares in the capital of the Company described in the Schedule;

“**Further Shares**” means any shares in the capital of the Company (other than the Existing Shares) at any time and from time to time held by the Chargor;

“**Intercreditor Agreement**”, means the intercreditor agreement dated on or around the date hereof between, among others, KCA Deutag Alpha Limited and the Security Agent;

**"Pensions Notice"** means a contribution notice or a financial support direction issued by the Pensions Regulator under the Pensions Act 2004;

**"PSC Notice"** means a "restrictions notice" or a "warning notice" as defined in paragraph 1 of Schedule 1B of the Companies Act 2006;

**"Related Rights"** means any dividend or interest paid or payable in relation to any of the Shares and any rights, money or property accruing or offered at any time in relation to any of the Shares by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise;

**"Schedule"** means the schedule annexed hereto;

**"Secured Assets"** means the Existing Shares, the Further Shares and the Related Rights;

**"Secured Debt Documents"** has the meaning given to the term Priority Debt Documents in the Intercreditor Agreement;

**"Secured Liabilities"** means all the Priority Creditor Liabilities and all other present and future liabilities and obligations at any time due, owing or incurred by any member of the Group and by each Debtor to any Priority Secured Party under the Priority Debt Documents (including to the Security Agent under clause 24.3 (Parallel debt) of the Intercreditor Agreement), both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity (each term as defined in the Intercreditor Agreement);

**"Secured Parties"** has the meaning given to the term Priority Secured Parties in the Intercreditor Agreement;

**"Security Interest"** means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

**"Security Period"** means the period beginning on the date of this Deed and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no Secured Party is under any further actual or contingent obligation to make any advance or provide other financial accommodation to the Chargor or any other person under any of the Secured Debt Documents;

**"Shares"** means the Existing Shares and the Further Shares; and

**"Winding-up"** means the winding-up of a person and also includes the amalgamation, reconstruction, reorganisation, dissolution, administration, liquidation, merger or consolidation of that person, and any equivalent or analogous procedure under the law of any jurisdiction to which the person is subject (and references to the commencement of any of the foregoing include a reference to the presentation of a petition to a court of competent jurisdiction or the passing of a valid resolution for or with a view to any of the foregoing).

## 1.2 Construction

- 1.2.1 This Deed is entered into subject to the terms of the Intercreditor Agreement. In the event of any conflict or inconsistency between the terms of this Deed and the terms of the Intercreditor Agreement, the terms of the Intercreditor Agreement shall prevail.
- 1.2.2 In this Deed, singular includes the plural and vice versa.
- 1.2.3 Capitalised terms defined in the Intercreditor Agreement have, unless expressly defined in this Deed, the same meaning in this Deed.
- 1.2.4 The provisions of clause 1.2 (Construction) of the Intercreditor Agreement apply to this Deed as though they were set out in full in this Deed except that references to the Intercreditor Agreement are to be construed as references to this Deed.
- 1.2.5 Unless a contrary indication appears, a reference in this Deed to:
- (a) an **“amendment”** includes, in addition to any meaning given to the term in the Intercreditor Agreement, a supplement, novation, extension (whether of maturity or otherwise), restatement, re-enactment or replacement (in each case, however fundamental and whether or not more onerous or involving any change in or addition to the parties to any agreement or document) and **“amended”** shall be construed accordingly;
  - (b) **“assets”** includes, in addition to any meaning given to the term in the Intercreditor Agreement, present and future properties, revenues and rights of every description;
  - (c) a **“clearance system”** means a person whose business is or includes the provision of clearance services or security accounts, or any nominee or depositary for that person;
  - (d) **“disposal”** includes, in addition to any meaning given to the term in the Intercreditor Agreement, a sale, transfer, assignment, grant, lease, licence, declaration of trust or other disposal, whether voluntary or involuntary and dispose shall be construed accordingly;
  - (e) any **“rights”** in respect of an asset (including, for the avoidance of doubt, each Security Asset) includes:
    - (i) all amounts and proceeds paid or payable;
    - (ii) all rights to make any demand or claim; and

- (iii) all powers, remedies, causes of action, security, guarantees and indemnities;

in each case, in respect of or derived from that asset;

