



Registration of a Charge

Company name: **KCA DEUTAG DRILLING LIMITED**

Company number: **SC031961**



X648ES3F

Received for Electronic Filing: **12/04/2017**

Details of Charge

Date of creation: **05/04/2017**

Charge code: **SC03 1961 0052**

Persons entitled: **LLOYDS BANK PLC AS SECURITY AGENT**

Brief description:

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by:

MAX HUTCHISON, CMS CAMERON MCKENNA LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 31961

Charge code: SC03 1961 0052

The Registrar of Companies for Scotland hereby certifies that a charge dated 5th April 2017 and created by KCA DEUTAG DRILLING LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 12th April 2017 .

Given at Companies House, Edinburgh on 13th April 2017

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

DATE: 5 APRIL 2017

SUPPLEMENTAL BOND AND FLOATING CHARGE

Between

KCA DEUTAG DRILLING LIMITED
(as Chargor)

and

LLOYDS BANK PLC
(as Security Agent)

CMS Cameron McKenna LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EN
T +44 131 228 8000
F +44 131 228 8888
cms.law

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SUPPLEMENTAL BOND AND FLOATING CHARGE delivered on the 5th day of April 2017

BY:

- (1) **KCA DEUTAG DRILLING LIMITED**, a company incorporated in Scotland with registered number SC031961 and having its registered office at KCA Deutag, Group Headquarters Bankhead Drive, City South Office Park, Portlethen, Aberdeen, Scotland AB12 4XX (the "**Chargor**"); in favour of
- (2) **LLOYDS BANK PLC**, for itself and as security trustee for the benefit of the Secured Parties (the "**Security Agent**").

CONSIDERING THAT:

- (A) This Floating Charge is supplemental to a floating charge dated 16 May 2014 between the chargor named therein and the Security Agent (the "**Original Floating Charge**")
- (B) The Chargor enters into this Floating Charge in connection with the Secured Debt Documents (as defined below).
- (C) The board of directors of the Chargor is satisfied that entering into this Floating Charge is for the purposes and to the benefit of the Chargor and its business.
- (D) The Security Agent holds the benefit of this Floating Charge for itself and on trust for the Secured Parties on the terms of the Intercreditor Agreement.
- (E) It is proposed that the Notes shall be issued on or about the date hereof. Furthermore, the Senior Facilities Agreement has been amended and restated on 21 March 2017.
- (F) For the avoidance of doubt, the Obligations (as defined in the Senior Facilities Agreement) under the amended and restated Senior Facilities Agreement and the obligations under the Notes shall constitute Secured Obligations for the purposes of this Floating Charge. Furthermore, the Finance Parties (as defined in the Senior Facilities Agreement) and the noteholders and trustee of the Notes shall constitute Secured Parties for the purpose of this Floating Charge.

NOW IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

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

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

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

- 1.2 References in this Floating Charge to a “fixed security” shall be construed as a reference to a fixed security as defined by Section 486 of the Act as in force at the date of this Floating Charge.
- 1.3 The expressions the “Chargor” and the “Security Agent” shall include the permitted successors, assignees and transferees of the Chargor and the Security Agent.
- 1.4 Any reference in this Floating Charge to a “Secured Debt Document” or any other agreement or instrument is a reference to that Secured Debt Document or other agreement or instrument as amended, novated, supplemented, extended, restated (however fundamentally and whether or not more onerous) or replaced and includes any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under that Secured Debt Document or other agreement or instrument.
- 1.5 The other provisions in clause 1.2 (*Construction*) of the Intercreditor Agreement apply to this Floating Charge with all necessary changes.
- 1.6 This Floating Charge shall be construed in accordance with the Intercreditor Agreement. If any provision of this Floating Charge conflicts with the Intercreditor Agreement, the Intercreditor Agreement shall prevail unless contrary to law.
- 1.7 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by this Floating Charge which is accordingly a “qualifying floating charge” for the purposes of paragraph 14.2(a) of Schedule B1 to the Insolvency Act and the Security Agent may appoint an Administrator of the Chargor pursuant to that paragraph.
- 2. BOND**
- 2.1 The Chargor undertakes to the Security Agent that it shall pay the Secured Obligations when due in accordance with the terms of the relevant Secured Debt Document.
- 3. FLOATING CHARGE**
- 3.1 The Chargor as further continuing security for the payment of all Secured Obligations hereby grants (subject only to the security interests created pursuant to the Original Floating Charge) in favour of the Security Agent a floating charge over the Charged Assets.
- 4. RANKING**
- 4.1 The floating charge created by this Floating Charge shall rank *pari passu* with the Security created pursuant to the Original Floating Charge and:
- 4.1.1 subject to Section 464(2) of the Act, behind all the fixed security created by the Chargor; but
- 4.1.2 subject to the Legal Reservations, in priority to any other Security over the Charged Assets except for any Security ranking in priority in accordance with Clause 7.1.6 (*Rights of Receivers*) of the Original Floating Charge.
- 5. RESTRICTIONS AND FURTHER ASSURANCE**
- 5.1 The Chargor shall not create or permit to subsist any Security over any Charged Asset other than that created pursuant to the Original Floating Charge or pursuant to a Permitted Transaction.

