


MR01

Particulars of a charge

13/04/168

Oyez

A fee is payable with this form.  
Please see 'How to pay' on the  
last page.

You can use the WebFiling   
Please go to [www.companies.gov.uk](http://www.companies.gov.uk)

☒ **What this form is for**  
You may use this form to register  
a charge created or evidenced by  
an instrument.

☒ **What this form is NOT for**  
You may not use this form to  
register a charge where there  
is an instrument. Use form MR08.

FRIDAY



SCT \*S2KPDABK\* 08/11/2013 #257  
COMPANIES HOUSE

This form **must be delivered to the Registrar for registration within 21 days** beginning with the day after the date of creation of the charge. If delivered outside of the 21 days it will be rejected unless it is accompanied by a court order extending the time for delivery.

☐ You **must** enclose a certified copy of the instrument with this form. This will be scanned and placed on the public record.

**1 Company details**

Company number S C 1 2 2 8 1 8 chg/m  
Company name in full Cosalt Offshore (UK) Limited

**ATR LITTING SOLUTION LIMITED**

For official use

**Filling in this form**  
Please complete in typescript or in  
bold black capitals.

All fields are mandatory unless  
specified or indicated by \*

**2 Charge creation date**

Charge creation date 0 1 1 1 2 0 1 3

**3 Names of persons, security agents or trustees entitled to the charge**

Please show the names of each of the persons, security agents or trustees  
entitled to the charge.

Name NBGI Private Equity (Tranche II) LP, as agent and  
security trustee for the Secured Parties (as such  
terms are defined in the charge)

Name

Name

If there are more than four names, please supply any four of these names then  
tick the statement below.

☐ I confirm that there are more than four persons, security agents or  
trustees entitled to the charge.

# MR01

## Particulars of a charge

4

### Description

Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security.

#### Continuation page

Please use a continuation page if you need to enter more details.

Description

N/A

5

### Fixed charge or fixed security

Does the instrument include a fixed charge or fixed security over any tangible or intangible (or in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box.

☐ Yes

☒ No

6

### Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box.

☒ Yes Continue

☐ No Go to Section 7

Is the floating charge expressed to cover all the property and undertaking of the company?

☒ Yes

7

### Negative Pledge

Do any of the terms of the charge prohibit or restrict the chargor from creating any further security that will rank equally with or ahead of the charge? Please tick the appropriate box.

☒ Yes

☐ No

MR01

Particulars of a charge

8

**Trustee statement** ⓘ

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge.

☐

ⓘ This statement may be filed after the registration of the charge (use form MR06).

9

**Signature**

Please sign the form here.

Signature

Signature

X

*Sam Peon*

X

This form must be signed by a person with an interest in the charge.

**For and on behalf of Dundas & Wilson CSLP**

# MR01

## Particulars of a charge



### Presenter information

We will send the certificate to the address entered below. All details given here will be available on the public record. You do not have to show any details here but, if none are given, we will send the certificate to the company's Registered Office address.

Contact name

LF/NBG001.0006

Company name

Dundas & Wilson CS LLP

Address

Saltire Court

20 Castle Terrace

Edinburgh

Post town

County/Region

Postcode

E H 1 2 E N

Country

DX

Telephone

0131 200 7673



### Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.



### Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have included a certified copy of the instrument with this form.
- ☐ You have entered the date on which the charge was created.
- ☐ You have shown the names of persons entitled to the charge.
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8.
- ☐ You have given a description in Section 4, if appropriate.
- ☐ You have signed the form.
- ☐ You have enclosed the correct fee.
- ☐ Please do not send the original instrument; it must be a certified copy.



### Important information

Please note that all information on this form will appear on the public record.



### How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House.'



### Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below:

#### For companies registered in England and Wales:

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.

#### For companies registered in Scotland:

The Registrar of Companies, Companies House,  
Fourth floor, Edinburgh Quay 2,  
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.  
DX ED235 Edinburgh 1  
or LP - 4 Edinburgh 2 (Legal Post).

#### For companies registered in Northern Ireland:

The Registrar of Companies, Companies House,  
Second Floor, The Linenhall, 32-38 Linenhall Street,  
Belfast, Northern Ireland, BT2 8BG.  
DX 481 N.R. Belfast 1.



### Further information

For further information, please see the guidance notes on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)



**FILE COPY**

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

Company number: 122818

Charge code: SC12 2818 0020

The Registrar of Companies for Scotland hereby certifies that a charge dated 1st November 2013 and created by ATR LIFTING SOLUTIONS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 8th November 2013.

Given at Companies House, Edinburgh on 12th November 2013



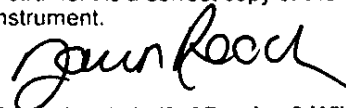
**Companies House**



**THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES**

DUNDAS & WILSON

I certify that, save for material redacted pursuant to s.859G of the Companies Act 2006, this copy instrument is a correct copy of the original instrument.