- (f) 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 and includes any increase in, extension or substitution of or change to any facility or, as applicable, any financing or any other financial accommodation made available under any such document or agreement including as contemplated by Clause 13.3 (Amendments and scope of Secured Liabilities);
- (g) any reference to the **"Security Agent"**, the **"Chargor"**, any **"Secured Party"** or any **"Party"** shall be construed so as to include its successors in title, any permitted assigns and permitted transferees to, or of, its rights and/or obligations under the Secured Debt Documents;
- (h) the term **"this Security"** means the Security Interests created by this Deed; and
- (i) any **Share** includes:
  - (i) any dividend, interest or other distribution paid or payable or any other sum received or recoverable;
  - (ii) any right, money or property accruing or offered at any time by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise;
  - (iii) any right against any clearance system;
  - (iv) any right under any custody or other agreement (including any right to require delivery up of any cash or other assets);
  - (v) any cash or securities account maintained by any custodian or other entity; and
  - (vi) any other rights, allotments, offers, benefits, advantages of all kinds accruing, offered or otherwise derived from or related to,

in each case, in respect of that Share

1.2.6 Any covenant of the Chargor under this Deed (other than a payment obligation which has been discharged in full) remains in force during the Security Period.



- 1.2.7 If the Security Agent considers that an amount paid to a Secured Party under a Secured Debt Document is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.
- 1.2.8 Unless the context otherwise requires, a reference to a Secured Asset includes the proceeds of any disposal of that Secured Asset.
- 1.2.9 Any right, power or discretion that is expressed to be exercisable by the Security Agent under this Deed after this Security has become enforceable will only be exercisable if the Enforcement Trigger is continuing at that time.
- 1.2.10 This Deed is a Priority Creditor Transaction Security Document.
- 1.2.11 The security created under this Deed by the Chargor is subject to the Guarantee Limitations to the extent applicable to the Chargor.

### **1.3 Third party rights**

- 1.3.1 Unless expressly provided to the contrary in a Finance Document, this Deed does not confer on any person who is not a Party (other than any Administrator or Receiver) any right to enforce or otherwise invoke this Deed or any part of it under the Contract (Third Party Rights) (Scotland) Act 2017.
- 1.3.2 Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.
- 1.3.3 Any Secured Party that is not a Party may enforce and enjoy the benefit of any clause is expressly confers rights on it, subject to Clause 1.3.2 and the provisions of the Contract (Third Party Rights) Act 2017.

## **2 BOND**

- 2.1 The Chargor undertakes to the Security Agent for itself and as trustee for the Secured Parties that they will pay or discharge to the Security Agent all the Secured Liabilities in the manner provided for in the Secured Debt Documents.

### **2.2 Trust**

The Security Agent holds the benefit of this Deed and this Security on trust for the Secured Parties.

### **2.3 General**

All the security created under this Deed:

- 2.3.1 is created in favour of the Security Agent;
- 2.3.2 is created over present and future assets of the Chargor; and
- 2.3.3 is security for the payment of all the Secured Liabilities.

#### **2.4 No obligations on the Security Agent**

The Security Agent is not obliged to:

- 2.4.1 perform any obligation of the Chargor;
- 2.4.2 make any payment;
- 2.4.3 make any enquiry as to the nature or sufficiency of any payment received by it or the Chargor; or
- 2.4.4 present or file any claim or take any other action to collect or enforce the payment of any amount to which it may be entitled under this Deed,

in respect of any Secured Asset.

### **3 PLEDGE**

#### **3.1 Security**

The Chargor, by way of continuing security for the payment and discharge of the Secured Liabilities:

- 3.1.1 hereby pledge and charge to and in favour of the Security Agent the Existing Shares and any Related Rights to which they are entitled at the date of their execution of this Deed; and
- 3.1.2 irrevocably and unconditionally bind and oblige themselves to pledge and charge to and in favour of the Security Agent and in accordance with the remaining provisions of this Clause, any Further Shares and any Related Rights to which they becomes entitled after the date of their execution of this Deed.

