



**Registration of a Charge**

Company name: **STENA CARRON DRILLING LIMITED**

Company number: **09593988**



X8Y2848Q

Received for Electronic Filing: **03/02/2020**

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**Details of Charge**

Date of creation: **31/01/2020**

Charge code: **0959 3988 0006**

Persons entitled: **CITIBANK, N.A., LONDON BRANCH**

Brief description:

**Contains fixed charge(s).**

**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: **WATSON FARLEY & WILLIAMS LLP**



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

Company number: 9593988

Charge code: 0959 3988 0006

The Registrar of Companies for England and Wales hereby certifies that a charge dated 31st January 2020 and created by STENA CARRON DRILLING LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 3rd February 2020 .

Given at Companies House, Cardiff on 4th February 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

Dated 31 January 2020

**STENA CARRON DRILLING LIMITED**  
as Assignor

and

**CITIBANK, N.A., LONDON BRANCH**  
as Pari Passu Collateral Agent

**STENA CHARTERER'S  
INSURANCE ASSIGNMENT**

relating to  
m.v. "STENA CARRON"

We certify that, save for material redacted  
in accordance with S889G of the Companies  
Act 2006, this document is a true copy of  
the original.

Watson Farley & Williams LLP  
Watson Farley & Williams LLP  
15 Appold Street, London, EC2A 2HB

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THIS DEED is made on 31 January 2020

## **PARTIES**

- (1) **STENA CARRON DRILLING LIMITED**, a company incorporated in England whose registered office is at 45 Albemarle Street, London, W1S 4JL, United Kingdom (the "**Assignor**"); and
- (2) **CITIBANK, N.A., LONDON BRANCH**, acting through its office at Citigroup Centre, 33 Canada Square, Canary Wharf, London E14 5LB (the "**Pari Passu Collateral Agent**" which expression includes its successors and assigns).

## **BACKGROUND**

- (A) The Company has issued \$350,000,000 in aggregate principal amount of its 6.125% senior secured notes due 2025 and €315,000,000 in aggregate principal amount of its 3.750% senior secured notes due 2025 (together, the "**Notes**") pursuant to an indenture dated as of 31 January 2020 and made by and between, amongst others, (i) the Company, as issuer, (ii) the Stena Drillmax Owner and the Stena Carron Owner, as subsidiary guarantors (iii) the New Trustee, as trustee, (iv) the Parent as parent guarantor and (v) the Pari Passu Collateral Agent, as collateral agent.
- (B) Pursuant to Article XII of the Indenture, the Stena Carron Owner and the Stena Drillmax Owner have jointly and severally guaranteed the liabilities and obligations of the Company under the Indenture and the Notes.
- (C) On 3 March 2014, the Pari Passu Collateral Agent, the Existing Trustee, Citibank, N.A. as term loan agent, the Company, the Parent and the other Grantors party thereto entered into the Intercreditor Agreement, as supplemented pursuant to the Joinder Agreement (as defined in the Intercreditor Agreement) among the Company, the Existing Trustee, the Pari Passu Collateral Agent and the New Trustee, dated on or about the date of this Deed.
- (D) Pursuant to the Intercreditor Agreement, all Liens granted to the Pari Passu Collateral Agent shall be for the benefit of the Pari Passu Secured Parties on an equal and rateable, first priority basis.
- (E) It is one of the conditions to the issuance of the Notes and a requirement of the Indenture that the Assignor enters into this Deed as security for the Pari Passu Obligations or will do so substantially simultaneously therewith.
- (F) This Deed supplements the Indenture and is an Insurance Assignment referred to in the Intercreditor Agreement.

## **OPERATIVE PROVISIONS**

### **1 DEFINITIONS AND INTERPRETATION**

#### **1.1 Defined expressions**

Words and expressions defined in the Intercreditor Agreement shall have the same meanings when used in this Deed unless given a different meaning in this Deed or unless the context otherwise requires.

## 1.2 Definitions

In this Deed:

**"Assignor's Insurances"** means:

- (a) all policies and contracts of insurance, including entries of the Vessel in any protection and indemnity or war risks association, which are effected by or for the benefit of (amongst others) the Assignor in respect of the Vessel, its earnings or otherwise in relation to the Vessel; and
- (b) all rights and other assets relating to, or derived from, any of the foregoing, including any rights to a return of a premium.

**"Bail-In Action"** means the exercise of any Write-down and Conversion Powers.

**"Bail-In Legislation"** means:

- (a) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 BRRD, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time; and
- (b) in relation to any state other than such an EEA Member Country or (to the extent that the United Kingdom is not such an EEA Member Country) the United Kingdom, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation.

**"Charter In"** means the demise charter of the Vessel dated 7 May 2014 (as amended and novated) and currently between the Stena Carron Owner and the Assignor and any other bareboat charter in respect of the Vessel made between the Stena Carron Owner and the Assignor, whether now in existence or entered into at any time hereafter during the Security Period.

**"Compulsory Acquisition"** means requisition for title or other compulsory acquisition, requisition, appropriation, expropriation, deprivation, forfeiture or confiscation for any reason of the Vessel by any Government Entity or other competent authority, whether de jure or de facto, but shall exclude requisition for use or hire not involving requisition for title.

**"Company"** means Stena International S.A., a société anonyme organised under the laws of Luxembourg whose registered office is at 26b Boulevard Royal, L-2449 Luxembourg, in its capacity as a party to any Pari Passu Document.

