

MR01

Particulars of a charge

laserform

669707/13

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

You can use the WebFiling service to file this form online.
Please go to www.companieshouse.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 no
instrument. Use form MR08.

For further information, please
refer to our guidance at:
www.companieshouse.gov.uk

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
scanned and placed on the public record. **Do not send the original.**



A04 22/04/2016 #300
COMPANIES HOUSE

1 Company details

Company number

S C 4 8 5 0 6 0

Company name in full

FERGUSON MARINE ENGINEERING LIMITED

For official use
→ **Filing 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

d1 d5 m0 m4 y2 y0 y1 y6

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

INVESTEC BANK PLC

Name

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.

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4

Brief description

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument.

Brief description

Please submit only a short description if there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument".

Please limit the description to the available space.

5

Other charge or fixed security

Does the instrument include a charge (which is not a floating 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 company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box.

☒ Yes

☐ No

8

Trustee statement ¹

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.

☐

¹ This statement may be filed after the registration of the charge (use form MR06).

9

Signature

Please sign the form here.

Signature

Signature

X

Macfarlanes LLP

X

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

MR01

Particulars of a charge



Presenter information

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name BCJ/634047

Company name Macfarlanes LLP

Address 20 Cursitor Street

Post town

County/Region London

Postcode E C 4 A 1 L T

Country UK

DX DX No: 138 Chancery Lane

Telephone +44 (0)20 7831 9222



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:

- ☒ [X] The company name and number match the information held on the public Register.
- ☒ [X] You have included a certified copy of the instrument with this form.
- ☒ [X] You have entered the date on which the charge was created.
- ☒ [X] You have shown the names of persons entitled to the charge.
- ☒ [X] You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8.
- ☐ You have given a description in Section 4, if appropriate.
- ☒ [X] You have signed the form.
- ☒ [X] You have enclosed the correct fee.
- ☒ [X] 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 or email 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



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 485060

Charge code: SC48 5060 0004

The Registrar of Companies for Scotland hereby certifies that a charge dated 15th April 2016 and created by FERGUSON MARINE ENGINEERING LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 22nd April 2016.

Given at Companies House, Edinburgh on 9th May 2016



Companies House



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

DATED: 15 April 2016

FERGUSON MARINE ENGINEERING LIMITED
as Grantor

and

INVESTEC BANK PLC
as Security Agent

SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G
COMPANIES ACT 2006, THIS COPY INSTRUMENT IS
CERTIFIED TO BE A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.

Macfarlanes LLP

MACFARLANES LLP
20 CURSITOR STREET
LONDON EC4A 1LT

DATE: 20 April 2016

SECURITY INTEREST AGREEMENT
in relation to an account (Call Account)



WWW.CAREYOLSEN.COM

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THIS AGREEMENT is made the 15th day of April 2016

BETWEEN:

- (1) **FERGUSON MARINE ENGINEERING LIMITED**, a limited liability company incorporated in Scotland with company number SC485060 and having its registered office at 1 Redwood Crescent, Peel Park, East Kilbride, G74 5PA; and
- (2) **INVESTEC BANK PLC**, a company incorporated under the laws of England and Wales with registered number 00489604 whose registered office is at 2 Gresham Street, London, EC2V 7QP as security agent for the Secured Parties (the "Security Agent").

WHEREAS:

- (A) The Grantor is the sole legal and beneficial owner of the Collateral (as defined below).
- (B) It is a condition subsequent to the Facility Agreement that, *inter alia*, the Grantor enters into this Agreement with the Security Agent and thereby and pursuant thereto creates, *inter alia*, security interests as set out in Clause 2 hereof.

IT IS HEREBY AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement:

"Account"	means the account numbered [REDACTED], sort code: [REDACTED] and designated the "Call Account" maintained by the Grantor in its name with the Deposit Bank and includes any re-designation of that account, any account which derives in whole or in part from that account, any sub-account and any account substituted for the Account by written agreement between the parties;
"Account Balances"	means all sums at any time and from time to time standing to the credit of the Account and includes all interest accrued or accruing in the future thereon;
"this Agreement"	extends to every separate and independent stipulation contained herein and includes any recitals and schedules and any amendment or supplement which is for the time being in effect;
"Bail-In Action"	means the exercise of any Write-down and Conversion