#### **3.2 Delivery of Documents**

The Chargor shall:

- 3.2.1 immediately after execution and delivery of this Deed, deliver or cause to be delivered to the Security Agent, certificates and other documents of title or evidence of ownership in the name of the Security Agent or (if specified by the Security Agent) its nominee in respect of the Existing Shares and Related Rights; and

- 3.2.2 on each future occasion on which the Chargor becomes entitled to any Further Shares or Related Rights (whether by purchase, subscription or otherwise), as soon as reasonably practicable after (and in any event within ten Business Days) deliver or cause to be delivered to the Security Agent, certificates and other documents of title or evidence of ownership in the name of the Security Agent or (if specified by the Security Agent) its nominee in respect of such Further Shares and Related Rights.

### **3.3 Share Transfers**

The Chargor shall:

- 3.3.1 immediately after execution and delivery of this Deed, deliver or cause to be delivered to the Security Agent evidence that the board of directors of the Company has approved the transfer of the Existing Shares for registration in accordance with the Articles of Association of the Company and that the name of the Security Agent or (as the case may be) its nominee has been entered in the register of members of the Company in respect of the Existing Shares; and
- 3.3.2 on each future occasion on which the Chargor become entitled to any Further Shares, as soon as reasonably practicable (and in any event within ten Business Days) deliver or cause to be delivered to the Security Agent evidence that the board of directors of the Company has approved the transfer of such Further Shares for registration in accordance with the Articles of Association of the Company and that the name of the Security Agent or (as the case may be) its nominee has been entered in the register of members of the Company in respect of such Further Shares.

## **4 THE SHARES**

### **4.1 Voting rights**

- 4.1.1 Subject to Clauses 4.1.2 and 4.1.3, until the Security Agent issues an Enforcement Notice, the voting and the other rights and powers attached to the Shares shall be exercised by the Security Agent or its nominee (as the case may be) in such manner as the Chargor shall from time to time direct by notice in writing to the Security Agent, subject to those instructions not adversely affecting the validity or enforceability of this Charge or causing an Event of Default to occur, and the Security Agent or its nominee will, subject to receiving reasonable prior notice in writing from the Chargor, procure the appointment of such proxy or corporate representative as the Chargor may require to attend general meetings of the Company and vote in accordance with the Chargor's instructions in respect of the Shares (subject to those instructions not adversely affecting the validity or enforceability of this Charge or causing an Event of Default to occur).
- 4.1.2 The Security Agent hereby appoints (i) KCA Deutag Drilling Group Limited as its proxy in respect of the Shares pledged by it to the Security Agent pursuant to this

Deed and to vote in the name of the Security Agent and on behalf of the Security Agent; and (ii) Abbot Group Limited as its proxy in respect the Shares pledged by it to the Security Agent pursuant to this Deed and to vote in the name of the Security Agent and on behalf of the Security Agent, in each case, until such time as the Security Agent issues an Enforcement Notice, provided in both cases that in exercising the voting rights attached to the Shares, the Chargor shall not vote in a manner which would adversely affect the validity or enforceability of this Charge or cause an Event of Default to occur.

4.1.3 With effect from the date of the delivery of an Enforcement Notice, the Security Agent may at its discretion, in the name of the Chargor or otherwise and without any further consent or authority from the Chargor, exercise (or refrain from exercising) or direct the exercise of the voting and other rights and powers attached to the Shares in such manner as it sees fit.

4.1.4 For the avoidance of doubt, and without prejudice to the rights of the Security Agent under the Intercreditor Agreement, nothing shall oblige the Security Agent, either before or after the occurrence of an Enforcement Trigger, to exercise voting rights or rights to receive dividends in respect of the Shares.

#### 4.2 **PSC Regime**

4.2.1 On the date of this Deed each Chargor represents and warrants to the Security Agent that:

- (a) it has complied with any notices served on it under sections 790D and 790E of the Companies Act 2006 in relation to any of its Shares; and
- (b) it has not issued any PSC Notice and no circumstances exist which entitle it to issue a PSC Notice.

