



Registration of a Charge

Company name: **CHC SCOTIA LIMITED**

Company number: **00936569**



X6FQ07FC

Received for Electronic Filing: **25/09/2017**

Details of Charge

Date of creation: **22/09/2017**

Charge code: **0093 6569 0259**

Persons entitled: **CHC CAYMAN BORROWER III LIMITED**

Brief description: **MSN 920259. FOR MORE DETAILS PLEASE REFER TO THE INSTRUMENT.**

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **WILLIAM AMO**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 936569

Charge code: 0093 6569 0259

The Registrar of Companies for England and Wales hereby certifies that a charge dated 22nd September 2017 and created by CHC SCOTIA LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 25th September 2017 .

Given at Companies House, Cardiff on 27th September 2017

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

EXECUTION VERSION

DATED 22 September 2017

**CHC SCOTIA LIMITED
AS LESSEE**

IN FAVOUR OF

**CHC CAYMAN BORROWER III LIMITED
AS BORROWER**

**LESSEE SECURITY ASSIGNMENT
IN RESPECT OF ONE (1) SIKORSKY AIRCRAFT
MODEL S92A AIRCRAFT WITH MANUFACTURER'S
SERIAL NUMBER 920259 EQUIPPED WITH TWO (2)
GENERAL ELECTRIC CT7-8A ENGINES**

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THIS SECURITY ASSIGNMENT (this "**Agreement**") is dated 22 September 2017 and made between:

1. **CHC SCOTIA LIMITED**, a company incorporated under the laws of England and Wales having its registered office at CMS Cameron McKenna LLP, 78 Cannon Street, London EC4N 6AF (the "**Lessee**"); and
2. **CHC CAYMAN BORROWER III LIMITED**, an exempted company incorporated under the laws of the Cayman Islands, having its registered office at Centralis Cayman Limited, One Capital Place, 3rd Floor, Sheddon Road, Grand Cayman, PO Box 1564, Cayman Islands, KY1-1110 (the "**Borrower**").

NOW IT IS AGREED as follows:

1. **DEFINITIONS AND INTERPRETATION**

1.1 **Terms defined**

In this Agreement:

"**Aircraft**" means one (1) Sikorsky aircraft model S92A aircraft bearing manufacturer's serial number 920259, including the relevant Airframe, Engines, Rotor Blades, Rotor Components, Parts and, where the context so requires, Manuals and Technical Records.

"**Airframe**" means:

- (a) the Aircraft, excluding the relevant Engines, Rotor Blades, Rotor Components and Manuals and Technical Records and the ITAR Equipment (if any); and
- (b) any and all Parts from time to time incorporated in, installed on or attached to the Airframe and any and all Parts removed therefrom so long as title thereto shall remain vested in the Borrower in accordance with the applicable terms of the relevant Lease Agreement after removal from the Airframe.

"**Assigned Property**" means (a) the Sublease Agreement Property; (b) the Insurance Property; and (c) the Requisition Proceeds Property.

"**Borrower Security Assignment**" means, in respect of the Aircraft, the security assignment dated on or around the date hereof between the Borrower and the Security Trustee.

"**Discharge Date**" means the date on which the Security Trustee is obliged to release the Aircraft Specific Collateral for the Aircraft in accordance with clause 5 (*Release of Security*) of the Proceeds Agreement.

"**Engines**" means:

- (a) the two (2) General Electric CT7-8A engines bearing engine serial numbers 947799 and 947790 as more particularly defined in the Lease Agreement; and

- (b) any replacement engine which is from time to time substituted in place of an Engine in accordance with the requirements of clause 3.3 (*Replacement Engines and Parts*) of the Borrower Mortgage and Security Agreement,

including, in each case, any and all Parts incorporated therein or installed thereon or attached thereto and any and all Parts removed therefrom so long as title thereto shall remain vested in the Borrower in accordance with the applicable terms of the relevant Lease Agreement after removal from such Engine and excluding, at all times, the ITAR Equipment (if any).

"Insurance Proceeds" means, in respect of the Aircraft, amounts payable in consequence of a claim under any of the Insurances up to an amount equal to the Agreed Value, other than amounts payable in consequence of a claim under the liability insurances.

