



Registration of a Charge

Company name: **VIRGIN ATLANTIC AIRWAYS LIMITED**

Company number: **01600117**



X9D2DPX6

Received for Electronic Filing: **07/09/2020**

Details of Charge

Date of creation: **04/09/2020**

Charge code: **0160 0117 0188**

Persons entitled: **LLOYDS BANK PLC**

Brief description:

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: **ROSEMARY LOBLEY**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 1600117

Charge code: 0160 0117 0188

The Registrar of Companies for England and Wales hereby certifies that a charge dated 4th September 2020 and created by VIRGIN ATLANTIC AIRWAYS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 7th September 2020 .

Given at Companies House, Cardiff on 8th September 2020

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

4 September 2020

VIRGIN ATLANTIC AIRWAYS LIMITED
as *Chargor*

LLOYDS BANK PLC
as *Security Agent*

and

LLOYDS BANK PLC
as *Account Bank*

BANK ACCOUNT SECURITY AGREEMENT

**This Deed is entered into subject to the terms of the Facility Agreement
referred to in this Deed.**



Freshfields Bruckhaus Deringer

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THIS DEED is made on 4 September 2020

BETWEEN

- (1) **VIRGIN ATLANTIC AIRWAYS LIMITED** as the Chargor (the *Chargor*);
- (2) **LLOYDS BANK PLC** for itself and as agent and trustee for each of the other Finance Parties (as defined below) (the *Security Agent*); and
- (3) **LLOYDS BANK PLC** as Account Bank (as defined below) (the *Account Bank*).

WHEREAS

- (A) The Chargor is required to enter into this Deed as a condition of the Finance Documents.
- (B) It is intended that this document takes effect as a Deed notwithstanding the fact that a party may only execute this document under hand.

IT IS AGREED

1. Interpretation

1.1 Definitions

In this Deed, unless the context otherwise requires or a contrary indication appears:

- (a) terms defined in the Facility Agreement have the same meanings when used in this Deed;
- (b) in addition:

Account has the meaning given to that term in Clause 3 (*Account*).

Account Bank means Lloyds Bank plc in its capacity as the account bank, with whom the Account is maintained by the Chargor;

Collateral means all sums from time to time standing to the credit of or earned upon the Account, including interest.

Costs and Expenses means any fees, costs, charges, losses, liabilities, expenses and other amounts (including legal, accountants' and other professional fees) and any Taxes thereon;

Dissolution means any event or circumstance described in Clause 24.7 (*Insolvency proceedings*) of the Facility Agreement;

Enforcement Event means the service of the notice as described in clause 23.16 (*Acceleration*) of the Facility Agreement by the Agent upon the Chargor;

Facility Agreement means the agreement originally dated 17 January 2018, as amended or amended and restated from time to time, including on or about the date of this Deed, between, among others, the Chargor as Borrower and Lloyds Bank plc as Agent and Security Agent;

Final Discharge Date means the date on which the Secured Obligations are finally and irrevocably paid, performed and discharged in full.

IA 1986 means the Insolvency Act 1986;

IA 2000 means the Insolvency Act 2000;

LPA 1925 means the Law of Property Act 1925;

LPMPA 1994 means the Law of Property (Miscellaneous Provisions) Act 1994;

Party means a party to this Deed;

Quasi-Security means the:

- (a) the sale, transfer or disposal otherwise of any of assets on terms whereby they are or may be leased to or re-acquired by a member of the Group;
- (b) the sale, transfer or disposal otherwise of any of receivables on recourse terms;
- (c) any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
- (d) any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset;

Receiver means:

- (a) a receiver and manager or other receiver appointed under this Deed in respect of any Security Asset and shall, if allowed by law, include an administrative receiver; or
- (b) any delegate or sub-delegate of any person referred to in paragraph (a) above appointed pursuant to the terms of this Deed;

Secured Obligations means all moneys, liabilities and obligations whatsoever which are now, or at any time hereafter may be, due, owing, payable or outstanding by the Chargor in any currency, actually or contingently, solely and/or jointly and/or severally with another or others, as principal or surety on any account whatsoever under or pursuant to the Facility Agreement, this Deed or any other Finance Document, or as a consequence of any breach, non-performance, disclaimer or repudiation by the Chargor of any of its obligations under or pursuant to the Facility Agreement, this Deed or any other Finance Document;

Security Assets means all the assets and undertaking of the Chargor from time to time mortgaged, charged or assigned (or expressed to be mortgaged, charged or assigned) pursuant to this Deed;

TA 2000 means the Trustee Act 2000; and

Transaction Security means the security interests constituted, created or evidenced (or expressed to be constituted, created or evidenced) in favour of the Security Agent (whether on its own account or as agent or trustee for the Finance Parties) under this Deed.

1.2 Construction

- (a) Unless the context otherwise requires or a contrary indication appears in this Deed, the provisions of Clause 1.2 (*Construction*) of the Facility Agreement shall apply to this Deed as if set out in full in this Deed except that references to “this Agreement” shall be construed as references to this Deed and:
- (i) **authorisation** or **consent** includes any authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration;
 - (ii) **include** or **including** shall be construed without limitation;
 - (iii) a **nominee** includes any nominee or custodian;
 - (iv) **qualified person** means a person who, under the IA 1986, is qualified to act as a receiver of any asset of any company with respect to which he is appointed or an administrative receiver of that company;
 - (v) **security** includes any mortgage, charge, pledge, lien, security assignment, hypothecation or trust arrangement for the purpose of providing security and any other encumbrance or security interest of any kind, in each case, having the effect of securing any obligation of any person (including the deposit of monies or property with a person with the intention of affording that person a right of lien, set-off, combination or counter-claim) and any other agreement or any other type of arrangement having a similar effect (including any “flawed asset” or “hold back” arrangement), and **security interest** shall be construed accordingly;
 - (vi) a reference in this Deed to a Security Asset includes:
 - (A) any part of that Security Asset;
 - (B) any proceeds of that Security Asset; and
 - (C) any present and future assets of the same type as that Security Asset;
 - (vii) in this Deed a defined term includes its other cognate forms; and
 - (viii) where this Deed refers to any provision of any other Finance Document and that Finance Document is amended in a manner that would result in that reference being incorrect, this Deed shall be construed so as to refer to that provision as renumbered in the amended Finance Document.
- (b) The fact that the details of any asset in any Schedule are incorrect or incomplete shall not affect the validity or enforceability of this Deed in respect of any asset of the Chargor.
- (c) References in this Deed to a **Clause** or **Schedule** are to a clause of, or schedule to, this Deed.
- (d) Where the terms of this Deed permit the Chargor to exercise a right or remedy under or in respect of any Security Asset which has been assigned to the Security Agent under the terms of this Deed, the Chargor does so with the limited authority of the Security Agent pursuant to the terms of this Deed and the Parties

do not intend such limited authority to prevent, prejudice or impair any such assignment to the Security Agent from satisfying in full all of the conditions set out in section 136 of the LPA 1925. Further, the Parties intend that such assignments are made on terms which satisfy in full all of those conditions.