4.2.2 Each Chargor shall:

- (a) comply with any notice it receives or has received under section 790D or 790E of the Companies Act 2006 within the timeframe specified in that notice; and
- (b) promptly notify the Security Agent if it receives a PSC Notice and comply with the terms of that notice within the timeframe specified in that notice;

in each case, which is received in relation to any of its Shares; and

- (c) procure that the Company does not register the Security Agent or its nominee (as the case may be) as a PSC in respect of the Shares prior to the date the Security Agent issues an Enforcement Notice unless failure to

register would result in a breach of any applicable law or the terms of the Secured Debt Documents.

#### **4.3 Receipts**

Until an Enforcement Trigger occurs, all monies (including dividends) paid in respect of the Secured Assets and received by the Security Agent or its nominee shall be for the account of the Chargor and the Security Agent or its nominee shall account to the Chargor for those monies. The Security Agent nominates each Chargor to receive payment of dividends in respect of the Shares pledged by it to the Security Agent in terms of this Deed until an Enforcement Notice has been served. After the service of an Enforcement Notice, the Security Agent may apply all monies (including dividends) in respect of the Secured Assets received by the Security Agent or its nominee as though they were proceeds of sale of the Secured Assets and if the Chargor or any person on their behalf receives or obtains the benefit of any monies paid in respect of any Secured Assets they shall account to the Security Agent for those monies. If any Chargor (or any person on its behalf) receives any cheque, warranty or other monetary instrument in respect of any monies for which it would on receipt be obliged to account pursuant to this Clause 4.3, it shall immediately pay those monies or procure the transfer of such instrument to the Security Agent.

#### **4.4 Other rights**

Except as otherwise provided in Clauses 4.1 and 4.3, the Chargor shall ensure that all rights from time to time attaching to or connected with any of the Secured Assets are exercised in accordance with the instructions of the Security Agent.

#### **4.5 Calls etc.**

4.5.1 The Chargor shall perform all of the obligations attached to the Secured Assets and the Security Agent shall not be under any obligation or liability by reason of or arising out of this Deed, nor shall it be required to perform or fulfil any obligations of the Chargor in respect of the Secured Assets or to make any payment or to make any enquiry as to the nature or sufficiency of any payment received by it, or to present or file any claim or take any other action to collect or enforce the payment of any amount to which it may be or may have been or is entitled under this Deed at any time or times.

4.5.2 In particular, if any of the Shares are at any time partly paid and a call is made by the Company for any amount unpaid in respect of such Shares, the Chargor shall pay to the Company the amount payable in respect of such Shares and shall indemnify the Security Agent for all and any losses it incurs or sustains in connection with any failure by the Chargor to meet such call.

## **5 LIABILITY OF THE SECURITY AGENT**

### **5.1 The Security Agent shall not in any circumstances:**

- 5.1.1 be liable to account to the Chargor or any other person for anything except the Security Agent's own actual receipts which have not been distributed or paid to the Chargor or the persons entitled or, at the time of payment, believed by the Security Agent, after consultation with the Chargor, to be entitled thereto; or
- 5.1.2 be liable to the Chargor or any other person for any costs, charges, losses, damages, liabilities or expenses arising from or connected with any realisation of the Secured Assets or from any act, default, omission or misconduct of the Security Agent, its officers, employees or agents in relation to the Secured Assets.

### **5.2 The Security Agent shall not by virtue of Clause 5.1 owe any duty of care or other duty to any person to which the duty would not be owed in the absence of that Clause.**

### **5.3 The Chargor shall keep the Security Agent indemnified from and against all losses, costs, claims, proceedings, liabilities or demands suffered, incurred or made by it in connection with this Deed or the Secured Assets.**

### **5.4 The Security Agent may place any or all deeds and other documents certifying, representing or constituting the title to any of the Secured Assets in any safe deposit, safe or receptacle or with any banker or banking company or companies whose business includes undertaking the safe custody of documents or any solicitor or firm of solicitors. The Security Agent may in its absolute discretion make such arrangements as it thinks fit for allowing the Chargor or their solicitors or auditors or other advisers access to or possession of any such deeds and other documents when necessary or convenient. The Security Agent shall not be responsible for any loss incurred in connection with any such deposit, access or possession.**

## **6 PROTECTION OF THIRD PARTIES**

No purchaser or other person dealing with the Security Agent shall be concerned to enquire whether any Enforcement Trigger has occurred or is continuing, whether any consents, regulations, restrictions or directions relating to the rights of the Security Agent have been obtained or complied with or otherwise as to the propriety or regularity of acts purporting or intended to be in exercise of any such rights or as to the application of any money borrowed or raised.