**"EEA Member Country"** means any member state of the European Union, Iceland, Liechtenstein and Norway.

**"EU Bail-In Legislation Schedule"** shall mean the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

**"Existing Security"** means the insurance assignment dated 27 September 2016 and entered into between the Assignor and the Pari Passu Collateral Agent.

**"Existing Trustee"** means The Bank of New York Mellon, in its capacity as trustee under the Indenture dated as of 21 February 2014, as supplemented from time to time (and includes its successors and assigns).

**"Government Entity"** means and includes (whether having a distinct legal personality or not) any national or local government authority, board, commission, department, division, organ, instrumentality, court or agent and any association, organisation or institution of which any of the foregoing is a member or to whose jurisdiction any of the foregoing is subject or in whose activities any of the foregoing is a participant.

**"Indenture"** means the indenture dated as of 31 January 2020 referred to in Recital (A).

**"Intercreditor Agreement"** means an intercreditor agreement dated 3 March 2014 and made by and between, amongst others, (i) the Pari Passu Collateral Agent, (ii) Citibank, N.A., (iii) the Existing Trustee, (iv) the Company, (v) the Parent, (vi) the Stena Carron Owner and (vii) the Stena Drillmax Owner, as supplemented pursuant to the Joinder Consent Agreement (as defined in the Intercreditor Agreement) dated 19 February 2016 and the Joinder Agreement (as defined in the Intercreditor Agreement) dated on or about the date of this Deed.

**"Major Casualty"** means any casualty to the Vessel in respect of which the claim or the aggregate of the claims against all insurers, before adjustment for any relevant franchise or deductible, exceeds \$25,000,000 or the equivalent in any other currency.

**"New Trustee"** means The Bank of New York Mellon, London Branch in its capacity as trustee under the Indenture (and includes its successors and assigns).

**"Parent"** means Stena AB (publ), a company incorporated in Sweden whose registered office is at SE-405 19 Gothenburg, Sweden.

**"Pari Passu Obligations"** means:

- (a) the Notes Obligations;
- (b) all Other Pari Passu Obligations; and
- (c) all other obligations of the Company and the Guarantors in respect of, or arising under, the Pari Passu Documents,

plus interest and all fees, costs, charges and expenses, including legal fees and expenses to the extent authorised under the Pari Passu Documents, in each case whether accrued or incurred before or after the commencement of an Insolvency or Liquidation Proceeding, and whether or not allowed or allowable in an Insolvency or Liquidation Proceeding.

**"Purchase Agreements"** means:

- (a) the agreement dated 22 January 2020 and made by and between (i) the Parent, (ii) the Company, (iii) the Stena Carron Owner and the Stena Drillmax Owner and (iv) J.P. Morgan Securities LLC, as representative of the several initial purchasers identified therein, in connection with the USD350,000,000 principal amount of the 6.125% senior secured notes due 2025; and
- (b) the agreement dated 22 January 2020 and made by and between (i) the Parent, (ii) the Company, (iii) the Stena Carron Owner and the Stena Drillmax Owner, (iv) J.P. Morgan

Securities plc, as representative of the several initial purchasers identified therein, and (v) the other initial purchasers, party thereto, in connection with the EUR315,000,000 principal amount of the 3.750% senior secured notes due 2025.

**"Receiver"** means any receiver and/or manager (or joint receivers and/or managers) appointed under Clause 6.3 (*Right to appoint Receiver*).

**"Requisition Compensation"** means all sums of money or other compensation from time to time payable to the Assignor in respect of Compulsory Acquisition of the Vessel.

**"Resolution Authority"** means any body which has authority to exercise any Write-down and Conversion Powers.

**"Secured Assets"** means those assets of the Assignor assigned to the Pari Passu Collateral Agent pursuant to Clause 2.1 (*Assignment*).

**"Security Period"** means the period starting on the date of this Deed and ending on the date on which the Pari Passu Obligations have been irrevocably and unconditionally paid and discharged in full (other than contingent indemnification obligations for which no claim has been made).

**"Stena Carron Owner"** means Stena Carron Lux 3 S.à r.l., a company incorporated in Luxembourg whose registered office is at 26b Boulevard Royal, L-2449 Luxembourg.

**"Stena Drillmax Owner"** means Stena Drillmax Lux 3 S.à r.l., a company incorporated in Luxembourg whose registered office is at 26b Boulevard Royale, L-2449 Luxembourg.

**"Total Loss"** means:

- (a) the actual or constructive or compromised or arranged total loss of the Vessel;
- (b) the Compulsory Acquisition of the Vessel; and
- (c) the hijacking, theft, condemnation, forfeiture, capture, seizure, arrest, detention or confiscation of the Vessel (other than where the same amounts to the Compulsory Acquisition of the Vessel) by any Government Entity, or by persons acting or purporting to act on behalf of any Government Entity, unless the Vessel is released and restored to the Assignor from such hijacking, theft, forfeiture, condemnation, capture, seizure, arrest, detention or confiscation within 180 days after the occurrence thereof.

**"UK Bail-In Legislation"** means (to the extent that the United Kingdom is not an EEA Member Country which has implemented, or implements, Article 55 BRRD) Part 1 of the United Kingdom Banking Act 2009 and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutes or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings).