1.3 Trustee Act 1925 and Trustee Act 2000

- (a) Section 1 of the TA 2000 shall not apply to any function of the Security Agent. Where there are any inconsistencies between the Trustee Act 1925 or the TA 2000 and the provisions of this Deed, the provisions of this Deed shall, to the extent allowed by law, prevail and, in the case of any inconsistency with the TA 2000, the provisions of this Deed shall constitute a restriction or exclusion for the purposes of the TA 2000.
- (b) The Security Agent may retain or invest in securities payable to bearer without appointing a person to act as a custodian.
- (c) Sections 22 and 23 of the TA 2000 shall not apply to this Deed.

1.4 Third parties

- (a) Except as otherwise expressly provided in this Deed, the terms of this Deed may be enforced only by a Party and the operation of the Third Parties Act is excluded.
- (b) Notwithstanding any term of this Deed, no consent of a third party is required to rescind, terminate or amend this Deed.

1.5 Distinct security

All Security created or purported to be created by this Deed shall be construed as creating separate and distinct security over the relevant asset. The failure to create effective security, whether arising out of any provision of this Deed or any act or omission by any person, over any one such asset shall not affect the nature or validity of the security imposed on any other such asset, whether within that same class of assets or otherwise.

1.6 Chargor intent

Without prejudice to the generality of any other provision of this Deed, the Chargor expressly confirms that it intends that this Deed and the Security created or purposed to be created by this Deed shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any present or future facility or amount made available under any of the Finance Documents, including for the purposes of, or in connection with, any of the following: business acquisitions of any nature; increasing the commitments under any Finance Document; increasing the indebtedness (including adding a new facility) under any Finance Document; increasing working capital; enabling investor distributions to be made; carrying out restructurings or recapitalisations; 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 Costs and Expenses associated with any of the foregoing.

1.7 Implied covenants for title

The obligations of the Chargor under this Deed are in addition to the covenants for title deemed to be included in this Deed by virtue of Part 1 of the LPMPA 1994.

1.8 Inconsistency between this Deed and the Facility Agreement

If there is any conflict or inconsistency between any provision of this Deed and any provision of the Facility Agreement, the provision of the Facility Agreement shall prevail.

2. Covenant to pay

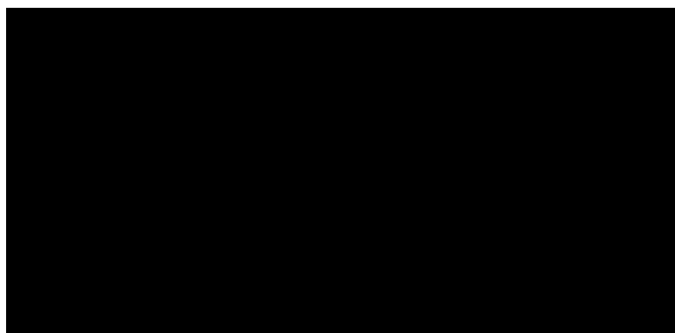
- (a) The Chargor shall, as primary obligor and not merely as surety, pay or discharge on demand all of the Secured Obligations when they become due in the manner provided for in the relevant Finance Document.
- (b) The Chargor confirms to the Security Agent that the amount secured by this Deed is the full amount of the Secured Obligations.

3. Account

3.1 The Chargor has:

- (a) prior to the date of this Agreement, opened a dollar deposit account in its name with Account Bank with th

Account name
Sort code
Account number
IBAN
BIC



(the *Account*); and

- (b) on the date of this Agreement, deposited the sum of US\$23,300,000.00 in the Account.

3.2 For the purposes of the Facility Agreement, the Account is the Cash Collateral Account and may not be used by the Chargor for any purpose other than as provided in the Facility Agreement.

4. Creation of security

The Chargor charges by way of a first fixed charge in favour of the Security Agent all its present and future right, title and interest in the Account and the Collateral, as security for the Secured Obligations.

5. Release and reassignment

5.1 On the occurrence of the event set out in clause 4(f) (*Conditions relating to the Charged Property*) of the Facility Agreement and satisfaction of the conditions set out in such

clause, subject to Clause 6.4 (*Provisions relating to Transaction Security*), the Security Agent shall, at the request and cost of the Chargor:

- (a) release to the Chargor its rights, title and interest in and to an amount standing to the credit of the Account as required in accordance with subparagraph (A) or (B) (as applicable) of clause 4(f) (*Conditions relating to the Charged Property*); and
- (b) execute such notices and directions to any persons as the Chargor may reasonably require in order to give effect to that release and reassignment,

in each case, without recourse to or any representation or warranty by any Finance Party or any other person.

5.2 Subject to Clause 6.4 (*Provisions relating to Transaction Security*) and provided that, at the time of the request, no Event of Default has occurred, following the Final Discharge Date, the Security Agent shall, at the request and cost of the Chargor:

- (a) release and reassign to the Chargor its rights, title and interest in and to the Security Assets; and
- (b) execute such notices and directions to any persons as the Chargor may reasonably require in order to give effect to that release and reassignment,

in each case, without recourse to or any representation or warranty by any Finance Party or any other person.

6. Provisions relating to Transaction Security

6.1 All Transaction Security:

- (a) is created in favour of the Security Agent for itself and on behalf of each of the other Finance Parties;
- (b) is created free from any security interest (other than any Transaction Security);
- (c) is created over the present and future assets of the Chargor; and
- (d) is a continuing security for the payment, discharge and performance of all of the Secured Obligations, shall extend to the ultimate balance of all amounts payable under the Finance Documents and shall remain in full force and effect until the payment, discharge and performance of all of the Secured Obligations to the satisfaction of the Security Agent. No part of the Transaction Security shall be considered to be satisfied or discharged by any intermediate payment, discharge or satisfaction of the whole or any part of the Secured Obligations.

6.2 The Security Agent holds the benefit of this Deed and the Transaction Security on trust for itself and each of the other Finance Parties from time to time on the terms of the Facility Agreement.

6.3 The Transaction Security created pursuant to this Deed by the Chargor is made with full title guarantee under the LPMPA 1994.