## **7 ENFORCEMENT**

### **7.1 At any time on or after the occurrence of any Enforcement Trigger, the Security Agent shall be entitled, without any consent, notice or further notice, from or to the Chargor or any other person, either in its own name or in the name of the Chargor or otherwise and in such manner and upon such terms and conditions as the Security Agent thinks fit:**

**7.1.1 Deal with Secured Assets**

to sell, transfer, assign, exchange and otherwise dispose of or realise the Secured Assets either by public offer or auction, tender or private contract and for such consideration and on such other terms and conditions as the Security Agent shall in its absolute discretion determine and so that the Security Agent may (without limitation) do any of these things for a consideration consisting of cash, debentures, or other obligations or other valuable consideration of any kind and any such consideration may be payable or delivered in a lump sum or by instalments spread over such period as it may think fit and shall be applied by the Security Agent to reduce the Secured Liabilities;

**7.1.2 Rights of Ownership**

to exercise and do (or permit the Chargor to exercise and do) all such rights and things as the Security Agent would be entitled to exercise and do if it were the absolute owner of the Secured Assets and the registered holder of the Shares;

**7.1.3 Claims**

to settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions or demands with or by any person relating in any way to the Secured Assets;

**7.1.4 Legal Actions**

to bring, prosecute, enforce, defend and abandon actions, suits and proceedings in relation to the Secured Assets;

**7.1.5 Redemption of Security**

to redeem any Security (whether or not having priority to this Charge) over the Secured Assets and to settle the accounts of the holders of any prior security;

**7.1.6 Other Powers**

to do all such other acts and things as it may, acting bona fide, consider necessary or expedient for the realisation of the Secured Assets or incidental to the exercise of any of the rights conferred on the Security Agent under or by virtue of this Deed and to concur in the doing of anything which the Chargor has the right to do and to do any such thing jointly with any other person.

**7.2 Right of Appropriation**

To the extent that any of the Secured Assets constitutes "financial collateral" and this Charge and the obligations of the Chargor hereunder constitute a "security financial collateral

arrangement" (in each case as defined in, and for the purposes of, the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226) (the "**Regulations**") the Security Agent shall have the right to appropriate all or any part of such financial collateral in or towards discharge of the Secured Liabilities and may exercise such right to appropriate upon giving written notice to each Chargor. For this purpose, the parties agree that the value of such financial collateral so appropriated shall be (a) in the case of cash, the amount standing to the credit of each of the relevant accounts, together with any accrued but unposted interest, at the time the right of appropriation is exercised; and (b) in the case of any shares, stocks, debentures, bonds or other securities or investments, the market price of such shares, stocks, debentures, bonds or other securities or investments determined by the Security Agent by reference to a public index or by such other process as the Security Agent may select, including independent valuation. In each case, the parties agree that the method of valuation provided for in this Charge shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

## **8 APPLICATION OF PROCEEDS**

All amounts from time to time received or recovered (whether in cash or otherwise) by the Security Agent or any Receiver pursuant to the terms of this Deed or in connection with the realisation or enforcement of all or part of this Security will be held by the Security Agent and applied in accordance with the Intercreditor Agreement. This Clause 8 (Application of Proceeds):

- 8.1 is subject to the payment of any claims having priority over this Security; and
- 8.2 does not prejudice the right of any Secured Party to recover any shortfall from the Chargor.

## **9 EXPENSES AND INDEMNITY**

The Chargor shall pay to each Secured Party the amount of all costs and expenses (including legal fees) incurred by that Secured Party in connection with this Deed in accordance with the Intercreditor Agreement.

## **10 DELEGATION**

### **10.1 Power of attorney**

The Security Agent or any Receiver may, at any time, delegate by power of attorney or otherwise to any person for any period all or any right, power, authority or discretion exercisable by it under this Deed.