**"Vessel"** means the dynamically positioned deepwater drillship "STENA CARRON" registered in the name of the Stena Carron Owner under United Kingdom flag with Official Number 737929 and IMO Number 9364954 and includes any share or interest in that vessel and its engines, machinery, boats, tackle, outfit, spare gear, fuel, consumable or other stores,



belongings and appurtenances whether on board or ashore and whether now owned or hereafter acquired.

**"Write-down and Conversion Powers"** means:

- (a) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule;
- (b) in relation to any other applicable Bail-In Legislation:
  - (i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers; and
  - (ii) any similar or analogous powers under that Bail-In Legislation; and
- (c) in relation to any UK Bail-In Legislation:
  - (i) any powers under that UK Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that UK Bail-In Legislation that are related to or ancillary to any of those powers; and
  - (ii) any similar or analogous powers under that UK Bail-In Legislation.

### **1.3 Approvals etc. of Pari Passu Collateral Agent**

References in this Deed to the co-operation of, or to an approval, consent, discretion or requirement of, the Pari Passu Collateral Agent means the co-operation of, or an approval, consent, discretion or requirement of, the Pari Passu Collateral Agent acting on the instructions of the Controlling Party pursuant to the Intercreditor Agreement.

### **1.4 General Interpretation**

In this Agreement:

- (a) references to, or to a provision of, a Pari Passu Document or any other document are references to it as amended, restated, supplemented or otherwise modified in accordance with its terms, whether before the date of this Deed or otherwise;

- (b) references to, or to a provision of, any law include any amendment, extension, re-enactment or replacement, whether made before the date of this Deed or otherwise;
- (c) words denoting the singular number shall include the plural and vice versa; and
- (d) this Clause 1.4 (*General Interpretation*) applies unless the contrary intention appears.

#### **1.5 Inconsistency between provisions of the Indenture and this Deed**

This Deed shall be read together with the Indenture but in case of any conflict between the Indenture and this Deed, the provisions of the Indenture shall prevail.

#### **1.6 Third party rights**

- (a) Subject to paragraphs (b) and (d) below or unless expressly provided to the contrary in a Pari Passu Document, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Act**") to enforce any term of this Deed.
- (b) Notwithstanding any term of any Pari Passu Document, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.
- (c) For the purposes of any Bail-In Legislation, each Pari Passu Secured Party may enforce and enjoy the benefit of Clause 12 (*Bail-In*).
- (d) Any other person described in Clause 7 (*Protection of Third Parties*) may, subject to this Clause 1.6 (*Third party rights*) and the Third Parties Act, rely on any Clause of this Deed which expressly confers rights on it.

### **2 ASSIGNMENT**

#### **2.1 Assignment**

The Assignor, with full title guarantee (subject to the Existing Security), assigns to the Pari Passu Collateral Agent absolutely as security for the Pari Passu Obligations all rights and interests which now or at any later time it has to, in or in connection with:

- (a) the Assignor's Insurances; and
- (b) any Requisition Compensation.

Each security interest created in respect of any of the Secured Assets by this Clause 2.1 (*Assignment*) is a separate and independent security interest and if any one of them is construed and categorised as a floating charge, that construction and categorisation shall not result in any of the others being so categorised.

#### **2.2 Payment of Assignor's Insurances**

All the proceeds of the Assignor's Insurances shall be paid and applied in accordance with the provisions of the loss payable clauses endorsed on the Assignor's Insurances pursuant to Clause 2.9 (*Notice of assignment*) and applied in accordance with the provisions of Clause 8 (*Application of Moneys*).

### **2.3 Payment of Requisition Compensation**

All Requisition Compensation shall be paid to the Pari Passu Collateral Agent and applied in accordance with the provisions of Clause 8 (*Application of Moneys*).

### **2.4 Continuing security**

Subject to the provisions of Clause 2.11 (*Release of security*), this Deed shall remain in force until the end of the Security Period as a continuing security and, in particular:

- (a) the security interests created by Clause 2.1 (*Assignment*) extend to the ultimate balance of all sums payable by the Assignor under the Pari Passu Documents and shall not be satisfied by any intermediate payment;
- (b) the security interests created by Clause 2.1 (*Assignment*), and the rights of the Pari Passu Collateral Agent under this Deed, are only capable of being extinguished, limited or otherwise adversely affected by an express and specific term in a document signed by or on behalf of the Pari Passu Collateral Agent;
- (c) no failure or delay by or on behalf of the Pari Passu Collateral Agent to enforce or exercise a security interest created by Clause 2.1 (*Assignment*) or a right of the Pari Passu Collateral Agent under this Deed, and no act, course of conduct, acquiescence or failure to act (or to prevent the Assignor from taking certain action) which is inconsistent with such a security interest or such a right or with such a security interest being a fixed security shall preclude or estop the Pari Passu Collateral Agent (either permanently or temporarily) from enforcing or exercising it or result in a security interest expressed to be a fixed security taking effect as a floating security; and
- (d) this Deed shall be additional to, and shall not in any way impair or be impaired by:
  - (i) any other security interest whether in relation to property of the Assignor or that of a third party; or
  - (ii) any other right of recourse as against the Assignor or any third party,

which the Pari Passu Collateral Agent or any other Pari Passu Secured Party now or subsequently has in respect of any of the Pari Passu Obligations including, without limitation, in respect of the Existing Security.

### **2.5 Principal and independent debtor**

The Assignor shall be liable under this Deed as a principal and independent debtor and accordingly it shall not have, as regards this Deed, any of the rights or defences of a surety.