For and on behalf of Dundas & Wilson CS LLP

Date: 8 November 2013

## BOND AND FLOATING CHARGE

granted by

**Cosalt Offshore (UK) Limited**

in favour of

**NBGI Private Equity (Tranche II) LP  
as Security Trustee**

Ref: TAF/DR/NBG001.0006

This Bond and Floating Charge is subject to the terms of the Intercreditor Agreement dated 28 and 29 February 2012 among amongst others Clydesdale Bank plc, the Security Trustee and each Guarantor (as defined herein), as amended and restated on or around 28 June 2012 and as further amended, novated, supplemental or restated from time to time.

## INDEX

1.	INTERPRETATION	1
2.	CREATION OF SECURITY	5
3.	REPRESENTATIONS AND WARRANTIES - GENERAL	5
4.	UNDERTAKINGS	6
5.	WHEN SECURITY BECOMES ENFORCEABLE	7
6.	ENFORCEMENT OF SECURITY	8
7.	RECEIVER AND ADMINISTRATOR	8
8.	POWERS OF RECEIVER	9
9.	APPLICATION OF PROCEEDS	11
10.	EXPENSES AND INDEMNITY	11
11.	DELEGATION	12
12.	FURTHER ASSURANCES	12
13.	POWER OF ATTORNEY	12
14.	MISCELLANEOUS	12
15.	CONTINUING SECURITY	13
16.	REINSTATEMENT	13
17.	WAIVER OF DEFENCES	13
18.	IMMEDIATE RECOURSE	14
19.	APPROPRIATIONS	14
20.	NON-COMPETITION	14
21.	ADDITIONAL SECURITY	14
22.	TRANSFER	15
23.	CERTIFICATE	15
24.	SECURITY HELD BY CHARGOR	15
25.	NOTICES	15
26.	INTERCREDITOR AGREEMENT	15
27.	CONSENT TO REGISTRATION	15
28.	GOVERNING LAW AND JURISDICTION	16

**THIS BOND AND FLOATING CHARGE is made by:**

- (1) **COSALT OFFSHORE (UK) LIMITED** a company incorporated under the laws of Scotland with registered number SC122818 whose registered office is at 4th Floor, Saltire Court 20 Castle Terrace, Edinburgh, EH1 2EN (the **Chargor**);

in favour of

- (2) **NBGI PRIVATE EQUITY (TRANCHE II) LP.**, registered in Guernsey (with number 1511) whose registered office is at office is at 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, acting by its investment manager **NBGI PRIVATE EQUITY LIMITED** (registered number 3942388) whose registered office is at Old Change House, 128 Queen Victoria Street, London EC4V 4BJ as agent and security trustee for the Secured Parties (as defined below) (the **Security Trustee**).

**BACKGROUND**

- A. The Chargor enters into this Charge in connection with, amongst other things, the Loan Note Instruments (as defined below).
- B. This Charge is subject to the terms of the Intercreditor Agreement.

**IT IS AGREED as follows:**

**1. INTERPRETATION**

**1.1 Definitions**

In this Charge:

**Charged Assets** means the whole of the property (including uncalled capital) which is or may be from time to time while this Charge is in force comprised in the property and undertaking of the Chargor;

**Cosalt Loan Note Instrument** means the loan note instrument entered into by Cosalt Offshore Group Limited (previously named Dunwilco (1793) Limited) dated 15 February 2013 relative to the issue of up to £3,300,000 fixed rate secured loan notes 2019 by Cosalt Offshore Group Limited as such instrument was assigned and delegated by Cosalt Offshore Group Limited to ATR Offshore Group Limited pursuant to an assignation and delegation agreement dated on or around the date hereof, and as such instrument is amended, supplemented, restated, novated and replaced from time to time (including, without limitation, any amendment, supplement, restatement, novation or replacement entered into to increase the principal indebtedness under the Cosalt Loan Note Instrument or any listing of the Cosalt Loan Note Instrument on any investment exchange);

**Cosalt Interest Loan Note Instrument** means the loan note instrument entered into by Cosalt Offshore Group Limited dated on or around the date hereof relative to the issue of up to £360,847 15% fixed rate secured loan notes 2019 by Cosalt Offshore Group Limited as such instrument was assigned and delegated by Cosalt Offshore Group Limited to ATR Offshore Group Limited pursuant to an assignation and delegation agreement dated on or around the date hereof, and as such instrument is amended, supplemented, restated, novated and replaced from time to time (including, without limitation, any amendment, supplement, restatement, novation or replacement entered into to increase the principal indebtedness under the Cosalt Interest Loan Note Instrument or any listing of the Cosalt Interest Loan Note Instrument on any investment exchange);