### **10.2 Terms**

Any such delegation may be made upon any terms and conditions (including the power to sub delegate) and subject to any restrictions that the Security Agent or that Receiver (as the case may be) may, in its discretion, think fit in the interests of the Secured Parties.



### **10.3 Liability**

Neither the Security Agent nor any Receiver shall be bound to supervise, or be in any way responsible for any damages, costs or losses incurred by reason of any misconduct, omission or default on the part of, any such delegate or sub-delegate.

## **11 FURTHER ASSURANCES**

11.1 The Chargor shall promptly, at its own expense, take whatever action the Security Agent or a Receiver may reasonably require for:

- 11.1.1 creating, perfecting or protecting any security over any Secured Asset; or
- 11.1.2 facilitating the realisation of any Secured Asset, or the exercise of any right, power or discretion exercisable, by the Security Agent or any Receiver or any of their respective delegates or sub-delegates in respect of any Secured Asset.

11.2 The action that may be required under Clause 11.1 (Further Assurances) includes:

- 11.2.1 the execution of any mortgage, charge, transfer, conveyance, assignment or assurance in respect of any asset, whether to the Security Agent or to its nominee or any other person; or
- 11.2.2 the giving of any notice, order, instruction or direction and the making of any filing or registration,

which, in any such case, the Security Agent may consider necessary.

## **12 POWER OF ATTORNEY**

12.1 The Chargor, by way of security, irrevocably and severally appoint the Security Agent, each Receiver and any of their respective delegates or sub-delegates to be their attorney with the full power and authority of the Chargor to:

- 12.1.1 execute, deliver and perfect all deeds, instruments and other documents in its name and otherwise on their behalf; and
- 12.1.2 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 Security Agent or any Receiver to exercise the respective powers conferred on them under this Deed or by law.

12.2 The Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause 12.

12.3 The Security Agent and any Receiver may only exercise the power of attorney under Clause 13.1 above:

12.3.1 after this Security has become enforceable; or

12.3.2 if the Chargor have failed to comply with the terms of Clause 3 (Pledge) or Clause 11 (Further assurances) within the relevant time period specified in that Clause or, if no time period is specified, within 20 Business Days of being notified of that failure (with a copy of the notice being sent to the Company) and being requested to comply.

### **13 PRESERVATION OF SECURITY**

#### **13.1 Reinstatement**

If any discharge, release or arrangement (whether in respect of the obligations of any Debtor 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, the liability of each Chargor under this Deed will continue or be reinstated as if the discharge, release or arrangement had not occurred.

#### **13.2 Waiver of defences**

The provisions of this Deed and the obligations of the Chargor under this Deed will not be affected by any act, omission, matter or thing which, but for this Clause 13 (Preservation of Security), would reduce, release or prejudice any of their obligations under this Deed including (whether or not known to them or any Secured Party):

13.2.1 any time, waiver or consent granted to, or composition with, any Debtor or other person;

13.2.2 the release of any Debtor or any other person under the terms of any composition or arrangement with any creditor;

13.2.3 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, any Debtor or any 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;

13.2.4 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Debtor or any other person;

13.2.5 any amendment of any Secured Debt Document or any other document or security including any change in the purpose of, any extension of or any increase in any

facility or the addition of any new facility under any Secured Debt Document or other document or security;

13.2.6 any unenforceability, illegality, invalidity or non-provability of any obligation of any person under any Secured Debt Document or any other document or security; or

13.2.7 any insolvency, resolution or similar proceedings.

### **13.3 Amendments and scope of Secured Liabilities**

13.3.1 Without prejudice to the generality of Clause 13.2 (Waiver of defences), the Chargor acknowledges that the Secured Debt Documents may from time to time be amended.

13.3.2 The Chargor confirms its intention that:

- (a) any amendment to a Secured Debt Document is within the scope of the Secured Liabilities and this Security; and
- (b) the Secured Liabilities and this Security extend to any amount payable by them under or in connection with a Secured Debt Document as amended.