- 6.4 If the Security Agent considers that any payment, security or guarantee provided to it or any other Finance Party under or in connection with any Finance Document is capable of being avoided, reduced or invalidated by virtue of any applicable law, notwithstanding any reassignment or release of any Security Asset, the liability of the Chargor under this Deed and the Transaction Security shall continue as if those amounts had not been paid or as if any such security or guarantee had not been provided.
- 6.5 Each undertaking of the Chargor (other than a payment obligation) contained in this Deed:
- (a) shall be complied with at all times during the period commencing on the date of this Deed and ending on the payment, discharge and performance of all of the Secured Obligations to the satisfaction of the Security Agent; and
 - (b) is given by the Chargor for the benefit of the Security Agent and each other Finance Party.
- 6.6 Notwithstanding anything contained in this Deed or implied to the contrary, the Chargor remains liable to observe and perform, and shall observe and perform, all conditions and obligations assumed by it in relation to any of its Security Assets. The Security Agent is under no obligation to perform or fulfil any such condition or obligation or to make any payment in respect of any such condition or obligation.
- 6.7 If the rights of the Chargor under a document cannot be secured without the consent of a party to that document or satisfaction of some other condition:
- (a) that Chargor shall notify the Security Agent promptly;
 - (b) this Transaction Security shall constitute security over all proceeds and other amounts which the Chargor may receive, or has received, under that document but excludes that Chargor's other rights under the document until that Chargor obtains the required consent or satisfies the relevant condition;
 - (c) unless the Security Agent otherwise requires, that Chargor shall use its reasonable endeavours to obtain the required consent or satisfy the relevant condition; and
 - (d) if that Chargor obtains the required consent or satisfies the relevant condition:
 - (i) that Chargor shall notify the Security Agent promptly; and
 - (ii) all of that Chargor's rights under the document shall immediately be secured in accordance with this Deed.

7. Restriction on dealings

7.1 Restriction on dealings

The Chargor shall not:

- (a) create or permit to subsist any security or Quasi-Security on any of the Security Assets; or
- (b) (whether by a single transaction or a number of related or unrelated transactions and whether voluntarily or involuntarily) assign, charge, lease, transfer or

otherwise dispose of all or any part of its right, title and interest in and to any Security Asset,

unless permitted to do so under the Facility Agreement.

7.2 Moratorium – disposals

The obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under the IA 2000 shall not, by itself, cause restrictions in this Deed or any other Finance Document that would not otherwise apply to be imposed on the disposal of property by the Chargor.

8. Representations and warranties

8.1 General representations and warranties

The Chargor represents and warrants to each Finance Party that:

- (a) it is the sole legal and beneficial owner of, and absolutely entitled to, the assets that it purports to charge under this Deed;
- (b) it has not charged or assigned or otherwise encumbered or disposed of any of the assets that it purports to charge under this Deed, in each case, other than as expressly permitted under the Facility Agreement;
- (c) the assets that it purports to charge under this Deed are free from any security, Quasi-Security or similar right, in each case, other than as expressly permitted under the Facility Agreement;
- (d) the Account exists and, to the extent that the Account is comprised of rights and/or remedies under or in respect of any instrument, document, agreement or arrangement (including the Account), that instrument, document, agreement or arrangement is valid, legally binding and, subject to the Legal Reservations, enforceable in accordance with its terms and no such instrument, document, agreement or arrangement has been terminated, rescinded or revoked (in whole or in part); and
- (e) no instrument, document, agreement or arrangement to which the Chargor is a party contains any prohibition on the creation, perfection or enforcement (or purported creation, perfection or enforcement) of any Transaction Security (including any transfer of title in the Account pursuant to any such enforcement) and the entry into and performance by the Chargor of its obligations under this Deed do not conflict with any term of any instrument, document, agreement or arrangement to which it is a party.

8.2 Times for making representations and warranties

The representations and warranties set out in this Deed are:

- (a) made by the Chargor on the date of this Deed; and
- (b) (unless expressed to be given at a specific date) deemed to be repeated by the Chargor on each date before the Final Discharge Date on which any of the

representations and warranties set out in Clause 18 (*Representations*) of the Facility Agreement,

in each case by reference to the circumstances existing at that time.

9. Operation of the Account

9.1 Preservation

- (a) The Chargor shall take all reasonable and practicable steps to preserve and enforce its rights and remedies under or in respect of the Account provided that the exercise of those rights and remedies is not inconsistent with the terms of the Finance Documents.
- (b) Without limiting any assignment under this Deed, the Chargor shall not, and shall not purport to:
 - (i) amend, supplement, vary or waive any provision of any agreement governing the terms the Account (or agree to do so);
 - (ii) exercise any right to rescind, cancel or terminate any agreement governing the terms the Account; or
 - (iii) release, compromise or waive any counterparty from its obligations or liabilities under any agreement governing the terms of the Account or any debt represented thereby.

9.2 Notice – Account

The entry into this Deed by the Parties shall constitute written notice to the Security Agent and acknowledgment by the Account Bank of that notice substantially in the form set out in Schedule 1 (*Form of notice and acknowledgment for Accounts*), of the charge created pursuant to this Deed over the Account.

9.3 Operation of the Account

- (a) The Chargor shall not be entitled to withdraw or otherwise transfer any credit balance (or provide any instruction for the same) at any time on the Account unless permitted to do so under the Facility Agreement. If the Chargor is permitted to withdraw a credit balance from the Account in accordance with the Facility Agreement then the Security Agent will promptly provide written consent to the withdrawal.
- (b) The Chargor shall not, and shall not purport to permit or agree to any variation of the rights attaching to the Account or close the Account.

9.4 Exercise of rights on Event of Default

On and after the occurrence of an Event of Default:

- (a) any permission to use amounts withdrawn from the Account (whether pursuant to this Deed or otherwise) is expressly revoked and the Chargor shall hold those amounts on trust for the Security Agent, pending payment to the Security Agent for application in accordance with Clause 16 (*Application of proceeds*), and the Chargor waives its rights to any such amounts; and

- (b) the Security Agent shall be entitled without notice to the Chargor to receive, withdraw, apply, transfer or set-off any or all of the credit balances from time to time on the Account in or towards payment or other satisfaction of all or part of the Secured Obligations in accordance with Clause 16 (*Application of proceeds*).

10. Enforcement of Transaction Security

10.1 Timing and manner of enforcement

- (a) Without prejudice to its other rights under this Deed, upon the occurrence of an Enforcement Event and at any time thereafter, the Transaction Security created by this Deed shall become immediately enforceable, and the Security Agent (i) may by written notice to the Chargor or otherwise declare the security to be enforceable, and (ii) shall in any case be entitled, as and when it may see fit, without further notice or demand, to exercise in relation to the Account and the Collateral and/or any of the rights, powers or remedies conferred upon assignees, trustees and secured parties by applicable law and/or conferred on the Security Agent by virtue of the Deed.
- (b) Notwithstanding paragraph (a) above, if the giving of any notice, notification or instruction, the making of any filing or the taking of any perfection step or similar is necessary or, in the reasonable opinion of the Security Agent, desirable for the purposes of perfecting any Transaction Security or protecting any right or remedy of any Finance Party under or in connection with this Deed, the Security Agent may take that action upon the occurrence of an Enforcement Event.
- (c) Without prejudice to any other provision of this Deed, immediately after the Transaction Security has become enforceable, the Security Agent may, in its absolute and sole discretion and without notice to the Chargor or prior authorisation from any person, court or similar body:
 - (i) enforce all or any part of the Transaction Security and require the payment or transfer to it of any amounts, proceeds or assets held on trust by the Chargor for its benefit;
 - (ii) in the case of any right or remedy comprising or in respect of any Security Asset that has been assigned to the Security Agent under this Deed, exercise any such right or remedy as assignee; and/or
 - (iii) exercise all or any of the powers, authorities and discretions conferred on the Security Agent:
 - (A) by the Facility Agreement and/or the other Finance Documents (including this Deed); or
 - (B) otherwise by law on mortgagees, chargees, assignees, receivers (whether or not the Security Agent has appointed a Receiver) and/or administrators (whether or not the Chargor is in administration),

in each case, at the times, in the manner and on the terms that it sees fit, or as otherwise directed in accordance with the terms of the Facility Agreement and/or the other Finance Documents.

