



**Registration of a Charge**

Company name: **ODFJELL RIG V LTD**

Company number: **11165869**



Received for Electronic Filing: **03/01/2019**

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**Details of Charge**

Date of creation: **20/12/2018**

Charge code: **1116 5869 0004**

Persons entitled: **DNB BANK ASA AS SECURITY AGENT**

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: 11165869

Charge code: 1116 5869 0004

The Registrar of Companies for England and Wales hereby certifies that a charge dated 20th December 2018 and created by ODFJELL RIG V LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 3rd January 2019 .

Given at Companies House, Cardiff on 7th January 2019

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**

We hereby certify this document  
to be a true copy of the original  
save for material redacted in  
accordance with s. 859G of the  
Companies Act 2006.

Watson Farley & Williams LLP

EXECUTION VERSION

**WATSON FARLEY & WILLIAMS LLP**  
**15 Appold Street**  
**London EC2A 2HB**  
**United Kingdom**

**ASSIGNMENT OF INSURANCES**

dated 20 December 2018

between

**Odfjell Rig V Ltd.**  
("Assignor")

and

**DNB Bank ASA**  
("Security Agent")

in relation to the Assignor's insurances

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Schedule 1 Form of Notice of Assignment (Assignment of Insurances)

Schedule 2 Form of Acknowledgement (Assignment of Insurances)

Schedule 3 List of Insurances

THIS ASSIGNMENT OF INSURANCES (the "Assignment of Insurances") is made on 20 December 2018 between:

- (1) Odfjell Rig V Ltd., a company registered in England and Wales whose company number is 11165869 and registered address is Harbour Court, Compass Road, North Harbour, Portsmouth, Hampshire, England PO6 4ST (the "Assignor"); and
- (2) DNB Bank ASA, as Security Agent for itself and the other Finance Parties (the "Security Agent").

**WHEREAS:**

- (A) Pursuant to a certain USD 325,000,000 senior secured term loan credit facility agreement dated 30 October (and further as amended and/or restated from time to time) 2018 entered into between inter alia Odfjell Rig V Ltd. as Borrower (the "Borrower"), and the other companies listed in the Facility Agreement as guarantors (the "Guarantors"), DNB Bank ASA as the Agent, Security Agent and K-SURE Agent, and the financial institutions listed in Schedule 1 as lenders, the Finance Parties (as defined therein) have agreed to lend up to USD 325,000,000 to the Borrower subject to the terms and conditions set out therein;
- (B) pursuant to Clause 4 (*Conditions Precedent*) of the Facility Agreement the Obligors are obliged to enter into certain Security Documents;
- (C) this agreement shall constitute the Assignment of Insurances, one of the Assignment Agreements to be provided by the Assignor; and
- (D) the Assignor has entered into this Assignment of Insurances in order to provide continuing security for the payment, discharge and performance of the Secured Obligations.

**THE PARTIES TO THIS AGREEMENT AGREE AS FOLLOWS:**

**1. INTERPRETATION**

**1.1 Definitions**

In this Assignment of Insurances, including the preamble hereto (unless the context otherwise requires), all capitalised terms or expressions shall have the meaning ascribed to such term in the Facility Agreement unless otherwise explicitly defined herein.

"**Enforcement Act**" means the Norwegian Enforcement Act of 1992 (as amended from time to time).

"**Insurances**" means all the insurance policies and contracts of insurance including (without limitation) those entered into in order to comply with the terms of Clause 23.2 (*Insurance*) of the Facility Agreement which are from time to time in place or taken out or entered into by or for the benefit of the Assignor (whether in the sole name of the Assignor or in the joint names of the Assignor and any other person) in respect of the Rig and all benefits thereunder (including claims of whatsoever nature and return of premiums) including but not limited to the Insurances set out in Schedule 3 (*List of Insurances*) or any renewal thereof.

**“Insurance Proceeds”** means all moneys whatsoever which are now, or later become, payable (actually or contingently) to the Assignor under or in connection with the Insurances.

**“Norwegian Finance Agreement Act”** means the Norwegian act no. 46 of 25 June 1999 on financial agreements and financial assignments (as amended from time to time).