	Powers;
"Bail-In Legislation"	<p>means:</p> <p>(a) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time; and</p> <p>(b) in relation to any other state, 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;</p>
"Business Days"	means a day (other than a Saturday or a Sunday) on which banks are open for business in London and Guernsey;
"Collateral"	means all the Grantor's right, title and interest (present and future) to, in and under the Account and the Account Balances together with all other income, interest, rights and sums deriving from or incidental thereto;
"Competing Rights"	<p>means any security or other right of the Grantor (whether by way of set-off, counterclaim, subrogation, indemnity, contract, proof in liquidation, contribution or otherwise) exercisable against any person with a view to:</p> <p>(a) the Grantor reducing any of the Grantor's liabilities under or in connection with this Agreement;</p> <p>(b) the Grantor obtaining reimbursement in respect of any of the Grantor's liabilities under or in connection with this Agreement; or</p> <p>(c) the Grantor having the benefit of, sharing in or enforcing any security for the reduction or reimbursement of any such liabilities;</p>
"Deposit Bank"	means Investec Bank (Channel Islands) Limited of P.O. Box 188, Gategny Court, Gategny Esplanade, St Peter Port,

Guernsey, GY1 3LP;

"EEA Member Country"	means any member state of the European Union, Iceland, Lichtenstein and Norway;
"Encumbrance"	includes any mortgage, charge, assignment, pledge, lien, hypothecation, security interest, trust arrangement, title retention, option (or any similar rights or obligations) or other arrangement having the effect of security;
"EU Bail-In Legislation Schedule"	means the document described as such and published by the Loan Market Association (or any successor person) from time to time;
"Event of Default"	means any of the events referred to in Clause 7;
"Exchange Rate"	means the spot rate of exchange of the Security Agent (as determined by the Security Agent in accordance with its usual practice) for the purchase of the relevant currency with sterling in the London foreign exchange market in the ordinary course of business at or about 10.00am on the day in question for delivery two Business Days later;
"Facility Agreement"	means a master facilities agreement dated 8 August 2013 made between, amongst others, Clyde Blowers Capital Fund III L.P. acting by its general partner, Clyde Blowers Capital GP III L.P. (as Master Guarantor), Clyde Blowers Capital IM LLP (as Manager) and Investec Bank plc (as Agent and Security Agent) as the same may be amended, modified, varied, restated or supplemented from time to time;
"Insolvent" and "Insolvency"	include any state of bankruptcy, insolvent winding up, administration, receivership, administrative receivership <i>saisie, désastre</i> or similar status under the laws of any relevant jurisdiction;
"Interest"	means interest at the default rate specified in clause 6.5 (<i>Default Interest</i>) of the Facility Agreement;
"Law"	means the Security Interests (Guernsey) Law, 1993;
"Required Currency"	means the currency or currencies in which the Secured

	Obligations are for the time being expressed;
"Resolution Authority"	means any body which has authority to exercise any Write-down and Conversion Powers;
"Secured Obligations"	means all present and future monies, obligations and liabilities owed by the Grantor to the Finance Parties (or any of them), whether actual or contingent and whether owed jointly or severally, as principal or surety and/or in any other capacity whatsoever, under or in connection with the Finance Documents in connection with Facility O;
"Security Period"	means the period beginning on the date of this Agreement and ending on the date on which the Agent is satisfied that the Secured Obligations have been irrevocably and unconditionally discharged in full and no further Secured Obligations are capable of arising; and
"Write-down and Conversion Powers"	means: <ul style="list-style-type: none"> (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; and (b) in relation to any other applicable Bail-In Legislation: <ul style="list-style-type: none"> (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.

1.2 Unless the context requires otherwise in this Agreement:

- 1.2.1 the singular includes the plural and the masculine includes the feminine and neuter genders and vice versa;
- 1.2.2 references to a Clause or Schedule are to a clause or schedule of this Agreement;
- 1.2.3 references to the Security Agent include its successors and assigns and references to the Grantor include its successors and permitted assigns (if any);
- 1.2.4 for the avoidance of doubt, it is hereby confirmed that for the purposes of the Law the Security Agent is "the secured party" and the Grantor is "the debtor";
- 1.2.5 "control" includes every aspect of control including the sole authority to make or accept and to authorise to be made or accepted any deposit, repayment, withdrawal, transfer or disposal of monies or other assets in or from the Account;
- 1.2.6 references to any statutory provision are to such statutory provision as modified or re-enacted for the time being and include any analogous provision or rule under any applicable law;
- 1.2.7 capitalised terms defined in the Facility Agreement have, unless expressly defined in this Agreement, the same meaning in this Agreement;
- 1.2.8 references to the Facility Agreement, this Agreement or any other document shall be construed as references to such document as in force for the time being and as amended and restated, varied, novated or supplemented from time to time in accordance with its terms or, as the case may be, with the agreement of the relevant parties;
- 1.2.9 "assets" includes, unless the context otherwise requires, present and future properties, revenues and rights of every description;
- 1.2.10 words and expressions not otherwise defined in this Agreement shall be construed in accordance with the Law;
- 1.2.11 the recitals and schedules hereto form part of this Agreement and shall have the same force and effect as if they were expressly set out in the body of this Agreement and any reference to this Agreement shall include the recitals and schedules;
- 1.2.12 clause headings are inserted for convenience only and shall not affect the construction of this Agreement;
- 1.2.13 to the extent that there is a conflict or inconsistency between the provisions of the Facility Agreement and this Agreement, the provisions of the Facility Agreement will,

unless this would prejudice the security interests constituted or intended to be constituted by this Agreement or be contrary to the requirements of the Law, prevail; and

1.2.14 an Event of Default is "**continuing**" if it is unwaived.