- (d) No Finance Party (and no agent, employee or officer of any Finance Party) shall be liable to the Chargor for any loss arising from the manner in which the Security Agent or any other Finance Party enforces or refrains from enforcing the Transaction Security, and any such person who is not a Party may rely on this paragraph (d) and enforce its terms under the Third Parties Act.
- (e) Without prejudice to any other provision of this Deed, upon and after the Transaction Security becoming enforceable, the Chargor shall hold its Security Assets on trust for the Security Agent.

10.2 Contingencies

If the Transaction Security is enforced at a time when no amount is due under the Finance Documents but at a time when amounts may or will become due, the Security Agent (or a Receiver) may pay the proceeds of any recoveries effected by it into such number of suspense accounts as it considers appropriate.

10.3 Exercise of powers

All or any of the powers conferred on mortgagees by the LPA 1925 as varied or extended by this Deed (and all or any of the rights and powers conferred by this Deed on a Receiver) (in each case, whether express or implied) may be exercised by the Security Agent without further notice to the Chargor at any time after the occurrence of an Enforcement Event, irrespective of whether the Security Agent has taken possession of any Security Asset or appointed a Receiver.

10.4 Protection of third parties

- (a) No person (including a purchaser) dealing with the Security Agent or a Receiver or any of its or their respective agents shall be concerned to enquire:
 - (i) whether the Secured Obligations have become payable;
 - (ii) whether any power which the Security Agent or that Receiver may purport to exercise has become exercisable or is being properly exercised;
 - (iii) whether any amount remains due under the Finance Documents; or
 - (iv) how any money paid to the Security Agent or to that Receiver is to be applied,and any such person who is not a Party may rely on this paragraph (a) and enforce its terms under the Third Parties Act.
- (b) Any person (including a purchaser) dealing with the Security Agent or a Receiver shall benefit from the protections given to purchasers (as that term is used in the LPA 1925) from a mortgagee by sections 104 and 107 of the LPA 1925, and to persons dealing with a receiver by section 42(3) of the IA 1986,

and any such person who is not a Party may rely on this paragraph (b) and enforce its terms under the Third Parties Act.

- (c) The receipt by the Security Agent or any Receiver of any monies paid to the Security Agent or that Receiver by any person (including a purchaser) shall be an absolute and conclusive discharge and shall relieve any person (including a purchaser) dealing with the Security Agent or that Receiver of any obligation to see to the application of any monies paid to or at the direction of the Security Agent or that Receiver, and any such person who is not a Party may rely on this paragraph (c) and enforce its terms under the Third Parties Act. Any sale or disposal of any Security Asset and any acquisition, in each case, by the Security Agent or any Receiver shall be for such consideration, and made in such manner and on such terms as the Security Agent or that Receiver sees fit.
- (d) In this Clause 10.4, ***purchaser*** includes any person acquiring, for money or money's worth, any interest or right whatsoever in relation to any Security Asset.

10.5 Redemption of prior security

- (a) The Security Agent or any Receiver may at any time after the occurrence of an Enforcement Event:
 - (i) redeem any prior security on or relating to any Security Asset or procure the transfer of that security to itself; and
 - (ii) settle and pass the accounts of any person entitled to that prior security, and any account so settled and passed shall (subject to any manifest error) be conclusive and binding on the Chargor.
- (b) The Chargor shall on demand pay to the Security Agent all principal monies and interest and all Costs and Expenses incidental to any redemption or transfer under this Clause 10.5, in each case, together with interest accruing on those amounts at the Default Rate for the period from and including the date on which those amounts were incurred up to and excluding the date on which they were reimbursed.

10.6 Right of appropriation

- (a) To the extent that any of the Security Assets constitute "financial collateral" and this Deed and the obligations of the Chargor under it 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 ***FCR Regulations***)), upon and after the Transaction Security becoming enforceable, the Security Agent or any Receiver shall have the benefit of all the rights conferred on a collateral taker under the FCR Regulations, including the right to appropriate without notice to the Chargor (either on a single occasion or on multiple occasions) all or any part of that financial collateral in or towards discharge of the Secured Obligations and, for this purpose, the value of the financial collateral so appropriated shall be the amount standing to the credit of each Account, together with any accrued but unposted interest at the time the right of appropriation is exercised.

- (b) The Parties agree that the methods of valuation set out in paragraphs (a) above are commercially reasonable methods of valuation for the purposes of the FCR Regulations.
- (c) The Chargor irrevocably and unconditionally agrees that the Security Agent may:
 - (i) delegate its rights under paragraph (a) above to one or more persons and that such delegates may exercise such rights on behalf of the Security Agent; and
 - (ii) distribute the right of appropriation referred to in paragraph (a) above to one or more Finance Parties (in accordance with the terms of the Facility Agreement) so that, immediately upon the exercise of such right of appropriation, the relevant Finance Party will become the legal and beneficial owner of the assets that have been appropriated.

11. Receiver

11.1 Appointment of Receivers and administrators

- (a) The Security Agent may, by deed or otherwise in writing (and signed by any officer, manager or authorised signatory of the Security Agent) and without notice to the Chargor, appoint one or more qualified persons to be a Receiver or Receivers, at any time:
 - (i) upon and after the Transaction Security becoming enforceable (whether or not the Security Agent has taken possession of any Security Asset); or
 - (ii) at the written request of the Chargor.
- (b) The Security Agent may not appoint an administrative receiver over any Security Asset to the extent prohibited by section 72A of the IA 1986.
- (c) Section 109(1) of the LPA 1925 shall not apply to this Deed.
- (d) If the Security Agent appoints more than one person as Receiver, the Security Agent may give those persons power to act either jointly or severally.
- (e) Any Receiver may be appointed Receiver of all or any of the Security Assets or Receiver of a part of the Security Assets specified in the appointment. In the case of an appointment of a part of the Security Assets, the rights conferred on a Receiver as set out in Clause 11.6 (*Powers of Receivers*) shall have effect as though every reference in that Clause to any Security Assets is a reference to the part of those assets so specified or any part of those assets.
- (f) Subject to (and in the manner prescribed by) law, the Security Agent may also appoint an administrator.