**“Rig”** means the semi-submersible, deep water, harsh environment drilling rig “Deepsea Nordkapp” with IMO no. 9701621, to be built by the Yard under the Construction Contract.

**“Plan”** means the Nordic Marine Insurance Plan of 2013, Version 2016 (as amended from time to time).

**“Pledge Act”** means Norwegian Mortgage Act of 1980 no. 2 (No: *panteloven*) (as amended from time to time).

**“Security Interest”** means the assignment by way of security of the Insurance Proceeds created pursuant to this Assignment of Insurances.

## 1.2 Construction

In this Assignment of Insurances, unless the context otherwise requires:

- (a) reference to Clauses or Appendices are to be construed as references to clauses or appendices of this Assignment of Insurances unless otherwise stated;
- (b) references to (or to any specified provision of) this Assignment of Insurances or any other document shall be construed as references to this Assignment of Insurances, that provision or that document as from time to time amended; and
- (c) words importing the plural shall include the singular and vice versa.

## 2. ASSIGNMENT OF INSURANCES

- (a) To secure the payment, discharge and performance of the Secured Obligations, the Assignor hereby assigns by way of security to the Security Agent (on behalf of the Finance Parties) on first priority, its rights, title and interests in and to the Insurance Proceeds.
- (b) The liability of the Assignor hereunder shall be limited to USD 422,500,000 (being 130% of the Total Commitments under the Facility Agreement), plus any unpaid amount of interest and costs under the Finance Documents.

## 3. PERFECTION AND LOSS PAYABLE

### 3.1 Perfection

The Assignor undertakes to insure and keep the Rig fully insured in accordance with Clause 23.2 (*Insurance*) of the Facility Agreement. Further;

- (a) in the event that the Insurances, or any one of them, have been taken out on conditions other than the Plan, to give all the relevant insurers and/or claims leader(s) and/or approved brokers notice substantially in the form of Schedule 1 hereto, and procure that the said insurers and/or claims leader(s) and/or approved

brokers acknowledge receipt of such notice in the form of Schedule 2 hereto or give such other form of notice and procure such other form of acknowledgement including standard letters of undertaking or letters of confirmation to mortgagees as the Security Agent shall reasonably require in writing to the Assignor; and

- (b) in the event that the Insurances, or any one of them, have been taken out according to the Plan, to give all the relevant insurers and/or claims leader(s) and/or approved brokers notice substantially in the form of Schedule 1 hereto, and procure written statements including standard letters of undertaking or letters of confirmation to mortgagees from all the relevant insurers and/or claims leader(s) and/or approved brokers confirming that the Security Agent (on behalf of the Finance Parties) has been duly registered as first priority mortgagee on all such insurance policies taken out for Rig and that notice according to the Plan has been duly received by all the relevant insurers.

### 3.2 Loss Payable

- (a) Insurance Proceeds payable as a result of (i) an actual or constructive or agreed or arranged or compromised Total Loss or (ii) requisition for title or other compulsory acquisition of the Rig or (iii) claims payable in respect of a major casualty, that is to say any claim (or the aggregate of which) exceeding 5% of the insurable value, shall be paid directly to the Security Agent.
- (b) Subject thereto, all other Insurance Proceeds, unless and until the insurers have received notice from the Security Agent of an Event of Default which is continuing under the Facility Agreement in which event all Insurance Proceeds shall be paid directly to the Security Agent up to the Finance Parties' security interest, shall be released directly for the repair, salvage or other charges involved or to the Assignor as of the relevant repair costs of the damages caused by such casualty in respect of the Rig.
- (c) The Assignor agrees that at any time and from time to time upon the written request of the Security Agent, it will promptly and duly execute and deliver to the Security Agent any and all such further instruments and documents as the Security Agent (on behalf of the Finance Parties) may reasonably deem necessary or desirable to register this Assignment of Insurances in any applicable registry, and to maintain and/or perfect the Security Interest created by this Assignment of Insurances and the rights and powers herein granted.

## 4. ASSIGNMENT

The Security Agent may assign or transfer its rights hereunder to any person to whom the rights and obligations of the Security Agent and the Lenders under the Facility Agreement are wholly or partially assigned in accordance with Clause 27 (*Changes to the Lenders*) of the Facility Agreement.