### **2.6 Waiver of rights and defences**

Without limiting the generality of Clause 2.5 (*Principal and independent debtor*), the Assignor shall neither be discharged by, nor have any claim against the Pari Passu Collateral Agent or any other Pari Passu Secured Party in respect of:

- (a) any amendment or supplement being made to any of the Pari Passu Documents;

- (b) any arrangement or concession (including a rescheduling or acceptance of partial payments) relating to, or affecting any of the Pari Passu Documents;
- (c) any release or loss (even though negligent) of any right or security interest created by any of the Pari Passu Documents;
- (d) any failure (even though negligent) promptly or properly to exercise or enforce any such right or security interest, including a failure to realise for its full market value an asset covered by such a security interest; or
- (e) any Pari Passu Document or any security interest now being or later becoming void, unenforceable, illegal or invalid or otherwise defective for any reason, including a neglect to register it.

## **2.7 Subordination of rights of Assignor**

All rights which the Assignor at any time has (whether in respect of this Deed or any other transaction) against the Company, any other Grantor or their respective assets shall be subordinated to the rights of the Pari Passu Secured Parties under the Pari Passu Documents so that the Assignor shall not:

- (a) claim, or in a bankruptcy of the Company or any other Grantor prove for, any amount payable to the Assignor by the Company or any other Grantor, whether in respect of this Deed or any other transaction;
- (b) take or enforce any security interest for any such amount;
- (c) claim to set-off any such amount against any amount payable by the Assignor to the Company or any other Grantor if an Event of Default is continuing; or
- (d) claim any subrogation or other right in respect of any Pari Passu Document or any sum received or recovered by any Pari Passu Secured Party under a Pari Passu Document.

## **2.8 No obligations imposed on Pari Passu Collateral Agent**

The Assignor shall remain liable to perform all obligations connected with the Secured Assets and the Pari Passu Collateral Agent shall not, in any circumstances, have or incur any obligation of any kind in connection with the Secured Assets.

## **2.9 Notice of assignment**

The Assignor shall promptly:

- (a) give written notice (materially in the form set out in Appendix B (*Notice of Assignment of Insurances*) to the Security Assignment in respect of the Vessel or in such other form as the Pari Passu Collateral Agent (acting on the instructions of the Controlling Party) may reasonably require) in accordance with normal market practice to all brokers, insurance companies and underwriters (or, in the case of entries in protection and indemnity or war risks associations or clubs, to the managers of those associations or clubs) through whom any of the policies or entries relating to the Assignor's Insurances are effected of the assignment of the Assignor's Insurances contained in this Deed;

- (b) procure that the interests of the Pari Passu Collateral Agent in the Assignor's Insurances shall be endorsed upon all slips, cover notes, policies, certificates of entry and other instruments of insurance issued or to be issued in connection with the Assignor's Insurances by means of the incorporation therein of the relevant loss payable clause (materially in the form set out in Appendix C to the Security Assignment in respect of the Vessel or, in relation to protection and indemnity risks, on the terms required by the rules of the association or in such other form as the Pari Passu Collateral Agent (acting on the instructions of the Controlling Party) may reasonably require) and the attachment thereto of the relevant notice of assignment referred to in paragraph (a) and/or by such other means and/or in such other form as is customary or appropriate in the insurance market in which the cover is placed;
- (c) from time to time immediately on the written request of the Pari Passu Collateral Agent (acting on the instructions of the Controlling Party) give written notice in such form as the Pari Passu Collateral Agent (acting on the instructions of the Controlling Party) shall require of the assignment of any Requisition Compensation contained in this Deed.

#### **2.10 Negative pledge; disposal of assets**

The Assignor shall not sell or create any Lien (other than a Permitted Collateral Lien) not exclusively securing the Pari Passu Obligations in favour of the Pari Passu Collateral Agent over, or otherwise dispose of, any item of the Secured Assets or any right relating to any item of the Secured Assets except as permitted by the Pari Passu Documents.

#### **2.11 Release of security**

Subject to and in accordance with the Intercreditor Agreement:

- (a) at the end of the Security Period; or
- (b) in the circumstances set forth under and in accordance with Section 2.12(a) of the Intercreditor Agreement,

the Pari Passu Collateral Agent will, at the request and cost of the Assignor, re-assign (without any warranty, representation, covenant or other recourse) to the Assignor such rights as the Pari Passu Collateral Agent then has to, or in connection with, the Secured Assets.

#### **2.12 Limited recourse**

Recourse by the Pari Passu Collateral Agent or any other Pari Passu Secured Party in respect of the obligations of the Assignor to pay any amount or perform any obligation under this Deed and under any other Collateral Agreement shall be limited to the proceeds of the Collateral which is the subject of the security granted by the Assignor which are realised by the Pari Passu Collateral Agent or any other Pari Passu Secured Party and the Assignor shall have no liability in excess of those proceeds.

### **3 REPRESENTATIONS AND WARRANTIES**

#### **3.1 General**

The Assignor represents and warrants to the Pari Passu Collateral Agent as follows.

### **3.2 Status**

The Assignor is a limited liability company, duly constituted and validly existing under the laws of its place of incorporation, possessing perpetual corporate existence, the capacity to sue and be sued in its own name and the power to own its assets and carry on its business as it is now being conducted.

### **3.3 Corporate power**

The Assignor has the power and capacity to enter into, and to perform its obligations under, this Deed and has taken all necessary action to authorise the entry into this Deed and the performance by it of its obligations hereunder.