"Insurance Property" means, in respect of the Aircraft, the right, title and interest (present and future, actual and contingent) of the Borrower in and to the Insurances in respect of the Aircraft (including any Insurance Proceeds in respect of the Aircraft but excluding any third party liability insurance), up to an amount equal to the Agreed Value, but excluding any such right, title and interest to the extent it relates solely to any ITAR Equipment installed on the Aircraft.

"Manuals and Technical Records" means, in respect of the Aircraft, any and all logs, manuals, certificates and data and inspection, modification, maintenance, engineering, technical and overhaul records (including all computerized data, records and materials of any kind whatsoever), in each case with respect to the maintenance of the Aircraft, including all records required to be maintained by the relevant Aviation Authority or any other Government Entity having jurisdiction with respect to the Aircraft or required to be maintained by the relevant Manufacturer or any relevant supplier of the Aircraft (or any part thereof) pursuant to a service bulletin or with respect to the continued effectiveness of their warranties or enforcement of warranties or otherwise and excluding any such documents related to the ITAR Equipment (if any).

"Part" means, in respect of the Aircraft, all appliances, avionics, software, components, parts, instruments, appurtenances, accessories, furnishings and other equipment of whatever nature (other than the Engines, Rotor Blades and Rotor Components) that may from time to time be incorporated or installed in or attached to the Airframe, Rotor Blades, Rotor Components or an Engine and excluding ITAR Equipment (if any).

"Requisition Proceeds" means any monies or other compensation receivable by the Borrower from any Government Entity in relation to the Aircraft, the Airframe, any Engine, any Rotor Blade, any Rotor Component or any Part in the event of its requisition for title, confiscation, restraint, detention, forfeiture or compulsory acquisition or seizure or requisition for hire by or under the order of any such Government Entity.

"Requisition Proceeds Property" means all of the right, title and interest (present and future, actual and contingent) of the Borrower in and to any Requisition Proceeds for the Aircraft, but excluding any such right, title and interest to the extent it relates solely to any ITAR Equipment installed on the Aircraft.

"Rotor Blade" means, in respect of the Aircraft:

- (a) each of the rotor blades described and listed by manufacturer's type and model in the Mortgage and Security Agreement in respect of the Aircraft unless replaced with a substitute rotor blade; and
- (b) any rotor blade that may from time to time be substituted, pursuant to the applicable terms of the relevant Lease Agreement, for a Rotor Blade,

together with, in each case, any and all Rotor Components and Parts incorporated in or installed on or attached to such Rotor Blade or rotor blade or any and all Rotor Components and Parts removed therefrom so long as title thereto shall remain vested in the Borrower in accordance with the applicable terms of the relevant Lease Agreement after removal from such Rotor Blade and excluding, at all times, the ITAR Equipment (if any).

"Rotor Components" means, in respect of the Aircraft:

- (a) each of the main rotor gear boxes, tail rotor gear boxes, combining gearboxes, transmissions, servos, main and tail rotor head components and other rotor components installed on the Airframe in respect of the Aircraft unless replaced with a substitute rotor component; and
- (b) any rotor component that may from time to time be substituted, pursuant to the applicable terms of the applicable Lease Agreement, for a Rotor Component,

together, in each case, with any and all Parts incorporated in or installed on or attached to such Rotor Component or rotor component or any and all Parts removed therefrom so long as title thereto shall remain vested in the Borrower in accordance with the applicable terms of the relevant Lease Agreement after removal from such Rotor Component and excluding at all times, the ITAR Equipment.

"Secured Party" means the Finance Parties and each of them is a "Secured Party".

"Sublease Agreement Property" means, in respect of the Aircraft, all of the right, title and interest, present and future, of the Lessee under the Sublease Agreement in respect of the Aircraft, including all of its right, title and interest in and to (i) rent and other amounts payable under the Sublease Agreement, (ii) claims for damages arising out of a breach of or default under the Sublease Agreement and (iii) compel performance and otherwise exercise any and all rights and remedies under the Sublease Agreement, if applicable, but excluding any such right, title and interest to the extent it relates solely to any ITAR Equipment installed on the Aircraft.