11.2 Moratorium – Receivers

The Security Agent is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under the IA 2000.

11.3 Removal of Receivers

The Security Agent may by notice in writing remove any Receiver appointed by it (subject to section 45 of the IA 1986 in the case of an administrative receivership) whenever it considers fit and appoint a new Receiver instead of any Receiver whose appointment has terminated for any reason.

11.4 Agent of Chargor

- (a) Any Receiver shall be the agent of the Chargor for all purposes and accordingly shall be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the LPA 1925.
- (b) The Chargor is solely responsible for the contracts, engagements, acts, omissions, defaults and losses of a Receiver and for any liabilities incurred by a Receiver.
- (c) No Finance Party shall incur any liability (either to the Chargor or any other person) by reason of the appointment of a Receiver or for any other reason.

11.5 Remuneration

- (a) The Security Agent may:
 - (i) subject to section 36 of the IA 1986, determine the remuneration of any Receiver appointed by it and any maximum rate imposed by any law (including under section 109(6) of the LPA 1925) shall not apply to this Deed; and
 - (ii) direct the payment of the remuneration of any Receiver appointed by it out of monies accruing to that Receiver in its capacity as such.
- (b) Notwithstanding paragraph (a) above, the Chargor shall be liable for the payment of the remuneration of any Receiver appointed by the Security Agent and for all Costs and Expenses of that Receiver.

11.6 Powers of Receivers

Notwithstanding any Dissolution applicable to the Chargor, any Receiver appointed pursuant to Clause 11.1 (*Appointment of Receivers and administrators*) shall have the following rights, powers and discretions:

- (a) all the rights, powers and discretions conferred by the LPA 1925 on mortgagees and on mortgagees in possession and on any receiver appointed under the LPA 1925 (in each case, to the extent that those rights, powers and discretions do not limit any other right, power or discretion granted to any Receiver under this Deed);

- (b) all the rights, powers and discretions of an administrative receiver set out in Schedule 1 to the IA 1986 as in force on the date of this Deed (whether or not in force on the date of exercise) and all rights, powers and discretions of an administrative receiver that may be added to Schedule 1 to the IA 1986 after the date of this Deed (in each case, whether or not the Receiver is an administrative receiver (as defined in the IA 1986) and to the extent that those rights, powers and discretions do not limit any other right, power or discretion granted to any Receiver under this Deed);
- (c) all the rights, powers and discretions expressed to be conferred upon the Security Agent in any Finance Document (including this Deed), including all the rights, powers and discretions conferred upon the Security Agent in the Facility Agreement to release any Security Asset from the Transaction Security;
- (d) to take immediate possession of, get in and collect any Security Asset and to require payment to him or to the Security Agent of credit balance on the Account;
- (e) to enter into any contract or arrangement and to perform, repudiate, succeed or vary any contract or arrangement to which the Chargor is a party in connection with the Account;
- (f) to appoint and discharge any managers, officers, agents, accountants, servants, workmen and others in connection with the Account for the purposes of this Deed upon such terms as to remuneration or otherwise as he considers fit and to discharge any person appointed by the Chargor in connection with the Account;
- (g) to sell, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner, and on any terms, which he considers fit, and for a consideration of any kind (which may be payable in a lump sum or by instalments spread over any period);
- (h) to 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 Security Asset;
- (i) to bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Security Asset which he considers fit;
- (j) to give a valid receipt for any monies and execute any assurance or thing which may be proper or desirable for realising any Security Asset;
- (k) to delegate his powers in accordance with this Deed;
- (l) to effect any insurance and do any other act which the Chargor might do in the ordinary conduct of its business to protect or improve any Security Asset, in each case, as he considers fit;
- (m) to exercise in relation to any Security Asset all the powers, authorities and things which he would be capable of exercising if he were the absolute beneficial owner of that Security Asset;

- (n) to make any payment and incur any expenditure, which the Security Agent is, pursuant to this Deed, expressly or impliedly authorised to make or incur;
- (o) to do all other acts and things which he may consider desirable or necessary for realising any Security Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or law (as varied or extended by this Deed); and
- (p) to use the name of the Chargor for any of the purposes set out in paragraphs (a) to (o) (inclusive) above.

12. Delegation

- 12.1 The Security Agent or any Receiver may delegate (and any delegate may sub-delegate) by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Deed.
- 12.2 Any delegation under this Clause 12 may be made upon such terms (including the power to sub-delegate) and subject to such conditions and regulations as the Security Agent or any Receiver may consider fit.
- 12.3 None of the Security Agent, any Receiver or any other Finance Party (or any agent, employee or officer of any of them) shall be in any way liable or responsible to the Chargor for any loss or liability arising from any act, neglect, default, omission or misconduct on the part of any delegate, and any such person who is not a Party may rely on this paragraph 12.3 and enforce its terms under the Third Parties Act.
- 12.4 References in this Deed to the Security Agent or a Receiver shall be deemed to include references to any delegate or sub-delegate of the Security Agent or Receiver appointed in accordance with this Clause 12.

13. Preservation of security

13.1 Reinstatement

- (a) If any payment by the Chargor or any discharge or release given by a Finance Party (whether in respect of the obligations of any person or any security or guarantee for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event:
 - (i) the liability of the Chargor and the relevant security or guarantee shall continue as if the payment, discharge, release, avoidance or reduction had not occurred; and
 - (ii) the relevant Finance Party shall be entitled to recover the value or amount of that security, guarantee or payment from the Chargor, as if the payment, discharge, avoidance or reduction had not occurred.
- (b) The Security Agent may concede or compromise any claim that any payment, security, guarantee or other disposition is liable to avoidance or restoration.