### **3.4 Consents in force**

Save as disclosed in any legal opinion delivered under the Indenture or the Purchase Agreements, all authorisations, approvals, consents, licences, exemptions, filings, registrations, notarisations and other matters, official or otherwise, required by the Assignor:

- (a) in connection with the entry into, performance, validity and enforceability of this Deed and the transactions contemplated hereby;
- (b) in order to maintain its corporate existence in good standing; and
- (c) in order to ensure that it has the right, and is duly qualified and able, to conduct its business as it is conducted in all applicable jurisdictions including, without limitation to the generality of the foregoing, all such consents and approvals as are required to conduct its business and/or own and operate its assets;

have been obtained or effected and are in full force and effect other than any consent or approval required by the Assignor to conduct its business and/or own and operate its assets to the extent that the Assignor is unaware or cannot reasonably be expected to be aware of the requirement to obtain such consent or approval or to the extent that the absence of such consent or approval would not have a material adverse effect on the ability of the Assignor to perform its obligations under this Deed.

### **3.5 Legal validity**

This Deed constitutes the legal, valid and binding obligations of the Assignor enforceable in accordance with its terms except as such enforcement may be limited by any relevant bankruptcy, insolvency, administration or similar laws affecting creditors' rights generally and by general principles of equity and subject to any relevant qualifications contained in any legal opinion delivered under the Indenture or the Purchase Agreements.

### **3.6 No conflicts**

The entry into and performance of this Deed and the transactions contemplated hereby do not and will not contravene or conflict with:

- (a) any law or regulation or any official or judicial order; or
- (b) the constitutional documents of the Assignor; or

- (c) any material agreement or document to which the Assignor is a party or which is binding upon it or any of its assets;

nor, save as contemplated by this Deed, result in the creation or imposition of any security interest on any of the assets of the Assignor pursuant to the provisions of any such agreement or document.

### **3.7 No default**

No event has occurred which constitutes a material default under or in respect of:

- (a) any agreement or document relating to Indebtedness (as such term is defined in the Pari Passu Documents) to which the Assignor is a party or by which the Assignor may be bound; or
- (b) any other agreement or document to which the Assignor is a party or by which the Assignor may be bound and which default will have, or may reasonably be expected to have, a material adverse effect on the ability of the Assignor to perform its obligations under this Deed.

### **3.8 Insolvency proceedings**

The Assignor has not taken any corporate action nor have any other steps been taken or legal proceedings been started or (to the best of the knowledge and belief of the Assignor) threatened against the Assignor for its winding-up or dissolution or for the appointment of a liquidator, administrator, receiver, administrative receiver, trustee or similar officer of the Assignor of any or all of its assets or revenues nor has the Assignor sought any other relief under any applicable insolvency or bankruptcy law.

## **4 COVENANTS**

### **4.1 General**

The Assignor shall comply with the following provisions of this Clause 4 (*Covenants*) at all times during the Security Period except as the Pari Passu Collateral Agent may otherwise permit.

### **4.2 No action to jeopardise security**

The Assignor shall not do or fail to do or cause or permit another person to do or omit to do anything which is liable to jeopardise the effectiveness or priority, in relation to any of the Secured Assets, of any security interest created by this Deed.

## **5 PROTECTION OF SECURITY**

### **5.1 Pari Passu Collateral Agent's right to protect or maintain security**

Subject to and in accordance with the terms of the Intercreditor Agreement, the Pari Passu Collateral Agent (acting on the instructions of the Controlling Party) may take any action which it may think fit for the purpose of protecting or maintaining the security created by this Deed or for any similar or related purpose.

## **6 ENFORCEABILITY AND PARI PASSU COLLATERAL AGENT'S POWERS**

### **6.1 Right to enforce security**

If an Event of Default occurs and is continuing and irrespective of whether a demand has been made under the Indenture and without the necessity for the Pari Passu Collateral Agent to serve any notice or take any other action nor for any court order in any jurisdiction to the effect that an Event of Default has occurred or that the security constituted by this Deed has become enforceable (subject to and in accordance with the terms of the Intercreditor Agreement):

- (a) the security constituted by this Deed shall immediately become enforceable for all purposes;
- (b) the Pari Passu Collateral Agent (acting on the instructions of the Controlling Party) shall be entitled at any time or times to serve a notice on the Assignor crystallising each charge created by this Deed which is a floating charge;
- (c) the Pari Passu Collateral Agent (acting on the instructions of the Controlling Party) shall be entitled at any time or times to exercise the powers set out in this Clause 6 (*Enforceability and Pari Passu Collateral Agent's Powers*) and in any other Pari Passu Document; and
- (d) the Pari Passu Collateral Agent shall be entitled at any time or times:
  - (i) to exercise the powers possessed by it as assignee of any item of the Secured Assets conferred by the law of any country or territory in which any item of the Secured Assets is physically present or deemed to be sited, the courts of which have or claim any jurisdiction in respect of the Assignor or any item of the Secured Assets; and
  - (ii) without limiting the scope of the Pari Passu Collateral Agent's powers under subparagraph (i) above, to exercise the powers possessed by it as a creditor or as a person with a security interest in any item of the Secured Assets conferred by English law.