**Debt Document** means any document creating or evidencing the Secured Liabilities;



**Event of Default** means any default (howsoever described) by any Obligor under any Debt Document or any breach by any Obligor of any of the terms of any Debt Document;

**Guarantee** means:

- (a) the guarantee dated on or around 29 February 2012 by each Guarantor (other than Underwater Engineering Services Limited, the Chargor, Cosalt Offshore Group Limited, Cosalt Offshore Holdings Limited and Cosalt Offshore Limited) in favour of the Security Trustee; and
- (b) the guarantee dated on or around 28 June 2012 by each Guarantor in favour of the Security Trustee;

**Guarantors** means:

- a) Underwater Engineering Services Limited;
- b) the Chargor;
- c) ATR Equipment Solutions Limited;
- d) ATR Power Solutions Limited;
- e) ATR Lifting Services Limited;
- f) ATR Overseas Limited;
- g) ATR Offshore Group Limited;
- h) Cosalt Offshore Group Limited;
- i) Cosalt Offshore Holdings Limited;
- j) Cosalt Offshore Limited; and
- k) each person that accedes to a Guarantee as a "Guarantor" from time to time,

and **Guarantor** means any of them;

**Intercreditor Agreement** means the Intercreditor Agreement dated 28 and 29 February 2012 among (amongst others) Clydesdale Bank plc, the Security Trustee and each Guarantor, as amended and restated on or around 28 June 2012;

**Intercreditor and Security Trust Deed** means the intercreditor and security trust deed entered into by (amongst others) the Security Trustee, the Chargor, the Loan Note Holders and each Guarantor dated 29 February 2012, as amended and restated on or around 28 June 2012;

**Loan Note Documents** means:

- a) the Loan Note Instruments;
- b) the Security Documents;
- c) the Intercreditor Agreement;
- d) the Intercreditor and Security Trust Deed; and
- e) any other document designated as a "Loan Note Document" by the Security Trustee and any Obligor;

**Loan Notes** means those loan notes issued by or assigned and delegated to ATR Offshore Group Limited under the Loan Note Instruments;

**Loan Note Holders** means each holder of Loan Notes from time to time;

**Loan Note Instruments** means the Original Loan Note Instrument, the Second Loan Note Instrument, the Cosalt Loan Note Instrument, the Cosalt Interest Loan Note Instrument, the Overdraft Loan Note Instrument and the Management Loan Note Instrument;

**Management Loan Note Instrument** means the loan note instrument entered into by ATR Offshore Group Limited dated 29 February 2012, relative to the issue of up to £110,005 12% fixed rate secured loan notes 2020 by ATR Offshore Group Limited as such instrument is amended, supplemented, restated, novated and replaced from time to time (including, without limitation, any amendment, supplement, restatement, novation or replacement entered into to increase the principal indebtedness under the Management Loan Note Instrument);

**NBGI** means NBGI Private Equity (Tranche II) LP registered in Guernsey (with number 1511) whose registered office is at office is at 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, acting by its investment manager NBGI Private Equity Limited (registered number 3942388) whose registered office is at Old Change House, 128 Queen Victoria Street, London EC4V 4BJ;

**Obligor** means the Chargor and each other Guarantor;

**Original Loan Note Instrument** means the loan note instrument entered into by ATR Offshore Group Limited dated 29 February 2012 relative to the issue of up to £11,005,056 fixed rate secured loan notes 2020 by ATR Offshore Group Limited as such instrument is amended, supplemented, restated, novated and replaced from time to time (including, without limitation, any amendment, supplement, restatement, novation or replacement entered into to increase the principal indebtedness under the Original Loan Note Instrument or any listing of the Original Loan Note Instrument on any investment exchange);

**Overdraft Loan Note Instrument** means the loan note instrument entered into by ATR Offshore Group Limited dated on or around the date hereof relative to the issue of up to £776,543 15% fixed rate secured loan notes 2020 by ATR Offshore Group Limited as such instrument is amended, supplemented, restated, novated and replaced from time to time (including, without limitation, any amendment, supplement, restatement, novation or replacement entered into to increase the principal indebtedness under the Overdraft Loan Note Instrument or any listing of the Overdraft Loan Note Instrument on any investment exchange);

**Party** means a party to this Charge;

**Receiver** means an administrative receiver, a receiver or a manager in each case, appointed under this Charge;

**Second Loan Note Instrument** means the loan note instrument entered into by ATR Offshore Group Limited dated on or around 28 June 2012 relative to the issue of up to £1,355,000 fixed rate secured loan notes 2020 by ATR Offshore Group Limited as such instrument is amended, supplemented, restated, novated and replaced from time to time (including, without limitation, any amendment, supplement, restatement, novation or replacement entered into to increase the principal indebtedness under the Second Loan Note Instrument);