## 5. NO FURTHER ASSIGNMENT OR PLEDGE

Except for the second priority assignment of insurances in favour of Samsung Heavy Industries Co., Ltd. (as the Yard), the Assignor shall not be entitled to further assign or pledge the Insurances unless prior written consent has been obtained from the Security Agent.

**6. EVENT OF DEFAULT AND ENFORCEMENT**

- (a) Upon the occurrence of an Event of Default which is continuing and notice from the Security Agent pursuant to Clause 24.18 (*Acceleration*) of the Facility Agreement, the Security Agent shall be entitled, in its absolute discretion, to enforce all or any part of the security as it sees fit, including to:
  - (i) exercise any and all ownership rights, including all creditor rights, in connection with the Insurance Proceeds as if it was the owner thereof, and instruct the Insurer to make payment directly to the Security Agent;
  - (ii) immediately sell, assign or convert into money all or any of the Insurance Proceeds in such manner and upon such terms (by private or public sale) and for such consideration (whether in cash, securities or other assets) as is then agreed; and
  - (iii) take any other action in relation to the Insurance Proceeds as permitted by the Enforcement Act, the Pledge Act or other applicable law.
- (b) All costs and expenses (including legal fees, any stamp, documentary, filing and other duties and taxes (if any)) incurred by the Security Agent in connection with the enforcement of the Security Interest and any other costs and expenses (including legal fees, any stamp, documentary, filing and other duties and taxes (if any)) incurred by the Security Agent in connection with the Assignment of Insurances shall be borne by the Assignor and the Assignor shall indemnify and hold the Security Agent harmless in respect of such costs and expenses. All such costs and expenses shall be included in the Secured Obligations. The Assignor shall upon demand within three Business Days pay all such costs and expenses to the Security Agent.
- (c) The proceeds of each collection, sale or other disposition under this section shall be applied towards the Secured Obligations in accordance with the terms and conditions set out in Clause 32.6 (*Application following an Event of Default*) of the Facility Agreement.

**7. ADDITIONAL AND CONTINUING SECURITY**

The Security Interest contemplated by this Assignment of Insurances shall be in addition to any other Security Interest granted in accordance with the Facility Agreement, and shall be a continuing security in full force and effect as long as any obligations are outstanding under the Facility Agreement.

**8. THE NORWEGIAN FINANCE AGREEMENT ACT**

- (a) To the extent applicable, section 62 to and including section 74 of the Finance Agreement Act shall not apply to this Assignment of Insurances.
- (b) The obligations of the Borrower pursuant to the Facility Agreement will be secured to the extent set out in the Facility Agreement. Further, the Assignment Agreement is security for obligations incurred prior to the date hereof, and such obligations have not been defaulted. This information is included for information purposes only to meet the requirements of Section 61 of the Norwegian Finance Agreement Act.
- (c) The Assignor hereby irrevocably waives:



- (i) any requirement that the Security Agent, following the occurrence of an Event of Default which is continuing and notice from the Security Agent pursuant to Clause 24.18 (*Acceleration*) of the Facility Agreement, first make demand upon or seek to enforce remedies against the Borrower or any other Obligor in respect of the amounts outstanding under the Finance Documents before demanding payment or seeking to enforce the Security Interest;
  - (ii) any and all defences based on underlying relationships, agreements and transactions whatsoever including (without limitation) right to limit the liability under this Assignment of Insurances resulting from any failure to give notice of any kind whatsoever;
  - (iii) any right to exercise any rights of subrogation into the rights of the Security Agent under the Finance Documents or any security issued (including the Security Interest) or made pursuant to the Finance Documents until and unless the Security Agent shall have received all amounts due or to become due to it or any other Finance Party under the Finance Documents;
  - (iv) all the Assignor's rights to claim reimbursement from the Borrower for payments made hereunder, until and unless the Security Agent shall have received all amounts due or to become due to it or any other Finance Party under the Finance Documents, and the obligations of the Security Agent or any other Finance Party to make further amounts available under the Finance Documents have been irrevocably terminated; and
  - (v) any requirement that additional security be provided or maintained.
- (d) The Security Agent shall be entitled to amend, supplement, release or waive any security provided for the Secured Obligations or any third party relationship including (but not limited to) any rescission, waiver, amendment or modification of any term or provision thereof without the Assignor's consent.
- (e) Further, in particular but not limited to the following, the Assignor hereby agrees and accepts:
- (i) that the obligations of the Assignor hereunder shall be unconditional irrespective of the genuineness, validity, regularity or enforceability of the Finance Documents and any defence made by the Borrower or any other Obligor thereunder including other documents pursuant thereto or any other consideration which might constitute a discharge of the Security Interest;
  - (ii) that the granting of time or any other indulgence to the Assignor and/or the Borrower and/or any other Obligor accorded by the Security Agent hereunder and/or under any of the Finance Documents shall not discharge the Assignor's liabilities under this Assignment of Insurances;
  - (iii) that the Assignor's obligations under this Assignment of Insurances shall not be affected in any way whatsoever by the existence of any other guarantee, indemnity, suretyship or similar instrument or by any collateral or security interest provided by a third party for the Secured Obligations;