13.3.3 The Chargor agrees that the confirmations in Clause 13.3.2 above apply regardless of:

- (a) why or how a Secured Debt Document is amended (including the extent of the amendment and any change in or addition to the parties);
- (b) whether any amount payable by an Debtor under or in connection with the amended Secured Debt Document in any way relates to any amount that would or may have been payable had the amendment not taken place;
- (c) the extent to which their liability under this Deed (whether present or future, actual or contingent), or any right they may have as a result of entering into or performing their obligations under this Deed, change or may change as a result of the amendment; and
- (d) whether they were aware of or consented to the amendment.

13.3.4 The Chargor further acknowledges and agrees that (to the extent permitted by the terms of the Secured Debt Documents):

- (a) the Secured Liabilities are intended to cover all obligations owing to any Secured Party under any Secured Debt Document from time to time; and

- (b) this Security is intended as security for the payment and discharge of all of the Secured Liabilities without the need for any amendment to this Deed or for any supplemental, confirmatory or subsequent ranking security document.

13.3.5 further acknowledges and agrees that Clauses 13.3.1 to 13.3.4 above shall apply (to the extent permitted by the terms of the Secured Debt Documents) whether or not:

- (a) any of the Secured Liabilities or Secured Debt Documents exist on the date of this Deed;
- (b) the amount of the Secured Liabilities is increased or the terms of any of the Secured Debt Documents are more onerous (including in relation to the interest rate and other pricing terms);
- (c) any additional obligations are added to the Secured Liabilities by way of designating a document as a Secured Debt Document or any person as a Secured Party, and whether or not that document or person is designated directly, or indirectly as a result of that document or person being of a type or class which falls within the then current definition of Secured Debt Documents or Secured Party;
- (d) the Chargor or any person incurring the Secured Liabilities is a party to the Secured Debt Documents on the date of this Deed;
- (e) any of the Secured Parties changes (including a change to all or substantially all of the Secured Parties) or any amendment is made to the definition of Secured Party (or any defined term in any Secured Debt Document that is referred to in the definition of Secured Party to include an additional person as a Secured Party); or
- (f) any change increases the likelihood that this Security will be enforced.

13.3.6 Notwithstanding the above or anything to the contrary in any other Secured Debt Document, the Chargor and the Security Agent may enter (and the Security Agent is irrevocably authorised, without the need for any consent from any other Secured Party, to enter) into any amendment to this Deed or any other document necessary to give effect to any increase or change in the Secured Liabilities (which is permitted by the terms of the Secured Debt Documents).

#### 13.4 Immediate recourse

The Chargor waives any right they 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 provision of a Secured Debt Document to the contrary.

### **13.5 Appropriations**

Each Secured Party (or any trustee or agent on its behalf) may at any time during the Security Period:

- 13.5.1 refrain from applying or enforcing any other moneys, security or rights held or received by that Secured Party (or trustee or agent) in respect of the Secured Liabilities or apply and enforce the same in such manner and order as it sees fit (whether against the Secured Liabilities or otherwise) and the Chargor shall not 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 Deed.

### **13.6 Deferral of the Chargor's rights**

13.6.1 Unless the Security Period has expired or the Security Agent otherwise directs, the Chargor shall not exercise any rights which they may have by reason of performance by them of their obligations under this Deed or by reason of any amount being payable, or liability arising, under this Deed:

- (a) to be indemnified by an Debtor;
- (b) to claim any contribution from any other person who has provided security or a guarantee in respect of any Debtor'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 other guarantee or 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 any Debtor to make any payment, or perform any obligation, in respect of which the Chargor has granted security under this Deed;
- (e) to exercise any right of set-off against any Debtor; and/or
- (f) to claim or prove as a creditor of any Debtor in competition with any Secured Party.

13.6.2 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 Debtor's 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 the terms of this Deed.

#### **13.7 Security Agent**

13.7.1 Notwithstanding anything to the contrary in this Deed, the Security Agent's rights, obligations, duties and responsibilities under or in connection with this Deed are limited to those expressly set out in the Intercreditor Agreement and this Deed. In the event of an inconsistency in relation to the Security Agent's rights, obligations, duties and responsibilities, the Intercreditor Agreement shall prevail.