**Secured Liabilities** means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of any Obligor to any Secured Party together with all costs, charges and expenses incurred by any Secured Party in connection with the protection, preservation or enforcement of its rights under any document evidencing or securing any such liabilities;

**Secured Parties** means the Security Trustee, NBGI and each Loan Note Holder from time to time and **Secured Party** means any of them;

**Security Documents** means:

- a) this Charge;
- b) each bond and floating charge dated on or around 29 February 2012 granted by each Obligor (other than Underwater Engineering Services Limited) in favour of the Security Trustee;
- c) each other bond and floating charge dated on or around the date of this Charge by each other Guarantor in favour of the Security Trustee; and
- d) each Guarantee,

and **Security Document** means any of them;

**Security Interest** means any standard security, mortgage, pledge, lien, charge, assignment, assignation, hypothecation or security interest or any other agreement or arrangement having a similar effect; and

**Security Period** means the period beginning on the date of this Charge and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full.

## 1.2 Construction

- 1.2.1 The term **Charge** means this instrument.
- 1.2.2 Any covenant of the Chargor under this Charge (other than a payment obligation) remains in force during the Security Period.
- 1.2.3 If the Security Trustee considers that an amount paid to the Security Trustee 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 Charge.
- 1.2.4 Unless the context otherwise requires, a reference to a Charged Asset includes the proceeds of sale of that Charged Asset.
- 1.2.5 References to this Charge and to any provisions of it or to any other document referred to in this Charge (including, without limitation, the Debt Documents) shall be construed as references to it in force for the time being as amended, varied, supplemented, restated, substituted, novated or replaced from time to time.
- 1.2.6 References in this Charge to statutes, statutory provisions and other legislation shall include all amendments, substitutions, modifications and re-enactments for the time being in force and shall include any orders, regulations, instruments or other subordinate legislation made under the relevant legislation.
- 1.2.7 In this Charge "including" shall not be construed as limiting the generality of the words preceding it.
- 1.2.8 In this Charge words importing the singular shall include the plural and vice versa and words denoting any gender shall include all genders;
- 1.2.9 References in this Charge to any person are to be construed to include references to a corporation, firm, company, partnership, joint venture, unincorporated body of persons, individual or any state or agency of a state, whether or not a separate legal entity.

1.2.10 References in this Charge to the Security Trustee or any Secured Party and any other person are to be construed to include the assignees or transferees or successors in title, whether direct or indirect of any Secured Party or any other person (as applicable).

1.2.11 References in this Charge to clause headings and clause numbers are for ease of reference only and are not to affect the interpretation of this Charge.

## **2. CREATION OF SECURITY**

### **2.1 General**

All the security created under or pursuant to this Charge:

2.1.1 is created in favour of the Security Trustee;

2.1.2 is created over present and future assets of the Chargor;

2.1.3 is security for the payment of all the Secured Liabilities; and

2.1.4 is subject to the terms of the Intercreditor Agreement and to the terms of the Intercreditor and Security Trust Deed.

### **2.2 Bond**

2.2.1 The Chargor undertakes to the Security Trustee to pay or discharge the Secured Liabilities in the manner provided for in the Debt Documents.

2.2.2 In respect of any Secured Liability for which the Chargor is contingently liable, the Chargor will, if such Secured Liability is not paid when due by the principal obligor, be treated for the purposes of the Secured Liability as if it were the principal obligor.

### **2.3 Floating Charge**

2.3.1 The Chargor hereby grants a floating charge over the Charged Assets.

2.3.2 In the event that the Chargor grants any Security Interest after its execution of this Charge in breach of Clause 4.1.1 the floating charge created by Clause 2.3.1 shall, subject to Section 464(2) of the Companies Act 1985, rank in priority to any such Security Interest.

2.3.3 The floating charge created by this sub-clause is a qualifying floating charge for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

## **3. REPRESENTATIONS AND WARRANTIES - GENERAL**

3.1 The Chargor represents and warrants to the Security Trustee that:

3.1.1 It is a limited liability company duly incorporated and validly existing under the laws of Scotland with power to own its assets and carry on its business as it is being conducted;

3.1.2 this Charge is legal, valid and binding on it and is enforceable against it in accordance with its terms;

3.1.3 this Charge creates the Security Interest it purports to create and is not liable to be amended or otherwise set aside on its liquidation or administration or otherwise;