1.3 This Agreement is designated a Security Document for the purposes of the Facility Agreement and all other Finance Documents.

2. GRANT OF SECURITY INTEREST

2.1 With the intent that the Security Agent shall have a first security interest in the Collateral by way of security for the Secured Obligations, the Grantor hereby assigns the Collateral to the Security Agent and agrees that the Security Agent may at any time and from time to time take such further steps (if any) as may be necessary in order to give the Security Agent a security interest or interests in the Collateral as security for the Secured Obligations for the purposes of section 1(6) of the Law.

2.2 The creation of the security interest(s) pursuant to Clause 2.1 above is in addition to, and shall not affect, the Security Agent's other rights under or pursuant to this Agreement.

2.3 If and insofar as the foregoing shall not be effective to create or perfect a security interest in any part of the Collateral pursuant to the Law, the Grantor shall hold such Collateral on trust for and to the order of the Security Agent.

2.4 The Grantor covenants with, and undertakes to, the Security Agent to pay, discharge and satisfy the Secured Obligations in the manner and at the time provided for in the Finance Documents.

2.5 Upon expiry of the Security Period, the Security Agent shall, at the request and cost of the Grantor, release, re-assign, transfer or otherwise make over title to the Collateral to the Grantor without recourse, representation or warranty by the Security Agent and shall thereby discharge the security created pursuant to this Agreement in accordance with the Law.

3. OPERATION AND MAINTENANCE OF THE ACCOUNT

3.1 Without prejudice to the security interest or interests created in the Collateral by and pursuant to Clause 2 of this Agreement, during the continuance of this Agreement:

3.1.1 the Grantor undertakes to maintain the Account with the Deposit Bank in accordance with the Facility Agreement and this Agreement;

3.1.2 the Grantor shall promptly upon request of the Security Agent (acting reasonably) supply the Security Agent with copies of all mandate letters, bank statements and other agreements relating to the Collateral;

- 3.1.3 the Grantor shall not, without the Security Agent's prior written consent, permit or agree to any variation to the terms and conditions relating to the Account or close the Account;
 - 3.1.4 notwithstanding any term to the contrary relating to the Collateral, the Grantor shall not make any withdrawal or transfer from the Account during the Security Period and the Security Agent shall have sole control of the Collateral;
 - 3.1.5 any mandate or agreement between the Grantor and the Deposit Bank which, but for this Agreement, would govern the operation of all or any part of the Account shall be amended in order to conform to this Clause 3;
 - 3.1.6 no liability whatsoever shall attach to the Security Agent in acting or permitting any action or refusing or neglecting to act or permit any action in relation to the Collateral pursuant to any request or instruction of the Grantor;
 - 3.1.7 if any part of the Collateral is held on or constitutes a time deposit then, subject to any contrary instructions from the Security Agent, that time deposit shall be successively re-deposited for such periods and on such terms as may from time to time be agreed between the Grantor and the Security Agent in writing (failing which agreement, for such periods and on such terms as the Security Agent may in its discretion decide) and for the avoidance of doubt, any such Collateral shall continue to be subject to the security interest or interests created in the Collateral by and pursuant to this Agreement.
- 3.2 If any inconsistency arises between the provisions of this Agreement and the terms of any mandate or agreement between the Grantor and the Deposit Bank, the provisions of this Agreement shall override:
- 3.2.1 the terms of any such mandate or agreement; and
 - 3.2.2 the terms on which any part of the Collateral may have been deposited or title to it may have been transferred to the Deposit Bank or the Security Agent (other than in accordance with the provisions of this Agreement).

4. FURTHER ASSURANCE AND POWER OF ATTORNEY

- 4.1 The Grantor agrees that from time to time forthwith upon the receipt of written request of the Security Agent the Grantor shall promptly execute and deliver to the Security Agent all further instruments and documents which the Security Agent may require (acting reasonably) for the purpose of obtaining the full benefit of this Agreement.
- 4.2 For the purpose of facilitating the exercise of the powers of the Security Agent under the Law and pursuant to this Agreement, the Grantor hereby irrevocably appoints the Security Agent its

attorney (with full power of substitution) to sign, execute, seal, deliver, acknowledge, file, register and perfect any and all assurances, documents, instruments, agreements, transfers, certificates and consents whatsoever and to do any and all such acts and things whatever which the Grantor is required and has the capacity to do in relation to the matters within or the subject of this Agreement (but which it has not done) and which the Security Agent may deem necessary or advisable in order to give full effect to the purposes of this Agreement, including, without limitation, anything referred to in Clause 8 (*Enforcement by the Security Agent*), provided always that such power of attorney shall not be exercisable until the occurrence of an Event of Default which is continuing.