### **6.2 Right to take possession, sell etc.**

If the security constituted by this Deed has become enforceable, the Pari Passu Collateral Agent (acting on the instructions of the Controlling Party) shall (subject to and in accordance with the terms of the Intercreditor Agreement) be entitled then or at any later times or times:

- (a) to exercise any right forming part of the Secured Assets;
- (b) to require that any policies and other documents relating to the Assignor's Insurances (including details of and correspondence concerning outstanding claims) be forthwith delivered to or to the order of the Pari Passu Collateral Agent;
- (c) to collect, recover and give a good discharge for any moneys or claims forming part of, or arising in relation to, any item of the Secured Assets and to permit any brokers through whom collection or recovery is effected to charge the usual brokerage therefor;
- (d) to take over or commence or defend (if necessary using the name of the Assignor) any claims or proceedings relating to, or affecting, any item of the Secured Assets which the Pari Passu Collateral Agent (acting on the instructions of the Controlling Party) may think fit and to abandon, release or settle in any way any such claims or proceedings; and



- (e) generally, to enter into any transaction or arrangement of any kind and to do anything in relation to any item of the Secured Assets which the Pari Passu Collateral Agent (acting on the instructions of the Controlling Party) may think fit.

### 6.3 Right to appoint Receiver

If the security constituted by this Deed has become enforceable, the Pari Passu Collateral Agent may appoint a receiver and/or manager (or joint receivers and/or managers) of any or all items the Secured Assets, and the following shall apply:

- (a) the Pari Passu Collateral Agent may exercise any of the powers conferred by this Deed while a Receiver is in office and is acting;
- (b) an appointment of a Receiver shall be by deed or, at the Pari Passu Collateral Agent's option (acting on the instructions of the Controlling Party), by a document signed by any of its officers; and an appointment in respect of some only of the items of the Secured Assets may later be extended to all or any part of the remaining items of the Secured Assets;
- (c) the remuneration of a Receiver shall be fixed by the Pari Passu Collateral Agent (acting on the instructions of the Controlling Party);
- (d) to the fullest extent permitted by law, a Receiver shall be the Assignor's agent, and the Assignor shall be responsible, to the exclusion of any liability on the part of the Pari Passu Collateral Agent and the other Pari Passu Secured Parties, for his remuneration and for his contracts, acts and defaults;
- (e) a Receiver shall have all the powers conferred by Clause 6.2 (*Right to take possession, sell*) as if the reference to the Pari Passu Collateral Agent in Clause 6.2 (*Right to take possession, sell*) were a reference to the Receiver, in addition to all the powers conferred on a Receiver by the Law of Property Act 1925;
- (f) the Assignor irrevocably and by way of security appoints every Receiver its attorney on its behalf and in its name or otherwise to execute or sign any document and do any act or thing which that Receiver considers necessary or desirable with a view to or in connection with any exercise or proposed exercise of any of his powers;
- (g) a Receiver may delegate to any person or persons of any of the powers (including the discretions) conferred on him by, or pursuant to, this Deed and may do so on terms authorising successive sub-delegations;
- (h) in the case of joint Receivers any of the powers (including the discretions) conferred by this Deed or by the general law (including the Insolvency Act 1986) may be exercised by any one or more of them, unless their appointment specifically states the contrary;
- (i) the Pari Passu Collateral Agent (acting on the instructions of the Controlling Party) may remove a Receiver, with or without appointing another Receiver; such a removal may be effected by a document signed by any of the Pari Passu Collateral Agent's officers;
- (j) the Pari Passu Collateral Agent (acting on the instructions of the Controlling Party) may appoint a Receiver to replace a Receiver who has resigned or for any other reason ceased to hold office; and

- (k) a Receiver shall be entitled to retain out of any money received by him such amounts in respect of his expenses (or to cover estimated future expenses) as he may from time to time agree with the Pari Passu Collateral Agent (acting on the instructions of the Controlling Party).

#### **6.4 Law of Property Act 1925 provisions**

The Assignor:

- (a) waives the entitlement conferred by section 93 of the Law of Property Act 1925;
- (b) agrees that section 103 of that Act shall not apply to the security created by this Deed; and;
- (c) agrees that the power of sale and other powers conferred by section 101 of that Act (as varied or supplemented by this Deed) shall arise on execution of this Deed but shall not be exercisable until the security constituted by this Deed has become enforceable.

#### **6.5 No liability of Pari Passu Collateral Agent or Receiver**

Neither the Pari Passu Collateral Agent nor any Receiver shall be obliged to check the nature or sufficiency of any payment received by it or him under this Deed or to preserve, exercise or enforce any right forming part of, or relating to, any item of the Secured Assets.

#### **6.6 No requirement to commence proceedings**

Neither the Pari Passu Collateral Agent nor any other Pari Passu Secured Party will need to commence any proceedings under, or enforce any security interest created by, the Indenture or any other Pari Passu Document before commencing proceedings under, or enforcing any security interest created by, this Deed.

#### **6.7 Conclusive evidence of certain matters**

As against the Assignor:

- (a) any final judgment or order not capable of further appeal of a court of competent jurisdiction in connection with any Pari Passu Document; and
  - (b) any statement or admission of the Company in connection with any Pari Passu Document,
- shall be binding and conclusive as to all matters of fact and law to which it relates.

#### **6.8 Suspense account**

The Pari Passu Collateral Agent and any Pari Passu Secured Party may, for the purpose of claiming or proving in a bankruptcy of any Grantor, place any sum received or recovered under or by virtue of this Deed or any security interest connected with it on a separate suspense or other nominal account without applying it in satisfaction of that Grantor's obligations under the Pari Passu Documents.