1.2 Terms defined in the Proceeds Agreement

Unless defined in this Agreement, or the context otherwise requires, a term defined in part A of appendix A (*Master Definitions Schedule*) of the Proceeds Agreement has the same meaning in this Agreement, or in any notice given under or in connection with this Agreement.

1.3 Construction and Interpretation

The rules of construction and interpretation set out in part B of appendix A (*Master Definitions Schedule*) of the Proceeds Agreement will apply to this Agreement, or to any notice given under or in connection with this Agreement.

1.4 Application of provisions in Proceeds Agreement

Clauses 9 (*Mitigation*), 14 (*Notices*), 15 (*Preservation*), 16 (*Counterparts*) and 17 (*Confidentiality*) of the Proceeds Agreement are deemed to form part of this Agreement as if expressly incorporated into it and as if all references in those clauses to the Proceeds Agreement respectively were references to this Agreement.

1.5 Present and future property

A reference in this Agreement to the Assigned Property includes, unless the contrary intention appears, present and future Assigned Property.

1.6 Clawback

Notwithstanding Clause 15 (*Release of Security*), if the Borrower has been advised by appropriate legal counsel that any amount paid or credited to any Secured Party is likely to be avoided or reduced by reason of the application of any bankruptcy, insolvency or other applicable laws affecting creditors' rights and the discharge of obligations, and the Borrower will or will become likely to be obliged to pay to or account to any Obligor or any liquidator or trustee in bankruptcy of any Obligor any amount corresponding to all or any part of such amount the liability of the Lessee under this Agreement and the other Transaction Documents and any Security Interest constituted by this Agreement will continue and such amount will not be considered to have been irrevocably paid.

2. COVENANT TO PAY

The Lessee covenants with the Borrower to pay, discharge and satisfy such of the Secured Obligations as are from time to time owing to any of the Secured Parties by the Lessee in full in accordance with the terms of the Transaction Documents. Notwithstanding the foregoing, the Lessee acknowledges in favour of the Borrower that the amount secured by this Agreement and in respect of which this Agreement and the Security Interest hereby created is enforceable in the full amount of the Secured Obligations for the time being and from time to time and covenants with the Borrower that the Assigned Property is charged for the full payment, performance and discharge of the Secured Obligations for the time being and from time to time.

3. ASSIGNMENT AND CHARGE

3.1 Assignment

The Lessee assigns and agrees to assign absolutely by way of security with full title guarantee to the Borrower, as continuing security for the payment and discharge of the Secured Obligations, all of its right, title and interest, present and future, in and to the Assigned Property.

3.2 Fixed Charges

Subject to Permitted Security Interests, the Lessee charges with full title guarantee in favour of the Borrower (to the extent not validly and effectively assigned pursuant to Clause 3.1 (*Assignment*)) as security for the payment and discharge of the Secured Obligations, by way of first fixed charge, all of its right, title and interest, present and future, in and to the Assigned Property.

4. PROVISIONS AS TO SECURITY

4.1 Negative Pledge

The Lessee shall not during the Security Period create or permit to subsist any Security Interest (other than any Permitted Security Interests) over any of the Assigned Property unless it has obtained the prior written consent of the Borrower or except as otherwise permitted under the Transaction Documents.

4.2 Notices of assignment: Sublease Agreement

- (a) If there is a Sublease Agreement in respect of the Aircraft, then promptly following the execution of this Agreement, the Lessee will join the Borrower in giving notice to the Sublessee of the Security Interest constituted under this Agreement and the Borrower Security Assignment in respect of the Sublease, such notice being in substantially the form set out in schedule 9 (*Notice of Assignment and Charge to the Sublessee*) of the Borrower Security Assignment.
- (b) The Lessee will procure from the Sublessee an acknowledgement being in substantially the form of schedule 10 (*Acknowledgement of Assignment and Charge from the Sublessee*) of the Borrower Security Assignment.

4.3 Notice of assignment: Insurances

- (a) Promptly following the execution of this Agreement, the Lessee will join the Borrower and the Security Trustee in giving notice to the Insurer (as defined therein) of the Security Interest constituted under this Agreement in respect of the Insurance Property, such notice being in substantially the form set out in schedule 5 (*Notice of Assignment of Insurances*) of the Borrower Security Assignment.
- (b) The Lessee will use reasonable efforts to procure from the Insurer an acknowledgement contained in the notice of assignment referred to in paragraph (a) above.