- 4.3 The Grantor covenants with and undertakes to the Security Agent to ratify and confirm any lawful exercise or purported exercise of the power of attorney constituted in Clause 4.2.

5. REPRESENTATIONS AND WARRANTIES

- 5.1 The Grantor makes to the Security Agent the following representation and warranty on the date of this Agreement and, by reference to the facts and circumstances then existing, on such dates stated in clause 14.27.1 (*Repetition*) of the Facility Agreement:

5.1.1 that, subject only to the security interest created pursuant to this Agreement, the Collateral is the Grantor's sole and absolute property free from any Encumbrance and that Grantor's title to the Collateral is not liable to be challenged on any grounds; and

5.1.2 that any security interest duly created under this Agreement in accordance with the Law will be recognised as a first ranking right of security over the Collateral by way of security for the Secured Obligations in any Insolvency of the Grantor.

- 5.2 The Grantor acknowledges that the Security Agent (on behalf of each of the Finance Parties) has entered into this Agreement in reliance on the representation and warranty set out in this Clause 5.

6. COVENANTS AND UNDERTAKINGS

- 6.1 The Grantor covenants and undertakes to the Security Agent to the intent that the same shall be continuing covenants and undertakings during the Security Period:

6.1.1 not to attempt to sell, create or permit to subsist any Encumbrance over, withdraw, disburse, pay, assign or otherwise dispose of or deal with the Collateral or any interest in the Collateral (other than pursuant to this Agreement or as permitted under the terms of any other Finance Document);

6.1.2 forthwith upon the execution of this Agreement to join with the Security Agent in giving the Deposit Bank notice in the form set out in the Schedule hereto and the Grantor shall use its reasonable endeavours to ensure that the Deposit Bank gives the

acknowledgement in the form attached to the said notice. Any instructions contained in the said notice may not be revoked or amended without the prior written consent of the Security Agent;

- 6.1.3 to comply with all laws relating to the Collateral and with all conditions and obligations assumed by it in any agreement relating to any of the Collateral;
 - 6.1.4 not to do (or permit to be done) anything which could prejudice the security interest(s) constituted or expressed to be constituted by this Agreement;
 - 6.1.5 not, without the prior written consent of the Security Agent, permit or agree to:
 - (a) any variation of the terms and conditions relating to the Account;
 - (b) any variation of the rights attaching to the Account; or
 - (c) the closing of the Account;
 - 6.1.6 to execute any new or further bank mandate(s) (and obtain any prior authority and approval which is necessary for it properly to do so) as may be required by reason of this Agreement by the Security Agent (acting reasonably); and
 - 6.1.7 within three Business Days of receipt, to send copies to the Security Agent of all statements and other notices given to, or received by the Grantor from, the Deposit Bank in respect of the Account.
- 6.2 The Grantor acknowledges that the Security Agent (on behalf of each of the Finance Parties) has entered into this Agreement in reliance on the covenants and undertakings set out in this Clause 6.

7. EVENTS OF DEFAULT

For the purposes of this Agreement and the Law, the occurrence of any act or event listed in clause 16 (*Fund Events of Default*) and/or clause 17 (*Facility Events of Default*) of the Facility Agreement shall constitute an Event of Default.

8. ENFORCEMENT BY THE SECURITY AGENT

- 8.1 At any time after the occurrence of an Acceleration Event and provided that the Security Agent has served on the Grantor a notice specifying the particular Event of Default complained of (whether pursuant to a Fund Default Notice, a Facility Default Notice or otherwise), the Security Agent shall be entitled, without further notice, authority, court order or demand, to apply the Collateral (as if the Collateral represented proceeds of sale) in accordance with the provisions of

the Law.

- 8.2 The Security Agent's right to enforce its security interest shall apply notwithstanding that any Account may be a time deposit and the applicable period of deposit has not yet expired.
- 8.3 Subject always to the requirements of the Law, the power of application/sale shall be exercisable in such manner as the Security Agent shall in its absolute discretion determine.
- 8.4 For the purposes of this Agreement, references to the exercise of a "power of sale" or "power of application" shall include any method or process by which value is given, allowed or credited by the Security Agent for the Collateral against the Secured Obligations.
- 8.5 The Security Agent may at its discretion:
 - 8.5.1 exercise its power of sale over parts of the Collateral at such different times, in such different manner and for such different consideration as it considers appropriate; and
 - 8.5.2 refrain from exercising its power of sale over any one part of the Collateral notwithstanding that it shall have exercised such power over any other.
- 8.6 No person dealing with the Security Agent shall be concerned to enquire as to the propriety of exercise of any power of sale or application (including, without limitation, whether any security interest has become enforceable, whether any of the Secured Obligations remain due, as to the necessity or expediency of any conditions to which a sale is made subject or generally as to the application of any monies representing the proceeds of sale or application). Each such dealing shall be deemed in favour of such person to be valid, binding and effectual.
- 8.7 The Security Agent shall be under no liability to the Grantor for any failure to apply and distribute any monies representing the proceeds of sale or application of the Collateral in accordance with the Law if the Security Agent applies and distributes such monies in good faith having regard to the provisions of the Law without further enquiry and in accordance with the information expressly known to it at the time of application and distribution.

9. INDEMNITIES AND INTEREST

- 9.1 The Grantor shall, within the Maximum Period following demand by the Security Agent, indemnify the Security Agent against any loss, liability, claim, damage or expense which it incurs as a result of or in connection with:
 - 9.1.1 the Security Agent having title to the Collateral or part thereof; or
 - 9.1.2 the performance of any function in relation to or the taking of any steps to perfect or administer the security constituted or intended to be constituted under or pursuant to this Agreement; or

9.1.3 the preservation, defence, exercise or enforcement or attempted enforcement of any rights of the Security Agent under this Agreement; or

9.1.4 any default by the Grantor in the performance of any of its obligations expressed to be assumed by it in this Agreement.

9.2 Any sum due by the Grantor under any provision of this Agreement (including Clause 9.1) shall be payable promptly upon demand. Interest shall be payable after as well as before judgment and otherwise in accordance with the terms contained in the Facility Agreement and such interest shall form part of the Secured Obligations.

10. ASSIGNMENT AND SUCCESSION

10.1 Subject to any restriction thereon under the Facility Agreement, the Security Agent may assign and transfer all or any part of its rights and obligations under this Agreement.

10.2 The security interests and other rights of the Security Agent arising under this Agreement shall remain valid and binding notwithstanding any amalgamation, reorganisation, merger or re-domiciliation by or involving the Security Agent and shall inure for the benefit of the Security Agent's successors.

10.3 The Grantor may not assign or transfer all or any part of its rights, benefits and/or obligations under this Agreement without the prior written consent of the Security Agent or as otherwise permitted under the Facility Agreement.

11. SUSPENSE ACCOUNT

11.1 The Security Agent may place to the credit of an interest bearing suspense account any monies received under or in connection with this Agreement in order to preserve the rights of the Security Agent to prove for the full amount of all claims in respect of the Secured Obligations including those under this Agreement.

11.2 The Security Agent may, at any time, apply any of the monies referred to in Clause 11.1 in or towards satisfaction of any of the Secured Obligations as the Security Agent, in its absolute discretion, may from time to time conclusively determine.

12. NEW ACCOUNTS

12.1 The security interest or interests created pursuant to this Agreement shall be a continuing security interest or interests notwithstanding any partial or intermediate payment or performance of the Secured Obligations.

12.2 If this Agreement ceases for any reason to be continuing in relation to the Grantor or any subsequent action by the Grantor or any other person adversely affects the Collateral, then the Security Agent may open a new account or accounts in the name of the Grantor.

12.3 If the Security Agent does not open a new account or accounts pursuant to Clause 12.2, it shall nevertheless be treated as if it had done so at the time that this Agreement ceases to be continuing (whether by determination, calling in or otherwise) in relation to the Grantor or at the time it received or was deemed to receive notice of such action.

12.4 As from that time, all payments made to the Security Agent by or on behalf of the Grantor shall be credited or be treated as having been credited to the new account or accounts and shall not operate to reduce the amount for which this Agreement stands as security at that time nor shall the liability of the Grantor under this Agreement in any manner be reduced or affected by any subsequent transactions, receipts or payments into or out of any such accounts.

13. **LENDER PROTECTION**

13.1 Neither the obligations of the Grantor under this Agreement nor the security interest(s) constituted or intended to be constituted by this Agreement will be affected by any act, omission or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under this Agreement or release or prejudice any of that security (without limitation and whether or not known to the Grantor or the Security Agent) including (but not limited to):

13.1.1 any time, waiver or consent granted to, or composition with, the Security Agent or any other person;

13.1.2 the release of the Security Agent or any other person under the terms of any composition or arrangement;

13.1.3 the taking, variation, compromise, exchange, renewal, enforcement or release of, or refusal or neglect to perfect, take up or enforce any rights against, or Security over assets of, the Security Agent or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;

13.1.4 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Security Agent or any other person;

13.1.5 any amendment (however fundamental) or replacement, variation, novation, assignment or termination of any other document or security;

13.1.6 any unenforceability, illegality or invalidity of any security or of any obligation of any person under any other document; or

13.1.7 any Insolvency or similar proceedings relating to the Grantor or any other person.

13.2 The Grantor waives any right it may have (whether by virtue of the droit de discussion, droit de division or otherwise) to require:

- 13.2.1 that the Security Agent, before enforcing this Agreement, takes any action, exercises any recourse or seeks any Insolvency proceedings against any other person, makes any claim in any Insolvency of any other person or enforces or seeks to enforce any other right, claim, remedy or recourse against any other person;
- 13.2.2 that the Security Agent, in order to preserve any of its rights against the Grantor, joins the Grantor as a party to any proceedings against any other person or any other person as a party to any proceedings against the Grantor or takes any other procedural steps; or
- 13.2.3 that the Security Agent divides the liability of the Grantor under this Agreement with any other person.
- 13.3 The Grantor warrants that, as at the date of this Agreement, it has not taken, received or exercised any Competing Rights and agrees that it will not in the future take, receive or exercise any Competing Rights during the Security Period.
- 13.4 If, notwithstanding Clause 13.3 of this Agreement, any Competing Rights are taken, exercised or received by the Grantor, such Competing Rights and all monies received or held in respect thereof shall be held by the Grantor on trust for the Security Agent to be applied in or towards the discharge of the Grantor's liabilities under this Agreement and shall be transferred, assigned or, as the case may be, paid to the Security Agent promptly following the Security Agent's demand.
14. **MISCELLANEOUS**
- 14.1 The Security Agent may exchange or convert to the Required Currency any currency held or received at the Exchange Rate.
- 14.2 The security constituted by this Agreement shall take effect as a security for the whole and every part of the payment or performance of the Secured Obligations.
- 14.3 The rights and remedies of the Security Agent under this Agreement may be exercised from time to time and as often as the Security Agent deems expedient and are in addition to and shall neither prejudice nor be prejudiced by any other security or right or remedy which is at any time available to the Security Agent (whether at law or pursuant to this Agreement, another agreement or the order of any court).
- 14.4 No delay, omission, time or indulgence on the part of the Security Agent in exercising any right or remedy under this Agreement shall impair that right or remedy or (in the absence of an express reservation to that effect) operate as or be taken to be a waiver of it; nor shall any single partial or defective exercise of any such right or remedy preclude any other or further exercise of that or any other right or remedy. Without prejudice to the generality of the foregoing, the Security Agent may exercise or refrain from exercising any of its rights and remedies independently in

respect of different parts of the Collateral.

- 14.5 The making of one demand shall not preclude the Security Agent from making any further demands.
- 14.6 Save as otherwise expressly provided in this Agreement and subject always to the Law, any liberty or power which may be exercised or any determination which may be made by the Security Agent may be exercised or made in the absolute and unfettered discretion of the Security Agent which shall not be under any obligation to give reasons.
- 14.7 If at any time one or more of the provisions of this Agreement becomes invalid, illegal or unenforceable in any respect, that provision shall be severed from the remainder and the validity, legality and enforceability of the remaining provisions of this Agreement shall not be affected or impaired in any way. In particular, without prejudice to the generality of the foregoing, no defect in respect of a security interest created or intended to be created over any part of the Collateral shall affect the security interest created over any other part.
- 14.8 No variation or amendment of this Agreement shall be valid unless in writing and signed by or on behalf of the Grantor and the Security Agent. Any waiver by the Security Agent of any Event of Default which is continuing or breach of other terms of this Agreement, and any consent or approval given by the Security Agent for the purposes of this Agreement, shall also be effective only if given in writing and then only for the purpose and upon the terms and conditions, if any, on which it is granted.
- 14.9 The Grantor may not direct the application by the Security Agent of any sums received by the Security Agent under, or pursuant to, any of the terms of this Agreement or in respect of the Secured Obligations provided always that the Security Agent shall apply all sums received by it in accordance with the terms of the Facility Agreement.
- 14.10 The Security Agent shall without prejudice to its other rights and powers under this Agreement be entitled (but not bound) at any time and as often as may be necessary to take such action required (acting reasonably) and which it is entitled to take under the terms of the Facility Agreement for the purpose of protecting the security constituted by this Agreement.
- 14.11 Any certificate submitted by the Security Agent to the Grantor as to the amount of the Secured Obligations or any other amount payable under this Agreement shall, in the absence of manifest error, be conclusive and binding on the Grantor.
- 14.12 This Agreement may be executed in any number of counterparts each of which shall be an original but which shall together constitute one and the same instrument.
- 14.13 If the Security Agent considers that an amount paid by the Grantor under the Facility Agreement, this Agreement or any other Finance Document is capable of being avoided, or otherwise set aside, on the Insolvency of the Grantor or otherwise, then that amount shall not be considered

to have been irrevocably paid for the purposes of this Agreement or any other Finance Document.