13.7.2 Notwithstanding anything to the contrary in this Deed, the Security Agent shall not be responsible for the perfection of the security constituted by this Deed and shall not be liable for any failure to perfect such security.

#### **13.8 Additional Security**

13.8.1 This Security is in addition to and is not in any way prejudiced by any other security or guarantee now or subsequently held by any Secured Party.

13.8.2 No prior security held by any Secured Party (in its capacity as such or otherwise) over any Secured Asset will merge with this Security.

#### **14 MISCELLANEOUS**

##### **14.1 Continuing Security**

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

##### **15 RELEASE**

At the end of the Security Period or if otherwise contemplated by the terms of any other Secured Debt Document, the Security Agent shall, at the request and cost of the Chargor, take whatever action is necessary to release the relevant Secured Assets from this Security in accordance with the Secured Debt Documents.

##### **16 CHANGES TO THE PARTIES**

Any Secured Party may assign or otherwise dispose of all or any of its rights under this Deed in accordance with the terms of the Secured Debt Documents to which it is a party and may disclose any information in its possession relating to the Chargor to any actual or prospective assignee, transferee or participant.

## **17 CALCULATIONS AND CERTIFICATES**

### **17.1 Accounts**

In any litigation or arbitration proceedings arising out of or in connection with this Deed, the entries made in the accounts maintained by the Chargor are prima facie evidence of the matters to which they relate.

### **17.2 Certificates and determinations**

Any certification or determination by a Secured Party of a rate or amount under any Secured Debt Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

## **18 PARTIAL INVALIDITY**

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

## **19 REMEDIES AND WAIVERS**

No failure to exercise, nor any delay in exercising, on the part of any Secured Party, any right or remedy under this Deed shall operate as a waiver of any such right or remedy or constitute an election to affirm this Deed. No election to affirm this Deed on the part of any Secured Party shall be effective unless it is in writing. No 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 this Deed are cumulative and not exclusive of any rights or remedies provided by law, and may be waived only in writing and specifically.

## **20 COUNTERPARTS**

20.1 This Deed may be executed in any number of counterparts and by each of the parties on separate counterparts.

20.2 Where executed in counterparts:

20.2.1 this Deed will not take effect until each of the counterparts has been delivered; and

20.2.2 where any counterpart is being held as undelivered, delivery will take place only when the date of delivery is agreed between the parties after execution of this Deed.

## 21. ENFORCEMENT

### 21.1 Jurisdiction

- 21.1.1 The courts of Scotland 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”).
- 21.1.2 The Parties agree that the courts of Scotland are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- 21.1.3 Notwithstanding Clause 21.1.1 above, to the extent allowed by law:
- (a) the Security Agent shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction; and
  - (b) the Security Agent may take concurrent proceedings in any number of jurisdictions.



22 **CONSENT TO REGISTRATION**

The Chargor hereby consents to the registration of this Deed for preservation:

IN WITNESS WHEREOF these presents consisting of this and the preceding 20 pages together with the schedule annexed hereto are executed in counterpart as follows and DELIVERED on 21 December 2020:

**THE CHARGOR**

SUBSCRIBED for and on behalf of the said KCA DEUTAG DRILLING GROUP LIMITED

at ALBERTOEN

on 2 November 2020

by

ANTHONY BYRNE

Print Full name

Director

before this witness:

KATY NEILL

Print Full Name

Witness

Address:

KCA DEUTAG

PORTLETHEN

WIC

**THE SECURITY AGENT**

SUBSCRIBED for and on behalf of the said LUCID TRUSTEE SERVICES LIMITED

at MAIDSTONE

on 06 NOV 20

by

KATE RUSSELL

Print Full name

Autho

before this witness:

ANDREW SYKES

Print Full Name

Witne

Address:

This is the Schedule referred to in the foregoing deed of pledge between KCA Deutag Drilling Group Limited and Lucid Trustees Services Limited

#### **SCHEDULE**

##### **SHARES IN THE CAPITAL OF THE COMPANY**

Shareholder	Number of fully paid Shares of £1 each
KCA Deutag Drilling Group Limited	1 Ordinary Share of £1