- (iv) that if any payment by the Borrower or any other Obligor or any discharge given by the Security Agent (whether in respect of the Secured Obligations or any security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event; (i) the Security Interest shall continue as if the payment, discharge, avoidance or reduction had not occurred, and (ii) the Security Agent shall be entitled to recover the value or amount of that security or payment from the Borrower or any other Obligor, as if the payment, discharge, avoidance or reduction had not occurred; and
- (v) that the Secured Obligations and any derived liability whatsoever of the Borrower and the other Obligors towards the Security Agent in connection therewith may be secured in any way deemed necessary, excluding this Assignment of Insurances, in the Security Agent's sole discretion.

## 9. FURTHER ASSURANCES

Without limiting the generality of the foregoing, the Assignor shall, at its own expense, take whatever action the Security Agent may require for the prompt execution of all documents and to do all such things as the Security Agent may require to perfect and protect the Security Interest or to facilitate the enforcement or realisation of the Security Interest.

## 10. NOTICES

Any notice, demand or other communication to be made or delivered by any party pursuant to this Assignment of Insurances shall be made or delivered as set out in Clause 34 (*Notices*) of the Facility Agreement.

## 11. GOVERNING LAW JURISDICTION

### 11.1 Governing law

This Assignment of Insurances and any non-contractual obligations arising out of or in connection therewith shall be governed by and construed in accordance with Norwegian law.

### 11.2 Jurisdiction

The Assignor and the Finance Parties agrees that the courts of Oslo, Norway, have exclusive jurisdiction to settle any disputes arising out of or in connection with this Assignment of Insurances including a dispute regarding the existence, validity or termination of this Assignment of Insurances, and the Assignor submits to the non-exclusive jurisdiction of the Oslo District Court (Nw.: *Oslo tingrett*). The submission to the jurisdiction of Norwegian courts shall not limit the right of the Security Agent or the other Finance Parties to take any legal proceedings against the Assignor in any court which may otherwise exercise jurisdiction over the Assignor or any of its assets.

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SIGNATORIES

As Assignor:

By: 

Name: Frode Skage Syslak  
Title: Authorised Signatory

Company: Odfjell Rig V Ltd.

As Security Agent

By: 

Name: Simon Gunnheim  
Title: Attorney-in-fact

Company: DNB BANK ASA

**Schedule 1**  
**FORM OF NOTICE OF ASSIGNMENT (ASSIGNMENT OF INSURANCES)**

To: The Insurers / Insurer broker

**Re: Deepsea Nordkapp (the "Rig")**

Odfjell Rig V Ltd. as owner (the "Owner") of the Rig hereby gives you notice that:

- (a) The Rig has been (or will on delivery be) mortgaged on first priority to DNB Bank ASA, as agent for certain other banks (the "**First Mortgagee**"), and on second priority to Samsung Heavy Industries Co., Ltd. (the "**Second Mortgagee**");
- (b) all payments due to us from you in respect of the Rig have been (by way of security) assigned on first priority to the First Mortgagee according to an Assignment of Insurances dated \_\_\_\_ December 2018 (the "**First Assignment of Insurances**") related to a certain USD 325,000,000 senior secured term loan credit facility agreement originally dated 30 October 2018 (as amended and/or restated from time to time) (the "**First Loan Agreement**"), and on second priority to the Second Mortgagee according to a Second Assignment of Insurances dated \_\_\_\_ December 2018 (the "**Second Assignment of Insurances**") related to a certain USD 43,250,000 Seller's Credit Agreement originally dated \_\_\_\_ December 2018 (as amended and/or restated from time to time) (the "**Second Loan Agreement**");
- (c) all payments due to us under our policy(ies) with yourselves must be made in accordance with the instruction, from time to time, of the First Mortgagee;
- (d) please note that all claims related to the insurances in respect of claims payable in respect of a Total Loss or a major casualty, that is to say any claim (or the aggregate of which) exceeding 5% of the insurable value of the Rig shall be payable to the First Mortgagee (and be applied by the First Mortgagee in accordance with terms agreed between the First Mortgagee, the Second Mortgagee and the Owner). Subject thereto, all other claims, unless and until the insurers have received notice from the First Mortgagee of an Event of Default which is continuing in which event all claims shall be paid directly to the First Mortgagee up to its and the Second Mortgagee's security interest, shall be released directly for the repair or other charges involved or to the Owner as reimbursement if any of them has fully repaired the damage and paid all of the charges or otherwise in respect of the Owner's actual costs in connection with repair and/or other charges; and
- (e) please note that this instruction may not be varied except with the prior written consent of the First Mortgagee.

Please confirm your acknowledgement of the terms of this notice by completing the Acknowledgement attached hereto or by sending your standard letter of undertaking (confirming, amongst other things, that this Notice of Assignment has been received and agreed to by the lead insurers). Please return the signed and dated Acknowledgement or the standard letter of undertaking to the Mortgagee at the address set out above.

This notice is governed by Norwegian law.

Place and date: \_\_\_\_\_

Yours sincerely

for and on behalf of

Title: \_\_\_\_\_

By: \_\_\_\_\_

Name:

Company: Odfjell Rig V Ltd.

**Schedule 2**  
**FORM OF ACKNOWLEDGEMENT (ASSIGNMENT OF INSURANCES)**

To: DNB Bank ASA, Attn: \_\_\_\_\_

E-mail: \_\_\_\_\_

To: Samsung Heavy Industries Co., Ltd., Attn: \_\_\_\_\_

E-mail: \_\_\_\_\_

**Re: Deepsea Nordkapp (the "Rig")**

We hereby acknowledge receipt of a Notice of Assignment (the "**Notice**") from Odfjell Rig V Ltd. (the "**Owner**") dated \_\_\_\_ December related to the Rig notifying us of the mortgage and assignment specified therein.

We have duly noted and do accept that our payments due to the Owner under the insurance policy(-ies) taken out for the Rig as an Owners' Entry pursuant to our rules, shall be made in accordance with the instructions set out in the Notice, including the Loss Payable clause therein, and payment due to the mortgagees will be made to such account as from time to time instructed by DNB Bank ASA, as first priority pledge, which bank has been duly noted by ourselves as the first priority mortgagee of the said Rig on its own behalf and on behalf of the Finance Parties therefore.

We confirm that neither we, nor the insurers will offset premium against claims in respect of Rig not mortgaged to the Mortgagee hereunder.

This acknowledgement is governed by Norwegian law.

Place and date: \_\_\_\_\_

Yours sincerely

for and on behalf of

\_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_

Name:

Company:

**Schedule 3**  
**LIST OF INSURANCES**

Insurance type	Insurer
Hull & Machinery, Hull Interest, Freight Interest	Claims lead: NHC Lead markets: NHC, AIG Zurich
Protection & Indemnity	Standard Club
Offshore Liability Extension	Standard Club
War Risk	The Norwegian Shipowners' Mutual War Risks Insurance Association.
Excess Liability Insurance (Umbrella insurance)	Marsh arranged insurance with slip leader: Lloyd's Syndicate AML 2001