- 14.14 The Security Agent holds the benefit of this Agreement on trust for the Secured Parties upon the terms of clause 1.1 of Schedule 9 (*Security Agent as trustee*) of the Facility Agreement.

15. COMMUNICATIONS

- 15.1 The provisions of clause 21 (Notices) of the Facility Agreement shall apply to this Agreement with such changes as are appropriate to fit the context.

16. GOVERNING LAW AND JURISDICTION

- 16.1 This Agreement and all non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws of the Island of Guernsey and the parties hereby irrevocably agree that the courts of the Island of Guernsey are to have jurisdiction to settle any disputes which arise out of or in connection with this Agreement and that accordingly any suit, action or proceeding arising out of or in connection with this Agreement ("**Proceedings**") may be brought in such court.

- 16.2 Nothing contained in this Agreement shall limit the right of the Security Agent to take Proceedings, serve process or seek the recognition or enforcement of a judgement or any similar or related matter against the Grantor in any convenient, suitable or competent jurisdiction nor shall the taking of any action in one or more jurisdictions preclude the taking of action in any other jurisdiction, whether concurrently or not.

- 16.3 The Grantor irrevocably waives (and irrevocably agrees not to raise) any objection which it may have now or hereafter to laying of the venue of any Proceedings in any such court as referred to in this Clause, any claim that any such Proceedings have been brought in an inconvenient forum and any right it may have to claim for itself or its assets immunity from suit, execution, attachment or other legal process.

- 16.4 The Grantor further irrevocably agrees that a judgment in any Proceedings brought in any such court as is referred to in this Clause shall be conclusive and binding upon the Grantor and may be enforced in the court of any other jurisdiction.

17. AGENT FOR SERVICE

The Grantor hereby irrevocably appoints Collas Crill Trust Limited of Gategny Court, Gategny Esplanade, St Peter Port, Guernsey, GY1 4EW to act as its agent to receive and accept on its behalf any process or other document relating to Proceedings brought in the courts of the Island of Guernsey and agrees to maintain an agent for service of process in the Island of Guernsey throughout the Security Period.

18. BAIL-IN PROVISIONS

18.1 Notwithstanding any other term of this Agreement, any other Finance Document or any other agreement, arrangement or understanding between the parties hereto, each of the Grantor and the Secured Party hereby acknowledges and accepts that any liability of any party herein to any other party herein under or in connection with this Agreement may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

18.1.1 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

18.1.2 a variation of any term of any Finance Document (to include this Agreement) to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

SCHEDULE – NOTICE TO THE DEPOSIT BANK

To: **INVESTEC BANK (CHANNEL ISLANDS) LIMITED**
PO Box 188
Gategny Court
Gategny Esplanade
St. Peter Port
Guernsey
GY1 3LP

For the attention of: Geoff Riou

Date: 2016

Dear Sirs

1. In this Notice the following expressions shall have the following meanings:
 - 1.1 the "**Depositor**" means **FERGUSON MARINE ENGINEERING LIMITED**;
 - 1.2 the "**Account**" means the account no: 03259801, sort code: **40-48-15** designated the "Call" Account held in the name of the Depositor and includes any re-designation of that account or accounts, any account which derives in whole or in part from that account, any sub-account and any account substituted as the Account by written agreement between the Depositor and the Security Agent of which you are given notice in writing; and
 - 1.3 the "**Security Agent**" means **INVESTEC BANK PLC**.
2. For the purposes of section 1(8) of the Security Interests (Guernsey) Law, 1993, the Depositor and the Security Agent hereby give you notice that pursuant to a security interest agreement dated 2016 (the "**Security Agreement**") the Depositor has assigned to the Security Agent all the Depositor's right, title, interests and benefits in, to or in respect of the Account maintained with you and all amounts standing to the credit of the Account (including interest) from time to time (together the "**Collateral**").
3. With effect from the date of your receipt of this notice we hereby irrevocably instruct and authorise you:
 - (a) to credit to the Account all interest from time to time earned on the sums of money held in the Account;