#### **6.9 Prior security**

At any time after the security created by this Deed has become enforceable, the Pari Passu Collateral Agent may:

- (a) redeem any prior security (other than the Existing Security) over all or any part of the Secured Assets;
- (b) procure the transfer of that security to itself; and/or
- (c) settle the accounts of any prior mortgagee, chargee or encumbrancer and any accounts so settled will be, in the absence of manifest error, conclusive and binding on the Assignor.

## **7 PROTECTION OF THIRD PARTIES**

No person dealing with the Pari Passu Collateral Agent or any other Pari Passu Secured Party shall be concerned to enquire:

- (a) whether the rights conferred by or pursuant to any Pari Passu Document are exercisable or have been properly exercised;
- (b) whether any amounts remain owing;
- (c) whether any laws, directions, restrictions, consents and/or, regulations affecting the rights of the Pari Passu Collateral Agent or any Pari Passu Secured Party have been obtained or complied with; or
- (d) as to the application of any monies received by the Pari Passu Collateral Agent.

## **8 APPLICATION OF MONEYS**

### **8.1 Receipt of Assignor's Insurances before an Event of Default**

Before an Event of Default occurs, sums recoverable in respect of the Assignor's Insurances shall be payable as follows:

- (a) any sum recoverable in respect of a Total Loss under the Assignor's Insurances against fire and usual marine risks and war risks shall be paid to the Pari Passu Collateral Agent; and
- (b) any sum recoverable in respect of a Major Casualty under the Assignor's Insurances against fire and usual marine risks and war risks shall be paid to the Pari Passu Collateral Agent but so that:
  - (i) the sum received by the Pari Passu Collateral Agent shall be paid over to the Assignor upon the Assignor providing evidence to the Pari Passu Collateral Agent that all loss and damage resulting from the casualty has been properly made good and repaired and that all repair accounts and other liabilities connected with the casualty have been paid by the Assignor; and
  - (ii) the insurers with whom the fire and usual marine risks and war risks insurances are effected may, in the case of any Major Casualty, make payment on account of the repairs which are being carried out; and
- (c) any other sum recoverable under the Assignor's Insurances against fire and usual marine risks and war risks shall be paid to the Assignor which shall apply it in making good the loss and fully repairing all damage in respect of which that insurance money was received; and

- (d) any sum recoverable under the Assignor's Insurances against protection and indemnity risks shall be paid direct to the person to whom was incurred the liability to which such sum relates (or to the Assignor in reimbursement to it of moneys expended to discharge that liability).

The Pari Passu Collateral Agent shall not give any notice referred to in any applicable loss payable clause unless Clause 8.2 (*Receipt of Assignor's Insurances after an Event of Default*) applies.

## **8.2 Receipt of Assignor's Insurances after an Event of Default**

On or after the occurrence of an Event of Default which is continuing, any sums recoverable under the Assignor's Insurances shall be payable to the Pari Passu Collateral Agent.

## **8.3 Receipt of Requisition Compensation**

Any Requisition Compensation shall at all times be payable to the Pari Passu Collateral Agent.

## **8.4 General**

All sums received by the Pari Passu Collateral Agent or by a Receiver:

- (a) in respect of the Assignor's Insurances (except any sum received by the Pari Passu Collateral Agent in respect of a Major Casualty which has been paid over to the Assignor under paragraph (b) of Clause 8.1 (*Receipt of Assignor's Insurances before an Event of Default*);
- (b) in respect of any Requisition Compensation;
- (c) in respect of any transaction or arrangement under Clause 6.1 (*Right to enforce security*), 6.2 (*Right to take possession, sell*) or 6.3 (*Right to appoint Receiver*),

shall be held by the Pari Passu Collateral Agent or the Receiver upon trust for application in accordance with Article 2.5 of the Intercreditor Agreement.

# **9 FURTHER ASSURANCES**

## **9.1 Assignor's obligation to execute further documents etc.**

The Assignor agrees that from time to time on the written request of the Pari Passu Collateral Agent (acting on the instructions of the Controlling Party) it will promptly execute and deliver to the Pari Passu Collateral Agent all further documents which the Pari Passu Collateral Agent (acting on the instructions of the Controlling Party) may reasonably require for the purpose of obtaining the full benefits of this Deed.

# **10 POWER OF ATTORNEY**

## **10.1 Appointment**

The Assignor by way of security irrevocably appoints the Pari Passu Collateral Agent its attorney (with unlimited power of substitution and delegation) with power (in its name or otherwise) following the occurrence and during the continuation of any Event of Default to take all steps that the Pari Passu Collateral Agent (acting on the instructions of the Controlling Party) shall in its discretion consider appropriate to enforce its rights under or pursuant to this Deed, including (without limitation) to give a good receipt for any money due in connection

with the Secured Assets, to do all acts and things and execute or sign all documents which the Assignor is obliged to do, execute or sign under this Deed and which it has failed so to do, and to institute any proceedings in connection with the Secured Assets, and otherwise to do all things which the Assignor itself could do in relation to the Secured Assets, neither the Pari Passu Collateral Agent nor any substitute or delegate of the Pari Passu Collateral Agent being liable or answerable for any involuntary losses which may happen or arise in or about the exercise of the rights, powers and discretions vested in the Pari Passu Collateral Agent under or pursuant to this Deed.

## **11 SUPPLEMENTAL**

### **11.1 No restriction on other rights**

Nothing in this Deed shall be taken to exclude or restrict any power, right or remedy which the Pari Passu Collateral Agent or any other Pari Passu Secured Party may at any time have under:

- (a) any other Pari Passu Document; or
- (b) the law of any country or territory the courts of which have or claim any jurisdiction in respect of the Assignor or any item of the Secured Assets.

### **11.2 Exercise of other rights**

The Pari Passu Collateral Agent may (subject to and in accordance with the terms of the Intercreditor Agreement) exercise any right under this Deed before it or any other Pari Passu Secured Party has exercised any right referred to in paragraph (a) or (b) of Clause 11.1 (*No restriction on other rights*).

### **11.3 Invalidity of Pari Passu Documents**

In the event of:

- (a) any Pari Passu Document now being or later becoming void, illegal, unenforceable or otherwise invalid for any reason whatsoever; or
- (b) a bankruptcy of any Grantor, the introduction of any law or any other matter resulting in any Grantor being discharged from liability under any Pari Passu Document, or any Pari Passu Document ceasing to operate (for example, by interest ceasing to accrue);

this Deed shall (subject to Clause 2.12 (*Limited recourse*)) cover any amount which would have been or become payable under or in connection with any Pari Passu Document if that Pari Passu Document had been and remained entirely valid and enforceable and the Grantor concerned had remained fully liable under it; and references in this Deed to amounts payable by a Grantor under or in connection with any Pari Passu Document shall include references to any amount which would have so been or become payable as aforesaid.

### **11.4 Settlement or discharge conditional**

Any settlement or discharge under this Deed between the Pari Passu Collateral Agent or any other Pari Passu Party and the Assignor shall be conditional upon no security or payment to the Pari Passu Collateral Agent or any other Pari Passu Party by the Assignor or any other person being set aside, adjusted or ordered to be repaid, whether under any insolvency law or otherwise.

### **11.5 Third party rights**

Other than the Pari Passu Secured Parties who are intended beneficiaries of the rights and privileges of the Pari Passu Collateral Agent and of the covenants and agreements of the Assignor under this Deed, a person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed.

## **12 BAIL-IN**

### **12.1 Contractual recognition of bail-in**

- (a) Notwithstanding any other term of any Pari Passu Document or any other agreement, arrangement or understanding between the parties to a Pari Passu Document, each Party acknowledges and accepts that any liability of any party to a Pari Passu Document under or in connection with the Pari Passu Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:
  - (i) any Bail-In Action in relation to any such liability, including (without limitation):
    - (A) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;
    - (B) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and
    - (C) a cancellation of any such liability; and
  - (ii) a variation of any term of any Pari Passu Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.
- (b) Each Pari Passu Secured Party may enforce and enjoy the benefit of this Clause 12 (*Bail-In*) subject to the provisions of the Third Parties Act.

## **13 LAW AND JURISDICTION**

### **13.1 English law**

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

### **13.2 Jurisdiction**

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a "Dispute").
- (b) The Assignor accepts that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly it will not argue to the contrary.
- (c) This Clause 13.2 (*Jurisdiction*) is for the benefit of the Pari Passu Collateral Agent only. As a result, the Pari Passu Collateral 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 Pari Passu Collateral Agent may take concurrent proceedings in any number of jurisdictions.

### **13.3 Service of process**

Without prejudice to any other mode of service allowed under any relevant law, the Assignor irrevocably appoints Stena (UK) Limited at its registered office for the time being, presently at 45 Albemarle Street, London W1S 4JL to act as its agent to receive and accept on its behalf any process or other document relating to any proceedings in the English courts which are connected with a Dispute.

### **13.4 Severability of provisions**

If any provision of this Deed is or subsequently becomes void, unenforceable or illegal, that shall not affect the validity, enforceability or legality of the other provisions of this Deed or of the provisions of any other Pari Passu Document.

**This Deed has been executed as a Deed and delivered on the date stated at the beginning of this Deed.**

EXECUTION PAGE

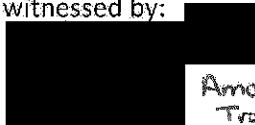
ASSIGNOR

EXECUTED and DELIVERED as a DEED )  
by STENA CARRON DRILLING LIMITED )  
acting by )  
such execution being witnessed by: )



Oliver Webber  
Attorney-in-Fact

Signature of witness:



*Aman Tandon  
Trainee Solicitor*

**NORTON ROSE FULBRIGHT**

Norton Rose Fulbright LLP  
3 More London Riverside  
London SE1 2AQ United Kingdom  
[nortonrosefulbright.com](http://nortonrosefulbright.com)

PARI PASSU COLLATERAL AGENT

EXECUTED and DELIVERED as a DEED )  
by CITIBANK, N.A., LONDON BRANCH )  
acting by )  
such execution being witnessed by: )

Signature of witness:



EXECUTION PAGE

ASSIGNOR

EXECUTED and DELIVERED as a DEED )  
by STENA CARRON DRILLING LIMITED )  
acting by )  
such execution being witnessed by: )

Signature of witness:

PARI PASSU COLLATERAL AGENT

EXECUTED and DELIVERED as a DEED )  
by CITIBANK, N.A., LONDON BRANCH )  
acting by *CRISTINA VOLC* )  
such execution being witnessed by: )

*VANESSA EVANS*  
Signature of witness:

[Redacted Signature]

Vanessa Evans  
Vice President

[Redacted Signature]  
Cristina Volc  
Vice President

Citi  
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