- 3.1.4 the entering into and performance by it of, and the transactions contemplated by, this Charge do not and will not conflict with:
- (a) any law or regulation applicable to it;
  - (b) its constitutional documents;
  - (c) any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (howsoever described) under any such agreement or instrument;
- 3.1.5 it has the necessary power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Charge and the transactions contemplated by this Charge;
- 3.1.6 the Charged Assets belonging to it are free and clear of any Security Interest other than the Security Interests permitted under the Intercreditor Agreement.
- 3.2 The representations and warranties set out in this Charge are made on the date of this Charge and on each date during the Security Period.
- 4. UNDERTAKINGS**
- 4.1 The Chargor shall not without the prior written consent of the Security Trustee or except as permitted pursuant to the Intercreditor Agreement:
- 4.1.1 create or permit to subsist any Security Interest on or over any Charged Asset;
  - 4.1.2 sell, transfer, assign, factor, lease, license or otherwise dispose of all or any of the Charged Assets or its interest in them other than in the ordinary course of trading; or
  - 4.1.3 cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise prejudice the value or marketability of any of the Charged Assets.
- 4.2 The Chargor shall:
- 4.2.1 at all times comply with the terms of this Charge and of all agreements creating, evidencing or relating to the Secured Liabilities;
  - 4.2.2 comply in all material respects with the terms of all applicable laws and regulations including (without limitation) all environmental laws, legislation relating to public health, town and country planning, control and handling of hazardous substances or waste, fire precautions and health and safety at work;
  - 4.2.3 keep the Charged Assets in good and substantial repair and in good working order and condition, ordinary wear and tear excepted;
  - 4.2.4 promptly pay or cause to be paid and indemnify the Security Trustee and any Receiver against all present and future rent, rates, taxes, duties, charges, assessments, impositions and outgoings whatsoever now or at any time in the future payable in respect of any of its heritable properties (or any part of them) or by the owner or occupier of them;
  - 4.2.5 ensure that all the Charged Assets that are insurable are insured with reputable insurance companies or underwriters to such extent and against such risks as is normal for prudent companies in businesses similar to those of the Chargor;

- 4.2.6 notify the Security Trustee immediately if any creditor executes diligence against the Chargor or any distress or execution is levied or enforced against the Chargor or any third party debt order or freezing order is made and served on the Chargor;
- 4.2.7 notify the Security Trustee immediately if any steps (including, without limitation, the making of an application or the giving of any notice) are taken by any person (including, without limitation, the Chargor) in relation to the administration, receivership, winding-up or dissolution of the Chargor; and
- 4.2.8 maintain its centre of main interests (COMI), for the purposes of the Council Regulation (EC) No 1346/2000 on Insolvency Proceedings, in Scotland.

## **5. WHEN SECURITY BECOMES ENFORCEABLE**

### **5.1 Enforceability**

This Charge shall become enforceable upon and at any time after the occurrence of any of the following events:

- 5.1.1 if an Event of Default occurs and is not waived;
- 5.1.2 if the Chargor has failed to pay all or any of the Secured Liabilities when the same are due and payable;
- 5.1.3 any step is taken (including, without limitation, the making of an application or the giving of any notice) by the Chargor or by any other person to appoint an administrator in respect of the Chargor;
- 5.1.4 any step is taken (including, without limitation, the making of an application or the giving of any notice) by the Chargor or by any other person to wind up or dissolve the Chargor or to appoint a liquidator (whether provisional, interim or otherwise), trustee, receiver, administrative receiver or similar officer of the Chargor or any part of its undertaking or assets;
- 5.1.5 the making of a request by the Chargor for the appointment of a Receiver or administrator; or
- 5.1.6 if the Chargor breaches any of the provisions of this Charge.

### **5.2 Discretion**

After this Charge has become enforceable, the Security Trustee may in its absolute discretion enforce all or any part of this Charge in any manner it sees fit.

### **5.3 Right of Appropriation**

To the extent that any of the Charged Assets constitute "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 Trustee shall, after this Charge has become enforceable, have the right to appropriate all or any part of such financial collateral in or towards discharge of the Secured Liabilities. For this purpose, the parties agree that the value of such financial collateral so appropriated shall be:

- 5.3.1 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

- 5.3.2 in the case of shares or other investment, the market price of such shares or other investment determined by the Security Trustee by reference to a public index or by such other process as the Security Trustee 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.

## **6. ENFORCEMENT OF SECURITY**

### **6.1 Protection of third parties**

No person (including a purchaser) dealing with the Security Trustee, any Secured Party or a Receiver or its agents will be concerned to enquire:

- 6.1.1 whether the Secured Liabilities have become payable;
- 6.1.2 whether any power which the Security Trustee or a Receiver is purporting to exercise has become exercisable or is being properly exercised;
- 6.1.3 whether any money remains due under the Debt Documents; or
- 6.1.4 how any money paid to the Security Trustee or the Security Trustee or to that Receiver is to be applied.

### **6.2 Redemption of prior charges**

6.2.1 At any time after this Charge has become enforceable, the Security Trustee may:

- (a) redeem any prior Security Interest against any Charged Asset; and/or
- (b) procure the transfer of that Security Interest to itself; and/or
- (c) settle and pass the accounts of the prior chargee or encumbrancer; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on the Chargor.

6.2.2 The Chargor must pay to the Security Trustee, promptly on demand, the costs and expenses incurred by the Security Trustee in connection with any such redemption and/or transfer, including the payment of any principal or interest.

### **6.3 Contingencies**

If this Charge is enforced at a time when no amount is due under the Debt Documents but at a time when amounts may or will become due, the Security Trustee (or the Receiver) may pay the proceeds of any recoveries effected by it into a suspense account.

## **7. RECEIVER AND ADMINISTRATOR**

### **7.1 Appointment of Receiver or Administrator**

7.1.1 If this Charge has become enforceable or if the Chargor so requests, the Security Trustee may appoint in writing any one or more persons to be:

- (a) a Receiver of all or any part of the Charged Assets; and/or

(b) an administrator of the Chargor,

in each case in accordance with and to the extent permitted by all applicable laws.

7.1.2 The Security Trustee may not appoint an administrative receiver (as defined in section 29(2) of the Insolvency Act 1986) over the Charged Assets if the Security Trustee is prohibited from so doing by section 72A of the Insolvency Act 1986 and no exception to the prohibition on appointing an administrative receiver applies.

## **7.2 Removal**

The Security Trustee may by writing (so far as it is lawfully able and subject to any requirement for an order of the court in the case of an administrative receiver) remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

## **7.3 Remuneration**

The Security Trustee may fix the remuneration of any Receiver appointed by it subject to section 58 of the Insolvency Act 1986.

## **7.4 Agent of the Chargor**

7.4.1 A Receiver will be deemed to be the agent of the Chargor for all purposes. The Chargor alone is responsible for the contracts, engagements, acts, omissions, defaults and losses of a Receiver and for liabilities incurred by a Receiver.

7.4.2 The Security Trustee will not incur any liability (either to the Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

## **7.5 Relationship with the Security Trustee**

To the fullest extent allowed by law, any right, power or discretion conferred by this Charge (either expressly or impliedly) or by law on a Receiver may after this Charge becomes enforceable be exercised by the Security Trustee in relation to any Charged Asset without first appointing a Receiver and notwithstanding the appointment of a Receiver.

# **8. POWERS OF RECEIVER**

## **8.1 General**

8.1.1 To the extent permitted by law, a Receiver has all of the rights, powers and discretions set out below in this Clause in addition to those conferred on it by any law; this includes:

- (a) in the case of an administrative receiver, all the rights, powers and discretions conferred on an administrative receiver under the Insolvency Act, 1986; and
- (b) otherwise, all the rights, powers and discretions conferred on a receiver or a manager under the Insolvency Act, 1986.

8.1.2 If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Charge individually and to the exclusion of any other Receiver.



**8.2 Possession**

A Receiver may take immediate possession of, get in and collect any Charged Asset.

**8.3 Carry on business**

A Receiver may carry on any business of the Chargor in any manner he thinks fit.

**8.4 Employees**

8.4.1 A Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes of this Charge upon such terms as to remuneration or otherwise as he thinks fit.

8.4.2 A Receiver may discharge any person appointed by the Chargor.

**8.5 Borrow money**

A Receiver may raise and borrow money either unsecured or on the security of any Charged Asset either in priority to this Charge or otherwise and generally on any terms and for whatever purpose which he thinks fit.

**8.6 Sale of assets**

8.6.1 A Receiver may sell, exchange, convert into money and realise any Charged Asset by public auction or private contract and generally in any manner and on any terms which he thinks fit.

8.6.2 The consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which he thinks fit.

8.6.3 Fixtures, other than landlord's fixtures, may be severed and sold separately from the property containing them without the consent of the Chargor.

**8.7 Leases**

A Receiver may let any Charged Asset for any term and at any rent (with or without a premium) which he thinks fit and may accept a surrender of any lease or tenancy of any Charged Asset on any terms which he thinks fit (including the payment of money to a lessee or tenant on a surrender).

**8.8 Compromise**

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of the Chargor or relating in any way to any Charged Asset.

**8.9 Legal actions**

A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Charged Asset which he thinks fit.

**8.10 Receipts**

A Receiver may give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Charged Asset.

**8.11 Subsidiaries**

A Receiver may form a Subsidiary of the Chargor and transfer to that Subsidiary any Charged Asset.

**8.12 Delegation**

A Receiver may delegate his powers in accordance with this Charge.

**8.13 Lending**

A Receiver may lend money or advance credit to any customer of the Chargor.

**8.14 Protection of assets**

A Receiver may:

- 8.14.1 effect any repair or insurance and do any other act which the Chargor might do in the ordinary conduct of its business to protect or improve any Charged Asset;
- 8.14.2 commence and/or complete any building operation; and
- 8.14.3 apply for and maintain any planning permission, building regulation approval or any other authorisation,

in each case as he thinks fit.

**8.15 Other powers**

A Receiver may:

- 8.15.1 do all other acts and things which he may consider desirable or necessary for realising any Charged Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Charge or law;
- 8.15.2 exercise in relation to any Charged Asset all the powers, authorities and things which he would be capable of exercising if he were the absolute owner of that Charged Asset; and
- 8.15.3 use the name of the Chargor for any of the above purposes.

**9. APPLICATION OF PROCEEDS**

- 9.1 Any moneys received by the Security Trustee or any Receiver after this Charge has become enforceable must be applied in accordance with the Intercreditor Agreement and the Intercreditor and Security Trust Deed.
- 9.2 This Clause does not prejudice the right of the Security Trustee to recover any shortfall from the Chargor.

**10. EXPENSES AND INDEMNITY**

The Chargor must:

- 10.1 promptly on demand pay all costs and expenses (including legal fees) incurred in connection with this Charge by the Security Trustee, any Secured Party, Receiver, attorney, manager, agent or other person appointed by the Security Trustee under this Charge including any

arising from any actual or alleged breach by any person of any law or regulation, whether relating to the environment or otherwise; and

- 10.2 keep each of them indemnified against any failure or delay in paying those costs or expenses.

## **11. DELEGATION**

### **11.1 Power of Attorney**

The Security Trustee or any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Charge.

### **11.2 Terms**

Any such delegation may be made upon any terms (including power to sub-delegate) which the Security Trustee or any Receiver may think fit.

### **11.3 Liability**

Neither the Security Trustee nor any Receiver will be in any way liable or responsible to the Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any delegate or sub-delegate.

## **12. FURTHER ASSURANCES**

The Chargor will promptly, at its own expense, take whatever action the Security Trustee or a Receiver may require for:

- 12.1 creating, perfecting or protecting any security intended to be created by this Charge; or
- 12.2 facilitating the realisation of any Charged Asset, or the exercise of any right, power or discretion exercisable, by the Security Trustee or any Receiver or any of its delegates or sub-delegates in respect of any Charged Asset.

This includes:

- 12.2.1 the execution of any transfer, conveyance, assignment, assignation or assurance of any property, whether to the Security Trustee or to its nominee; or
- 12.2.2 the giving of any notice, order or direction and the making of any registration,
- 12.2.3 which, in any such case, the Security Trustee may think expedient.

## **13. POWER OF ATTORNEY**

The Chargor, by way of security, irrevocably and severally appoints the Security Trustee, each Receiver and any of its delegates or sub-delegates to be its attorney to take any action which the Chargor is obliged to take under this Charge. The Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause.

## **14. MISCELLANEOUS**

### **14.1 New Accounts**

- 14.1.1 If any subsequent charge or other interest affects any Charged Asset, the Security Trustee may open a new account with the Chargor.

14.1.2 If the Security Trustee does not open a new account, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that charge or other account.

14.1.3 From that time all payments made to the Security Trustee will be credited or be treated as having been credited to the new account and will not operate to reduce any Secured Liability.

#### **14.2 Severability**

If a term of this Charge is or becomes illegal, invalid or unenforceable in any respect under any jurisdiction, that will not affect:

14.2.1 the legality, validity or enforceability in that jurisdiction of any other term of the Charge; or

14.2.2 the legality, validity or enforceability in other jurisdictions of that or any other term of the Charge.

#### **15. CONTINUING SECURITY**

This Charge 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.

#### **16. REINSTATEMENT**

16.1 If any discharge (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) or arrangement is made in whole or in part on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation, administration or otherwise without limitation, the liability of the Chargor under this Charge will continue or be reinstated as if the discharge or arrangement had not occurred.

16.2 The Security Trustee may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

#### **17. WAIVER OF DEFENCES**

17.1 The obligations of the Chargor under this Charge will not be affected by any act, omission or thing (whether or not known to it or the Security Trustee) which, but for this provision, would reduce, release or prejudice any of its obligations under this Charge. This includes:

17.1.1 any time or waiver granted to, or composition with, any person;

17.1.2 any release of any person under the terms of any composition or arrangement;

17.1.3 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 person;

17.1.4 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;

17.1.5 any incapacity, lack of power, authority or legal personality of or dissolution or change in the members or status of any person;

17.1.6 any amendment of a Debt Document or any other document or security; or

- 17.1.7 any unenforceability, illegality, invalidity or non-provability of any obligation of any person under any Debt Document or any other document or security or the failure by the Chargor to enter into or be bound by any Debt Document.

## **18. IMMEDIATE RECOURSE**

The Chargor waives any right it may have of first requiring the Security Trustee (or any agent on its behalf) to proceed against or enforce any other right or security or claim payment from any person or file any proof or claim in any insolvency, administration, winding-up or liquidation proceedings relative to any other person before claiming from the Chargor under this Charge.