- 5.2 The Chargor shall not (nor shall the Chargor agree to) enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, transfer or otherwise dispose of any Charged Asset other than pursuant to a Permitted Transaction.
- 5.3 The Chargor shall promptly do whatever the Security Agent reasonably requires:
- 5.3.1 subject to the Agreed Security Principles, to create, perfect or protect the Charges or the priority of the Charges; or
 - 5.3.2 after the occurrence of an Enforcement Event to facilitate the realisation of the Charged Assets or the exercise of any rights vested in the Security Agent or any Receiver,
- including executing any transfer, conveyance, charge, assignment, assignation or assurance of the Charged Assets (whether to the Security Agent or its nominees or otherwise), making any registration and giving any notice, order or direction.
- 6. INCORPORATION OF TERMS FROM ORIGINAL FLOATING CHARGE**
- 6.1 The provisions of Clause 6 (Enforcement) to Clause 19 (Financial Collateral) of the Original Floating Charge shall be deemed to be incorporated into this Floating Charge with all necessary modifications as if they were set out in full in this Floating Charge, but as if references in those clauses to "this Floating Charge" and other similar expressions were a reference to this Floating Charge.
- 6.2 Any representations and warranties made in the Original Floating Charge and incorporated by reference into this Floating Charge shall be made on the date hereof by reference to the facts and circumstances on that date and, if a Repeating Representation, on each date that the Repeating Representations are repeated under the Secured Debt Documents.
- 7. THE ORIGINAL FLOATING CHARGE**
- 7.1 The Original Floating Charge shall remain in full force and effect as supplemented by this Floating Charge.
- 8. DESIGNATION**
- 8.1 This Floating Charge is a Finance Document.
- 9. ACKNOWLEDGEMENT BY THE SECURITY AGENT**
- 9.1 The Security Agent acknowledges and confirms that:
- 9.1.1 the creation of any Security pursuant to (and the compliance by the Chargor with the terms of) this Floating Charge does not and will not constitute a breach of any representation, warranty or undertaking in the Original Floating Charge;
 - 9.1.2 the performance of, and compliance with, any undertaking, requirement or obligation by the Chargor under this Floating Charge constitutes the performance of, and compliance with, the corresponding undertaking, requirement or obligation under the Original Floating Charge and further, the performance of, and compliance with, any undertaking, requirement or obligation by the Chargor under the Original Floating Charge will be deemed to constitute the performance of, and compliance with, the

corresponding undertaking, requirement or obligation by the Chargor under this Floating Charge; and

- 9.1.3 the creation of any Security pursuant to (and the compliance by the Chargor with the terms of) this Floating Charge does not and will not constitute a breach of any provision of the Intercreditor Agreement.

10. DATE, COUNTERPARTS AND DELIVERY

10.1 Where executed in counterparts:

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

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

11. GOVERNING LAW AND JURISDICTION

Governing Law

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

Jurisdiction

- 11.2 The Court of Session has exclusive jurisdiction to settle any dispute arising out of or in connection with this Floating Charge (including a dispute relating to the existence, validity or termination of this Floating Charge or any non-contractual obligation arising out of or in connection with this Agreement) (a “Dispute”).
- 11.3 The parties to this Floating Charge agree that the Court of Session is the most appropriate and convenient court to settle Disputes and accordingly no party will argue to the contrary.
- 11.4 Clauses 11.2 and 11.3 are for the benefit of the Security Agent only. As a result, the Security Agent shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent may take concurrent proceedings in any number of jurisdictions.

12. CONSENT TO REGISTRATION

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

IN WITNESS WHEREOF these presents consisting of this and the preceding four (4) pages have been executed as follows:

For and on behalf of **KCA DEUTAG DRILLING LIMITED**

signature of
~~director/secretary/authorised signatory/witness~~

GARY PAVER

full name of above (print)

ALLEN & OVERY LLP
ONE BISHOPS SQUARE
LONDON E1 6AD
www.allenoverly.com
Address of witness

signature of
~~director/secretary/authorised signatory~~ / WITNESS

ANDREA LEONELLI

full name of above (print)

30 MARCH 2017
date of signing

London
place of signing



For and on behalf of LLOYDS BANK PLC

[Redacted signature]

signature of

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

SCOTT CHRISTOPHER

full name of above (print)

150 FOUNTAIN SQUARE

Edinburgh

EH3 9PE

Address of witness

[Redacted signature]

signature of

~~director/secretary/authorised signatory~~

RICHARD JAMES ROBINSON

full name of above (print)

date of signing

EDINBURGH

place of signing