- (b) hold all sums from time to time standing to the credit of the Account to the order of the Security Agent and not to accept any instructions from the Depositor in connection therewith;
 - (c) to comply with the terms of any written notice or instruction (including payment instructions) relating to the Collateral from time to time which you may receive from the Security Agent without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instructions;
 - (d) to pay or release any sum(s) standing to the credit of the Account in accordance with the written instructions of the Security Agent;
 - (e) send copies of all notices and communications relating to the Account to the Secured Party as well as the Depositor; and
 - (f) to disclose to the Security Agent or any other person identified to you in writing by the Security Agent without any reference to or further authority from us and without any enquiry by you as to the justification for such disclosure, such information in respect of the Collateral as the Security Agent or any such other person may, at any time and from time to time, request.
4. We agree that you are not bound to enquire whether the right of the Security Agent to withdraw any monies from the Account, has arisen or to be concerned with (i) the propriety or regularity of the exercise of that right or (ii) any notice to the contrary (save in respect of: (a) any notice of release of the Collateral or any part of it from the security created or purported to be created pursuant to the Security Agreement or (b) any notice jointly issued to you by the Security Agent and the Depositor).

The above instructions and authorisations shall remain in full force and effect until the Security Agent gives you notice in writing revoking them. A copy of the Security Agent's current authorised signatory list is attached to this notice.

Please note that the Depositor shall remain liable to perform all the obligations assumed by the Depositor under any mandate or other agreement relating to the Account and that neither the Security Agent nor any of its agents will at any time have any liability to you regarding the Account.

The Depositor is not permitted, without the Security Agent's prior written consent, to permit or agree to any variation of the terms and conditions relating to the Account or to close the Account.

This notice and any non-contractual obligations arising out of it or in connection with it shall be governed by and construed in accordance with the laws of the Island of Guernsey and all parties hereto submit to the exclusive jurisdiction of the Guernsey courts.

Please acknowledge receipt of this notice by signing and dating the acknowledgement printed on the

enclosed copy of this Notice and returning it to the Security Agent (with a copy to the Depositor).

Yours faithfully

.....

for and on behalf of

FERGUSON MARINE ENGINEERING LIMITED

.....

for and on behalf of

INVESTEC BANK PLC

ACKNOWLEDGEMENT

To: **INVESTEC BANK PLC**
2 Gresham Street
London
EC2V 7QP

Copy: **FERGUSON MARINE ENGINEERING LIMITED**

Date: 2016

Dear Sirs

RE: "Call" Account, number: 03259801

We, **INVESTEC BANK (CHANNEL ISLANDS) LIMITED**, hereby acknowledge receipt of a notice in the terms attached hereto and confirm that we shall act in accordance with the terms thereof.

We confirm that at the date of this notice:

- (a) no fees or periodic charges are payable in respect of the Account (with the exception of standard bank and transactional charges and any interest to be paid by the Depositor in the event that the Account becomes overdrawn) and there are no restrictions on (i) the payment of the credit balance of the Account or (ii) the creation of the security interest over the Collateral to the Security Agent or any third party;
- (b) we have not received notice of the creation of any other assignment, charge, security interest over or trust or other third party interests in respect of the Collateral;
- (c) we have neither claimed nor exercised any security interest, right of combination, consolidation, counter-claim, set-off or other right which we may have in respect of the Collateral.

We further confirm that:

- (a) we will not without the Security Agent's prior consent (i) exercise any security interest, right of combination, consolidation, counter-claim, set-off or other right which we may have in respect of the Collateral or (ii) vary/amend the terms or conditions upon which the Account is operated or any rights attaching to the Account or (iii) close the Account;

- (b) we will not permit any amount to be withdrawn from the Account without your prior written consent; and
- (c) we shall send all statements and other notices given by us relating to the Account to the Security Agent (and provide copies to the Depositor).

This acknowledgement shall be governed by and construed in accordance with the laws of the Island of Guernsey and the parties to the notice and the acknowledgement agree to the exclusive jurisdiction of the Guernsey courts.

Yours faithfully

For and on behalf of
INVESTEC BANK (CHANNEL ISLANDS) LIMITED

.....
Title: _____

IN WITNESS whereof the parties have executed this Agreement the day and year first above written.

SIGNED for and on behalf of

FERGUSON MARINE ENGINEERING LIMITED)
by a director)

In the presence of:

Signature of witness

Name of witness

Address of witness

Occupation of witness

WENDY BELSHAW

PERSONAL ASSISTANT

EXECUTED

For and on behalf of
INVESTEC BANK PLC
as Security Agent

.....
Authorised Signatory

IN WITNESS whereof the parties have executed this Agreement the day and year first above written.

SIGNED for and on behalf of

FERGUSON MARINE ENGINEERING LIMITED
by a director

)
)

In the presence of:

Signature of witness

Name of witness

Address of witness

Occupation of witness

EXECUTED

For and on behalf of
INVESTEC BANK PLC
as Security Agent



Authorised Signatory

Angela Jackson
Authorised Signatory



Jonathan Harvey
Authorised Signatory