13.2 Waiver of defences

None of the obligations of the Chargor under this Deed or any Transaction Security shall be affected by any act, omission, matter or thing (whether or not known to the Chargor or any Finance Party) which, but for this provision, would reduce, release, prejudice or provide a defence to any of those obligations including:

- (a) any time, waiver or consent, or any other indulgence or concession, in each case, granted to, or composition with, the Chargor or any other person;
- (b) the release of the Chargor or any other person under the terms of any composition or arrangement with any creditor;
- (c) the taking, holding, variation, compromise, exchange, renewal, realisation or release by any person of any rights under or in connection with any security, guarantee or indemnity or any document, including any arrangement or compromise entered into by any Finance Party with the Chargor or any other person;
- (d) the refusal or failure to take up, hold, perfect or enforce by any person any rights under or in connection with any security, guarantee or indemnity or any document (including any failure to present, or comply with, any formality or other requirement in respect of any instrument, or any failure to realise the full value of any rights against, or security over the assets of, the Chargor or any other person);
- (e) the existence of any claim, set-off or other right which the Chargor may have at any time against any Finance Party or any other person;
- (f) the making, or absence, of any demand for payment or discharge of any Secured Obligations;
- (g) any amalgamation, merger or reconstruction that may be effected by the Security Agent with any person, including any reconstruction by the Security Agent involving the formation of a new company and the transfer of all or any of the assets of the Security Agent to that company, or any sale or transfer of the whole or any part of the undertaking and/or assets of the Security Agent to any person;
- (h) any incapacity or lack of power, authority or legal personality or Dissolution, in each case, of the Chargor or any other person, or any change in the members or status of the Chargor or any other person;
- (i) any variation, amendment, waiver, release, novation, supplement, extension, restatement or replacement of, or in connection with, any Finance Document or any other document or any security, guarantee or indemnity, in each case, however fundamental and of whatever nature (and including any amendment that may increase the liability of the Chargor);
- (j) any change in the identity of the Security Agent or any other Finance Party or any variation of the terms of the trust upon which the Security Agent holds the Transaction Security;

- (k) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or any security, guarantee or indemnity; or
- (l) any Dissolution, insolvency or similar proceedings.

13.3 Immediate recourse

- (a) The Chargor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from or enforcing against the Chargor under this Deed or any other Finance Document.
- (b) The waiver in this Clause 13.3 applies irrespective of any law or any provision of a Finance Document to the contrary.

13.4 Appropriations

On and after the occurrence of an Event of Default and until the Final Discharge Date, each Finance Party (or any trustee or agent on its behalf) may:

- (a) refrain from applying, appropriating or enforcing any monies, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of the Secured Obligations, or apply, appropriate and enforce the same in such manner and order as it considers fit (whether against the Secured Obligations or otherwise) and the Chargor shall not be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any monies received from the Chargor or on account of the Chargor's liability under this Deed or any other Finance Document.

13.5 Deferral of Chargor's rights

- (a) Until the Final Discharge Date and unless the Security Agent otherwise directs, the Chargor shall not exercise any rights which it may have to:
 - (i) receive, claim or have the benefit of any payment, guarantee, indemnity, contribution or security from or on account of any other Chargor or guarantor or surety of any Security Party's obligations under the Finance Documents;
 - (ii) take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any guarantee, indemnity or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party;
 - (iii) bring legal or other proceedings for an order requiring a Security Party to make any payment, or perform any obligation, in respect of which the Chargor has given a guarantee, security, undertaking or indemnity under the Finance Documents;

- (iv) exercise any right of set-off or counterclaim or any right in relation to any “flawed asset” or “hold back” arrangement, in each case, against any Security Party or any member of the Group;
 - (v) exercise any right of quasi-retainer or other analogous equitable right; and/or
 - (vi) claim, rank, prove or vote as a creditor of any Security Party or member of the Group in competition with the Finance Parties.
- (b) If the Chargor receives any benefit, payment or distribution in relation to any right referred to in paragraph (a) above, it shall hold that benefit, payment or distribution, to the extent necessary to enable all amounts which may be or become payable to the Finance Parties by the Chargor under or in connection with the Finance Documents to be repaid in full, on trust for the Finance Parties and shall promptly pay or transfer the same to the Security Agent or as the Security Agent may direct. If any benefit, payment or distribution cannot be held on trust or is applied in non-compliance with this paragraph (b), the Chargor shall owe the Finance Parties a debt equal to the amount of the relevant benefit, payment or distribution and shall immediately pay or transfer that amount to the Security Agent or as the Security Agent may direct. All amounts received by the Security Agent under this paragraph (b) shall be applied in accordance with Clause 16 (*Application of proceeds*).

13.6 Additional security/non-merger

The Transaction Security created pursuant to this Deed is cumulative to, in addition to, independent of and not in substitution for or derogation of, and shall not be merged into or in any way be excluded or prejudiced by, any other security (whether given by the Chargor or otherwise) at any time held by or on behalf of any Finance Party in respect of or in connection with any or all of the Secured Obligations or any other amount due by the Chargor to any Finance Party.

13.7 New accounts and ruling off

- (a) Any Finance Party may open a new account in the name of the Chargor at any time after a subsequent security affects any Security Asset or if the Chargor is subject to any Dissolution.
- (b) If a Finance Party does not open a new account in the circumstances referred to in paragraph (a) above it shall nevertheless be deemed to have done so upon the occurrence of such circumstances.
- (c) No monies paid into any account (whether new or continuing) after the occurrence of the circumstances referred to in paragraph (a) above shall reduce or discharge the Secured Obligations.

14. Further assurances

The Chargor shall, at its own expense, take whatever action the Security Agent or a Receiver may reasonably require or consider expedient for:

- (a) creating, perfecting or protecting any Transaction Security intended to be created by or pursuant to this Deed;
- (b) facilitating the realisation of any Security Asset;
- (c) creating or perfecting security in favour of the Security Agent over the assets of the Chargor located in any jurisdiction outside England and Wales; and/or
- (d) facilitating the exercise of any right, power or discretion exercisable by the Security Agent or any Receiver in respect of any Security Asset,

including:

- (i) the execution of any legal mortgage, charge, transfer, conveyance, assignment or assurance of any property, whether to the Security Agent or to its nominee; and
- (ii) the giving of any notice, order or direction and the making of any filing or registration,

which, in any such case, the Security Agent may consider expedient and on such terms as it considers fit.

15. Power of attorney

15.1 Appointment

- (a) The Chargor by way of security irrevocably appoints the Security Agent and each Receiver severally as its attorney, with full power of substitution, on its behalf and in its name or otherwise, at such time and in such manner as the attorney considers fit:
 - (i) before the occurrence of an Event of Default which is continuing, to do anything which the Chargor is obliged to do under this Deed (but has not done) provided that the Security Agent has given the Chargor two Business Days' notice to comply with such obligation;
 - (ii) on and after the occurrence of an Event of Default which is continuing, to do anything which the Chargor is obliged to do under this Deed; and
 - (iii) to exercise any of the rights conferred on the Security Agent or any Receiver in relation to any Security Asset or under any Finance Document, the LPA 1925 or the IA 1986.
- (b) The power of attorney conferred on the Security Agent and each Receiver pursuant to paragraph (a) above shall continue notwithstanding the exercise of any right of appropriation pursuant to Clause 10.6 (*Right of appropriation*).

15.2 Ratification

The Chargor ratifies and confirms and agrees to ratify and confirm whatever any attorney shall do in the exercise or purported exercise of the power of attorney granted by it in Clause 15.1 (*Appointment*).

15.3 Waiver

The Chargor waives any breach of clause 36 (*Confidential Information*) of the Facility Agreement that may occur as a result of the Security Agent taking any action under paragraph (a) of Clause 15.1 (*Appointment*).