4.4 Notices of assignment: Requisition Proceeds

- (a) Immediately:
 - (i) upon any requisition for title, confiscation, restraint, detention, forfeiture or compulsory acquisition or seizure or requisition for hire

being affected by any government or public or local authority or agency in respect of the Aircraft,

the Lessee will join the Security Trustee and the Borrower in giving notice to the relevant government, authority or agency, of the Security Interest constituted under this Agreement in respect of the Requisition Proceeds, such notice being in substantially the form set out in schedule 3 (*Notice of Assignment and Charge of Requisition Proceeds*) of the Borrower Security Assignment.

- (b) The Lessee will use its reasonable endeavours to procure from each of the relevant government, authority and agency an acknowledgement in the form set out in schedule 4 (*Acknowledgement of Assignment and Charge of Requisition Proceeds*) of the Borrower Security Assignment or otherwise in the form set out in the relevant notice of assignment.

5. ENFORCEMENT OF SECURITY

5.1 Enforcement

Whilst a Loan Event of Default is continuing, each Security Interest created by or pursuant to this Agreement shall be immediately enforceable and the Borrower may, with or without notice to the Lessee or prior authorisation from any court, in its absolute discretion:

- (a) apply to any authority in the country in which the Assigned Property or any part thereof is registered or located for an enforcement and attachment order in respect of the Assigned Property or any such part thereof;
- (b) sell, call in, collect and convert into money the Assigned Property with all such powers in that respect as are conferred by law and by way of extension thereof such sale, calling in, collection and conversion may be made, subject to applicable law for such consideration as the Borrower shall deem fit, whether the same shall consist of cash or shares or debentures in some other company or companies or other property of whatsoever nature or partly of one and partly of some other species of consideration and whether such consideration shall be presently payable or by instalments or at some future date and whether such deferred or future payments shall be secured or not in all other respects in such manner and for any other consideration as the Borrower shall think fit and without being liable to account for any loss of or deficiency in such consideration;
- (c) settle, arrange, compromise or submit to arbitration any accounts, claims, questions or disputes whatsoever which may arise in connection with the Assigned Property or in any way relating to this Agreement and execute releases or other discharges in relation thereto;
- (d) bring, take, defend, compromise, submit to arbitration or discontinue any actions, suits or proceedings whatsoever, civil or criminal, in relation to the Assigned Property;

- (e) exercise any and all rights of the Lessee under or in connection with the Assigned Property including, without limitation, any and all rights of the Lessee to (i) demand or otherwise require payment of any amount under the Assigned Property and (ii) take possession of the Aircraft and for that purpose to enter upon any land or buildings where the Aircraft is or is reasonably thought to be situated without being liable to the Lessee for or by reason of such entry;
- (f) take any other enforcement action in respect of the Assigned Property and/or the Aircraft under and in accordance with the Transaction Documents;
- (g) collect, receive or compromise and give a good discharge for all claims then outstanding or thereafter arising in respect of, or under, the Assigned Property and to take over or institute all such suits, legal actions or other proceedings in connection therewith as the Borrower may consider fit;
- (h) execute and do all such acts, deeds and things as the Borrower may consider necessary or proper for or in relation to any of the purposes aforesaid; and/or
- (i) otherwise put into force and effect all rights, powers and remedies available to the Borrower, pursuant to applicable law or otherwise, as assignee of the Assigned Property (to the extent assigned hereunder) and the rights of the Lessee in relation to the Aircraft and/or Assigned Property.

5.2 Limitations

In all events, the exercise of the rights hereunder shall be subject to any express provisions and limitations in the Proceeds Agreement or any other applicable Transaction Document, including the provision of any excess amounts of Insurance Proceeds and/or Insurance Property above the Agreed Value to the Lessee. For avoidance of doubt, the foregoing remedies hereunder are exercisable by the Borrower.

6. EXTENSION OF POWERS AND RIGHT OF APPROPRIATION

6.1 Extension of powers

The power of sale or other disposal conferred on the Borrower and on any Receiver by this Agreement shall operate as a variation and extension of the statutory power of sale under Section 101 of the Law of Property Act 1925 and such power shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on execution of this Agreement.

6.2 Restrictions

The restrictions contained in Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Agreement or to the exercise by the Borrower of its right to consolidate all or any of the security created by or pursuant to this Agreement with any other security in existence at any time or to its power of sale, which powers may be exercised by the Borrower without notice to the Lessee on or at any time after this

Agreement has become enforceable in accordance with Clause 5 (*Enforcement of Security*).

6.3 Statutory powers

The powers conferred by this Agreement on the Borrower are in addition to and not in substitution for the powers conferred on mortgagees and mortgagees in possession under the Law of Property Act 1925, the Insolvency Act 1986 or otherwise by law and, in the case of any conflict between the powers contained in either the Law of Property Act 1925 or the Insolvency Act 1986 and those conferred by this Agreement, the terms of this Agreement will prevail.

7. APPOINTMENT OF RECEIVER

7.1 Appointment and removal

The Borrower may, at any time, by deed or otherwise, at any time after the Security Interest created by or pursuant to this Agreement has become enforceable in accordance with Clause 5 (*Enforcement of Security*), without prior notice:

- (a) appoint one or more persons to be a Receiver of the whole or any part of the Assigned Property;
- (b) appoint two or more Receivers of separate parts of the Assigned Property;
- (c) remove (so far as it is lawfully able) any Receiver so appointed;
- (d) appoint another person(s) as an additional or replacement Receiver(s); or
- (e) appoint one or more persons to be an administrator of the Lessee.

7.2 Capacity of Receivers

Each person appointed to be a Receiver pursuant to Clause 7.1 (*Appointment and removal*) shall be:

- (a) entitled to act individually or together with any other person appointed or substituted as Receiver;
- (b) for all purposes be the agent of the Lessee and the Lessee shall be solely liable and responsible for any Receiver's acts, omissions, defaults and liabilities and for the payment of his remuneration, costs, charges and expenses and no Receiver shall at any time act as agent of the Borrower;
- (c) entitled to remuneration for his services at a rate to be fixed by the Borrower from time to time (without being limited to the maximum rate specified by the Law of Property Act 1925);
- (d) in the exercise of his powers, authorities and discretions, required to conform with the directions from time to time made and given by the Borrower.

7.3 Statutory powers of appointment

The powers of appointment of a Receiver shall be in addition to all statutory and other powers of appointment of the Borrower under the Law of Property Act 1925 (as extended by this Agreement) or otherwise.

8. POWERS OF RECEIVERS

Every Receiver shall (subject to any restrictions in the instrument appointing him but notwithstanding any winding-up or dissolution of the Lessee) have and be entitled to exercise, in relation to any part of the Assigned Property in respect of which he was appointed, and as varied and extended by the provisions of this Agreement (in the name of or on behalf of the Lessee or in his own name and, in each case, at the cost of the Lessee):

- (a) all the powers conferred by the Law of Property Act 1925 on mortgagors and on mortgagees in possession and on receivers appointed under that Act;
- (b) all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);
- (c) all the powers and rights of an absolute owner and power to do or omit to do anything which the Lessee itself could do or omit to do; and
- (d) the power to do all things (including bringing or defending proceedings in the name or on behalf of the Lessee) which seem to the Receiver to be incidental or conducive to:
 - (i) any of the functions, powers, authorities or discretions conferred on or vested in him;
 - (ii) the exercise of any rights, powers and remedies of the Borrower provided by or pursuant to this Agreement or by law (including realisation of all or any part of the assets in respect of which that Receiver was appointed); or
 - (iii) bringing to his hands any assets of the Lessee forming part of, or which when got in would be, the Assigned Property.

9. APPLICATION OF MONEYS

All moneys received or recovered by the Borrower or any Receiver pursuant to this Agreement or the powers conferred by it shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the Law of Property Act 1925) be applied in accordance with clause 6 (*Application of Proceeds*) of the Proceeds Agreement.

10. PROTECTION OF PURCHASERS

10.1 Consideration

The receipt by the Borrower or any Receiver of moneys shall effectively discharge the purchaser and, in making any sale, disposal or other disposition of any of the Assigned Property or in making any acquisition, the Borrower or any Receiver may do so for such consideration (whether cash or non-cash), in such manner and on such terms as it thinks fit.

10.2 Protection of purchasers

No purchaser or other person dealing with the Borrower or any Receiver shall be bound to inquire whether the right of the Borrower or such Receiver to exercise any of its powers has arisen or become exercisable or be concerned with any propriety or regularity on the part of the Borrower or such Receiver in such dealings.

11. EFFECTIVENESS OF SECURITY

11.1 Continuing security

- (a) The security created by or pursuant to this Agreement shall remain in full force and effect as a continuing security for the Secured Obligations until the Discharge Date.
- (b) No part of any Security Interest from time to time intended to be constituted by this Agreement will be considered satisfied or discharged by an intermediate payment, discharge or satisfaction of the whole or any part of the Secured Obligations.

11.2 Cumulative rights

The Security Interest created by or pursuant to this Agreement shall be cumulative, in addition to and independent of every other Security Interest which the Borrower or any Secured Party may at any time hold for the Secured Obligations or any other obligations or any rights, powers and remedies provided by law and shall operate as an independent security notwithstanding any receipt, release or discharge endorsed on or given in respect of or under any such other Security Interest. No prior Security Interest held by the Borrower or any of the Secured Parties over the whole or any part of the Assigned Property shall merge into any Security Interest constituted by this Agreement.

11.3 No liability

Without prejudice to clause 10.8 (*Exclusion of Security Trustee's Liability*) of the Proceeds Agreement, none of the Security Trustee, its nominee(s) nor any Receiver shall be liable

- (a) to account as a mortgagee or mortgagee in possession; or

- (b) for any loss arising by reason of taking any action permitted by this Agreement or any neglect or default in connection with the Assigned Property or taking possession of or realising all or any part of the Assigned Property,

except in the case of gross negligence, wilful default or fraud upon its part.

11.4 Partial invalidity

If, at any time, any part of the security intended to be created by or pursuant to this Agreement is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the security.

11.5 Waiver of defences

Other than an express release pursuant to the provisions of Clause 15 (*Release of Security*) the obligations of, and the Security Interests created by, the Borrower under this Agreement will not be affected by any act, omission, matter or thing which, but for this Clause 11.5, would reduce, release or prejudice any of its obligations under, or the Security Interests created by, this Agreement and whether or not known to the Borrower or any Secured Party including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor or any Obligor;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security Interest over assets of, any Obligor or other person or any non-presentment or non-observance of any formality or other requirement in respect of any instruments or any failure to realise the full value of any Security Interest;
- (d) any incapacity or lack of powers, authority or legal personality of or dissolution or change in the members or status of, any Obligor or any other person;
- (e) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case however fundamental and of whatsoever nature, and whether or not more onerous) or replacement of a Transaction Document or any other document or security or of the Secured Obligations (including, without limitation, any change in the purpose of, any extension of, or any variation or increase in any facility or amount made available under any facility or the addition of any new facility under any Transaction Document or other documents);
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Transaction Document or any other document or security or of the Secured Obligations; and
- (g) any insolvency or similar proceedings.

11.6 Lessee intent

Without prejudice to the generality of Clause 11.5 (*Waiver of defences*), the Lessee expressly confirms that it intends that the Security Interests created under this Agreement and the rights, powers, remedies and discretions arising thereunder, shall extend from time to time to any (however fundamental and of whatsoever nature, and whether or not more onerous) variation, increase, extension or addition of or to any of the Transaction Documents and/or any facility or amount made available under any of the Transaction Documents for the purposes of or in connection with any of the following: acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

11.7 Immediate recourse

The Lessee waives any right it may have of first requiring the Borrower or any Secured Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or Security Interest or claim payment from any other person before claiming from the Lessee under this Agreement. This waiver applies irrespective of any law or any provision of this Agreement or any other Transaction Document to the contrary.

11.8 Deferral of rights

Until the end of the Security Period, the Lessee will not exercise any rights which it may have by reason of performance by it of its obligations under this Agreement:

- (a) to be indemnified by an Obligor;
- (b) to claim any contribution from any guarantor of any Obligor's obligations under this Agreement or any other Transaction Document;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any right of the Secured Parties under this Agreement or any other Transaction Document or of any other guarantee or Security Interest taken pursuant to, or in connection with, this Agreement or any other Transaction Document by any Secured Party.
- (d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Obligor has given a guarantee, undertaking or indemnity under any Transaction Document; or
- (e) to claim or prove as a creditor of any Obligor in competition with any Secured Party.

If the Lessee receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution on trust for the Borrower to the extent

necessary to enable all amounts which may be or become payable to any Secured Party by the Lessee or any Obligor under or in connection with any of the Transaction Documents to be repaid in full and shall promptly pay or transfer the same to the Lessee or as the Lessee may direct for application in accordance with Clause 11 (*Application of Moneys*).

12. PRIOR SECURITY INTERESTS

- (a) In the event of any action, proceeding or step being taken to exercise any powers or remedies conferred by any prior ranking Security Interest against any part of the Assigned Property or in case of exercise by the Borrower or any Receiver of any power of sale under this Agreement, the Borrower may redeem such prior Security Interest or procure the transfer thereof to itself.
- (b) While an Enforcement Event is continuing, the Borrower may settle and agree the accounts of the prior Security Interest and any accounts so settled and passed will be conclusive and binding on the Lessee.
- (c) All principal moneys, interest, costs, charges and expenses of and incidental to any redemption or transfer will be paid by the Lessee to the Borrower on demand.

13. SUBSEQUENT SECURITY INTERESTS

If the Borrower or any of the Secured Parties at any time receives or is deemed to have received notice of any subsequent Security Interest, assignment or transfer affecting the Assigned Property or any part of the Assigned Property which is prohibited by the terms of any Transaction Document, all payments thereafter by or on behalf of the Lessee to the Borrower will be credited or treated as having been credited to a new account of the Lessee and not as having been applied in reduction of the Secured Obligations at the time that notice was received.

14. SUSPENSE ACCOUNTS

All moneys received, recovered or realised by the Borrower under this Agreement (including the proceeds of any conversion of currency) whilst a Loan Event of Default is continuing may in the discretion of the Borrower be credited to any interest bearing suspense or impersonal account(s) maintained with a financial institution as it considers appropriate (including itself) for so long as the Loan Event of Default is continuing (the interest being thereafter applied in accordance with clause 6 (*Application of Proceeds*) of the Proceeds Agreement) pending their application from time to time at the Borrower's discretion, in or towards the discharge of any of the Secured Obligations.

15. RELEASE OF SECURITY

Subject to clause 5 (*Release of Security*) of the Proceeds Agreement, upon the Discharge Date the Borrower shall, at the request and cost of the Lessee, promptly release, discharge and cancel the security and Security Interests constituted by this Agreement, execute any documents necessary or required by the Lessee to effect such release and discharge and procure the reassignment to the Lessee of the Assigned

Property assigned to the Borrower pursuant to this Agreement in accordance with and pursuant to clause 10.21 (*Winding Up of Trust*) of the Proceeds Agreement, in each case without recourse to, or any representation or warranty by, Borrower or any of its nominees.

16. GOVERNING LAW

This Agreement and all non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with English law.

17. ENFORCEMENT

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement) (a "**Dispute**").
- (b) The parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary.
- (c) This Clause 17 is for the benefit of the Borrower only. As a result, the Borrower shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Borrower may take concurrent proceedings in any number of jurisdictions.

18. COUNTERPARTS

- (a) This Agreement may be executed in any number of counterparts, each of which is an original and all of which together evidence the same agreement.
- (b) This Agreement shall not come into effect until each party has executed at least one counterpart.

THIS AGREEMENT has been executed as, and is intended to take effect as, a deed by the Lessee and has been signed by the Borrower on the date written on the first page of this Agreement.

EXECUTION PAGE - Lessee Security Assignment MSN 920259

The Borrower

SIGNED and DELIVERED)

as a Deed)

by)

as _____ for and on behalf of)

CHC CAYMAN BORROWER III LIMITED,)

in the presence of)

Name of witness: _____

Title: _____

Address: _____

The Lessee

EXECUTED AS A DEED BY)

CHC SCOTIA LIMITED)

acting by: *authorised signatory*)

in the presence of:)

Signature: _____

Name: _____

Occupation: _____