## **19. APPROPRIATIONS**

- 19.1 At any time during the Security Period, the Security Trustee (or any delegate, agent or other person acting on its behalf) may (subject to the terms of the Intercreditor Agreement) without affecting the liability of the Chargor under this Charge:

19.1.1 refrain from applying or enforcing any other monies, security or rights held or received by the Security Trustee (or any delegate, agent or other person acting on its behalf) against those amounts; or

19.1.2 apply and enforce them in such manner and order as it sees fit (whether against those amounts or otherwise); and

19.1.3 hold in an interest-bearing suspense account any moneys received from the Chargor or on account of the Chargor's liability under this Charge.

## **20. NON-COMPETITION**

- 20.1 Unless the Security Period has expired or the Security Trustee otherwise directs, the Chargor will not, after a claim has been made under this Charge or by virtue of any payment or performance by it under this Charge:

20.1.1 be subrogated to any rights, security or moneys held, received or receivable by any Secured Party (or any trustee or agent on its behalf);

20.1.2 be entitled to any right of contribution or indemnity in respect of any payment made or moneys received on account of the Chargor's liability under this Clause; or

20.1.3 claim, rank, prove or vote as a creditor of any person or their estate in competition with any Secured Party (or any trustee or agent on its behalf).

- 20.2 The Chargor must hold in trust for and immediately pay or transfer to the Security Trustee any payment or distribution or benefit of security received by it contrary to this Clause or in accordance with any directions given by the Security Trustee under this Clause.

## **21. ADDITIONAL SECURITY**

- 21.1 This Charge is in addition to and is not in any way prejudiced by any other security now or subsequently held by the Security Trustee or any Secured Party.

- 21.2 No prior security held by the Security Trustee (in its capacity as such or otherwise) over any Charged Asset will merge into this Charge.

**22. TRANSFER**

The Security Trustee may at any time (without notice or consent) assign, transfer or otherwise dispose of in any manner it sees fit, all or any part of the benefit of this Charge (or all or any of its rights under this Charge) and/or any of its obligations under this Charge to any person. The Chargor may not assign, transfer or otherwise dispose of any part of the benefit or burden of this Charge or all or any of its rights under this Charge without the prior written consent of the Security Trustee.

**23. CERTIFICATE**

A certificate by the Security Trustee as to the amount of the Secured Liabilities or any part of them shall, in the absence of manifest error, be conclusive and binding on the Chargor.

**24. SECURITY HELD BY CHARGOR**

The Chargor may not, without the prior consent of the Security Trustee, hold any security from any other person in respect of the Chargor's liability under this Charge. The Chargor will hold any security held by it in breach of this provision on trust for the Secured Parties.

**25. NOTICES**

25.1 All notices or other communications to be made or given under this Charge shall be in writing and shall be by first-class pre-paid post or by fax.

25.2 Receipt shall be deemed to have occurred forty-eight hours after posting (unless hand-delivered and then at the time of delivery) and if by fax when sent provided a transmission report is received.

25.3 Any notice to the Chargor shall be addressed to:

Address: Union Plaza (6th Floor)  
1 Union Wynd  
Aberdeen AB10 1DQ  
Fax: 01224 627 437  
FAO: The Directors

25.4 Any notice to the Security Trustee or a Secured Party shall be addressed for the attention of the Security Trustee to:

Address: Old Change House  
128 Queen Victoria Street  
London  
EC4V 4BJ  
Fax No. 020 7661 5667

**26. INTERCREDITOR AGREEMENT**

This Charge (and all obligations of the Chargor under this Charge and rights of the Security Trustee under this Charge) is subject to the terms of the Intercreditor Agreement and this Charge constitutes a Subordinated Security Document (as defined in the Intercreditor Agreement) for the purposes of the provisions of the Intercreditor Agreement.

**27. CONSENT TO REGISTRATION**

The Chargor consents to the registration of this Charge and of any certificate under this Charge or issued in respect of the Secured Liabilities for preservation and execution.

**28. GOVERNING LAW AND JURISDICTION**

- 28.1 This Charge and any non-contractual obligations arising out of or in connection with it are governed by Scots law.
- 28.2 The Courts of Scotland shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning this Charge and any matter arising in relation to them and the Chargor waives any right to object to an action being brought in these Courts, to claim that the action has been brought in an inconvenient forum or to claim that those Courts do not have jurisdiction.

IN WITNESS WHEREOF this Agreement consisting of this and the preceding fifteen pages is executed as follows:

SUBSCRIBED for and on behalf of COSALT OFFSHORE (UK) LIMITED acting by:

..... Director

..... EUAN LEASK ..... Name of Director

In the presence of:

..... Witness

..... SAMUEL JEAN JONES ..... Full name

..... BURNES PAUL LLP, UNION PLAZA, ..... Address

..... UNION WYND, AB10 10Q .....  
 .....

all together at ABEROCHEN

on the 1<sup>st</sup> day of NOVEMBER 2013