16. Application of proceeds

16.1 Order of application

- (a) Without prejudice to any other provision of this Deed, all amounts and other proceeds or assets received by the Security Agent or any Receiver pursuant to this Deed or the powers conferred by it shall be applied in accordance with the Facility Agreement.
- (b) The order of application referred to in paragraph (a) above shall override any appropriation by the Chargor.

16.2 Receiver's receipts

Section 109(8) of the LPA 1925 shall not apply in relation to a Receiver appointed under this Deed.

17. Changes to Parties

17.1 Transfer by the Security Agent

- (a) The Security Agent may at any time, without the consent of the Chargor, assign or otherwise transfer all or any part of its rights or obligations under this Deed to any successor or additional Security Agent appointed in accordance with the Finance Documents. Upon that assignment or transfer taking effect, the successor or additional Security Agent shall act, and shall be deemed to be acting, as agent and trustee for itself and each other Finance Party for the purposes of this Deed in accordance with Clause 18.6 (*Finance Parties*), (in the case of a successor Security Agent) in place of, or (in the case of an additional Security Agent) in addition to, the current Security Agent.
- (b) The Chargor shall, immediately upon a request from the Security Agent, enter into such documents and do all such acts as may be necessary or desirable to effect the assignment or transfer referred to in paragraph (a) above.

17.2 Transfer by the Chargor

No Chargor may assign or transfer, or attempt to assign or transfer, any of its rights or obligations under this Deed.

17.3 Changes to the Parties

The Chargor agrees to be bound by the terms of clauses 24 (*Changes to the Lenders*) to 25 (*Changes to the Borrower*) (inclusive) of the Facility Agreement and authorises the Security Agent to execute on its behalf any document the Security Agent considers necessary or desirable in relation to the creation, perfection or maintenance of the Transaction Security, the rights of the Security Agent under this Deed or any transfer or assignment contemplated by those provisions.

18. Miscellaneous

18.1 Further advances

- (a) The Security Agent confirms on behalf of each Finance Party that, subject to the terms of the Finance Documents, each Finance Party may become under an obligation to make further advances or other financial accommodation to the Chargor. That obligation shall be deemed to be incorporated into this Deed as if set out in this Deed.
- (b) This Deed secures advances and financial accommodation already made under the Finance Documents and further advances and financial accommodation to be made under the Finance Documents.

18.2 Time deposits

Without prejudice to any right of set-off any Finance Party may have under any Finance Document or otherwise, if any time deposit matures on any account which the Chargor has with a Finance Party before the Final Discharge Date when:

- (a) the Transaction Security has become enforceable; and
- (b) no amount of the Secured Obligations is due and payable,

that time deposit shall automatically be renewed for such further maturity as the relevant Finance Party in its absolute and sole discretion considers appropriate unless that Finance Party otherwise agrees in writing.

18.3 Security Agent's liability

None of the Security Agent, any Receiver or any other Finance Party (or any agent, employee or officer of any of them) shall (either by reason of taking possession of any Security Asset or for any other reason and whether as mortgagee in possession or otherwise) be liable to the Chargor or any other person for any Costs and Expenses relating to:

- (a) the realisation of any Security Asset or the taking of any other action permitted by this Deed; or
- (b) resulting from or arising in connection with any act, neglect, default, omission or misconduct of the Security Agent, any Receiver or any other Finance Party (or any agent, employee or officer of any of them) in relation to any Security Asset or in connection with any Finance Document,

and each such person who is not a Party may rely on this Clause 18.3 and enforce its terms under the Third Parties Act.

18.4 Execution as a deed

Each Party intends this Deed to take effect as a deed, and confirms that it is executed and delivered as a deed, notwithstanding the fact that any one or more of the Parties may only execute this Deed under hand.

18.5 Determinations

Any certification or determination by any Finance Party or any Receiver under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

18.6 Finance Parties

Each Party agrees that the Security Agent's interests and rights under, and in respect of, this Deed shall be held by the Security Agent as agent and, to the extent permitted by law, trustee for itself and the other Finance Parties from time to time on the terms set out in the Facility Agreement. Accordingly, unless the context requires otherwise, all references in this Deed to the Security Agent are to the Security Agent in its capacity as agent and trustee. However, no Finance Party may enforce the terms of this Deed other than in accordance with the terms of the Facility Agreement and may only exercise its rights and remedies under this Deed through the Security Agent. In addition, this Deed may be amended, varied, waived, released, terminated and/or rescinded by the Security Agent in accordance with the terms of the Facility Agreement and no other Finance Party may argue to the contrary and waives any rights that it may have to do so.

19. Partial invalidity

19.1 If at any time any provision of this Deed is or becomes invalid, illegal or unenforceable in any respect under the law of any jurisdiction, that shall not in any way affect or impair:

- (a) the legality, validity or enforceability of that provision under the law of any other jurisdiction; or
- (b) the legality, validity or enforceability of the remaining provisions under the law of that jurisdiction or any other jurisdiction.

19.2 The Parties shall enter into good faith negotiations (but without any liability whatsoever in the event of no agreement being reached) to replace any invalid, illegal or unenforceable provision of this Deed, with a view to obtaining the same commercial effect as this Deed would have had if that provision had been valid, legal and enforceable.

20. Trusts

If any trust intended to arise pursuant to any provision of this Deed or any other Finance Document fails or for any reason (including the laws of any jurisdiction in which any assets, monies, payments or distributions may be situated) is ineffective, the Chargor shall:

- (a) hold at the direction of the Security Agent the amount, proceeds or Security Asset or other assets intended to be held on trust; and
- (b) owe the Finance Parties a debt equal to that amount or the value of those proceeds or that Security Asset or those other assets and, if required by the Security Agent, the Chargor shall immediately pay or transfer to the Security Agent, or as the Security Agent may direct, an amount equivalent to that debt. All amounts received by the Security Agent under this paragraph (b) shall be applied in accordance with Clause 16 (*Application of proceeds*).

21. Amendments

Other than as provided in the Facility Agreement, this Deed may only be amended, modified or waived in any respect with the prior written consent of the Security Agent, such consent to be given with express reference to this Clause 21.

22. Remedies and waivers

No delay or omission on the part of the Security Agent in exercising any right or remedy provided by law or under this Deed shall impair, affect or operate as a waiver of that or any other right or remedy. The single or partial exercise by the Security Agent of any right or remedy shall not, unless otherwise expressly stated, preclude or prejudice any other or further exercise of that, or the exercise of any other, right or remedy. The rights and remedies of the Security Agent under this Deed are in addition to, and do not affect, any other rights or remedies available to it by law.

23. Notices

Any notice or other communication to be served under or in connection with this Deed shall be made in accordance with clause 31 (*Notices*) of the Facility Agreement, and those clauses (other than paragraph (c) of clause 31.3 (*Delivery*) of the Facility Agreement) are incorporated into this Deed as if set out in full in this Deed, except that references to “this Agreement” shall be construed as references to this Deed.

24. Counterparts

This Deed may be executed in any number of counterparts, and by each Party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of a counterpart of this Deed by e-mail attachment or telecopy shall be an effective mode of delivery.

25. Governing law

This Deed and any non-contractual obligations arising out of or in connection with this Deed are governed by English law.

26. Enforcement

26.1 Jurisdiction

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (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 26.1 is for the benefit of the Finance Parties only. As a result, no Finance Party shall be prevented from taking proceedings relating to a Dispute

in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions.

THIS DEED has been executed and delivered as a DEED on the date stated at the beginning of this Deed. The Parties acknowledge and agree that they may execute this Deed and any variation or amendment to the same, by electronic instrument. The Parties agree that the electronic signatures appearing on the document shall have the same effect as handwritten signatures and the use of an electronic signature on this Deed shall have the same validity and legal effect as the use of a signature affixed by hand and is made with the intention of authenticating this Deed, and evidencing the Parties' intention to be bound by the terms and conditions contained herein. For the purposes of using an electronic signature, Parties authorise each other to the lawful processing of personal data of the signers for contract performance and their legitimate interests including contract management.

Schedule 1

Form of notice and acknowledgment for Account

From: Virgin Atlantic Airways Limited as Chargor

Lloyds Bank Plc as Security Agent

To: Lloyds Bank Plc as Account Bank

Date: [•] 2020

Dear Sir or Madam,

Security agreement dated [•] 2020 between Virgin Atlantic Airways Limited (the *Chargor*) and Lloyds Bank plc (the *Security Agent*) (the *Security Agreement*) – Notice of charge

1. We refer to the Security Agreement. This is notice that, pursuant to the Security Agreement, the Chargor has charged by way of a first fixed charge to the Security Agent (on behalf of certain Finance Parties referred to in the Security Agreement) all our respective right, title and interest in and to the account of the Chargor numbered 11980459 and designated “LB RE VIRGIN ATLANTIC AIRWAYS RCF” (the *Account*), together with all amounts standing to the credit of, and the debts represented by, the Account from time to time.
2. With effect from the date of your receipt of this notice:
 - (a) the Chargor irrevocably authorises you to hold all amounts from time to time standing to the credit of its Account to the order of the Security Agent;
 - (b) the Chargor irrevocably authorises you to only pay or release those amounts in accordance with the written instructions of the Security Agent at any time;
 - (c) the Chargor agrees and instructs that the terms and conditions relating to its Account may not be terminated, rescinded, amended, varied or waived without the prior written consent of the Security Agent; and
 - (d) the Chargor may not withdraw or transfer any amount from its Account without the prior written consent of the Security Agent.
3. You are irrevocably authorised and instructed, without requiring further approval from the Chargor to:
 - (a) pay all monies received by you for the Account to (and only to) the credit of the Account;
 - (b) provide the Security Agent with such information relating to the Account as it may from time to time request; and
 - (c) following written notification from the Security Agent that either (i) an Enforcement Event has occurred and is continuing or (ii) it is relying on Clause 15.1 (*Appointment*) of the Security Agreement, comply with the terms of any written notice or instruction in any way relating to, or purporting to relate to,

the Security Agreement, the amounts standing to the credit of the Account from time to time or the debts represented by them which you receive at any time from the Security Agent without any reference to or further authority from the Chargor and without any enquiry by you as to the justification for or validity of that notice or instruction.

4. Please note that we are not permitted to withdraw any amount from the Account without the prior written consent of the Security Trustee.
5. These instructions may not be revoked or amended without the prior written consent of the Security Agent. We agree that you may comply with the terms of this notice without any further permission from us and without enquiry by you as to the justification for or validity of any request, notice or instruction.
6. Please sign and return the enclosed copy of this notice to the Security Agent (with a copy to us) to confirm (by way of undertaking in favour of the Security Agent) that:
 - (a) you agree to the terms of this notice and to act in accordance with its provisions;
 - (b) you have not received notice of the interest (of whatever nature) of any third party in the Account or of the creation of any security, set-off, counterclaim or similar right in favour of any third party in the Account; and
 - (c) you have not and will not claim, exercise or enforce any security interest, withholding and retention rights, right of set-off, combination of accounts, counterclaim or similar right in respect of the Account or the debts represented by it without the prior written consent of the Security Agent.
7. This notice and any non-contractual obligations arising out of or in connection with this notice are governed by English law.
8. The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this notice (including a dispute relating to the existence, validity or termination of this notice or any non-contractual obligation arising out of or in connection with this notice) (a *Dispute*). Each party to this notice agrees that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no such party will argue to the contrary. For such purposes, each party to this notice irrevocably submits to the jurisdiction of the English courts and waives any objection to the exercise of such jurisdiction.

Yours faithfully,

.....
for and on behalf of
Virgin Atlantic Airways Limited as Chargor

.....
for and on behalf of
Lloyds Bank Plc as Security Agent

[On acknowledgment copy]

To: Lloyds Bank plc as Security Agent

Copy to: Virgin Atlantic Airways Limited

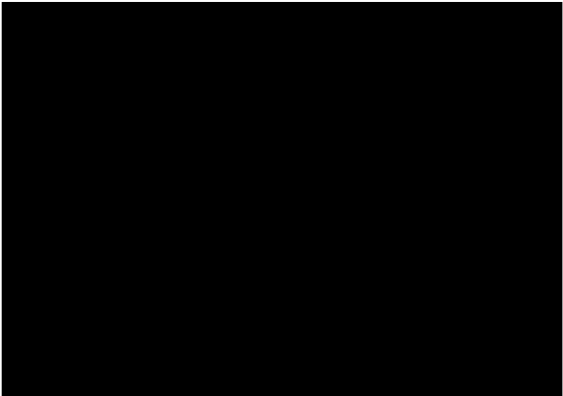
We acknowledge receipt of the above notice and agree to and confirm the matters set out in it.

.....
for and on behalf of
Lloyds Bank plc in its capacity as Account Bank

Date: [●]

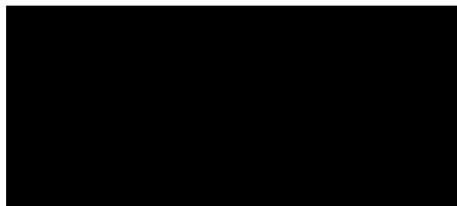
Signatories to the Security Agreement

Executed and delivered as a deed by)
VIRGIN ATLANTIC AIRWAYS LIMITED)
acting by two directors ~~or by~~)
~~one director and the Company Secretary~~)



The Security Agent
LLOYDS BANK PLC

By:



The Account Bank
LLOYDS BANK PLC

By:

.....

The Security Agent
LLOYDS BANK PLC

By:

The Account Bank
LLOYDS BANK PLC

By:

