



Registration of a Charge

Company name: **VIRGIN ATLANTIC AIRWAYS LIMITED**

Company number: **01600117**



X9D54OLS

Received for Electronic Filing: **08/09/2020**

Details of Charge

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

Charge code: **0160 0117 0191**

Persons entitled: **GLAS TRUST CORPORATION LIMITED AS SECURITY AGENT**

Brief description: **NONE.**

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: **ASHURST LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 1600117

Charge code: 0160 0117 0191

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 8th September 2020 .

Given at Companies House, Cardiff on 9th 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

ACCOUNT SECURITY AGREEMENT

dated as of September 4, 2020

among

THE GRANTORS FROM TIME TO TIME PARTY HERETO,

and

**GLAS TRUST CORPORATION LIMITED,
as Security Agent**

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This ACCOUNT SECURITY AGREEMENT (as amended, restated, modified or supplemented from time to time, this "**Agreement**") dated as of September 4, 2020 is made by Virgin Atlantic Airways Limited, a corporation incorporated in England and Wales (the "**Company**"), Virgin Holidays Limited, a corporation incorporated in England and Wales (the "**VHL**") and any other party that becomes party hereto pursuant to Section 8.10 hereto, (each, a "**Grantor**", and collectively, the "**Grantors**"), in favor of GLAS Trust Corporation Limited, as Security Agent for the benefit of the Secured Parties (in such capacity, together with its successors, the "**Security Agent**", which expression shall include any person from time to time appointed as a successor, replacement or additional trustee in relation to the interests created by this Agreement).

Pursuant to that certain New Money Facility Agreement (as defined below) dated as of the date hereof, and entered into by, among others, Virgin Travel Group Limited (the "**Parent**"), the Company, the guarantors party from time to time thereto, the financial institutions named therein as Original Lenders, Global Loans Agency Services Limited (in such capacity, the "**Facility Agent**"), and the Security Agent, the Lenders have agreed to make available certain facilities to the Company subject to the terms and conditions stated therein.

In connection with the New Money Facility Agreement and the other Primary Creditor Finance Documents, the Parent, the Company, the Facility Agent and the Security Agent have, amongst others, entered into that certain Intercreditor Agreement dated as of the date hereof (as amended, amended and restated, novated, supplemented or otherwise modified or extended from time to time, the "**Intercreditor Agreement**").

In consideration of the extensions of credit and other accommodations as set forth in the New Money Facility Agreement, each Grantor has agreed to secure the Secured Obligations under the Primary Creditor Finance Documents as set forth herein.

The Grantors will receive substantial direct and indirect benefit from the transactions contemplated by the Primary Creditor Finance Documents and each is, therefore, willing to enter into this Agreement.

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, each Grantor hereby agrees with the Security Agent as follows:

ARTICLE I DEFINITIONS

Section 1.01. **Terms Defined in the Intercreditor Agreement.** Capitalized terms defined in the Intercreditor Agreement, and not otherwise defined herein have, as used herein and in the introductory statement above, the respective meanings provided for therein.

Section 1.02. **Terms Defined in the Uniform Commercial Code.** Unless otherwise defined herein or in accordance with Section 1.01 or the context otherwise requires, the following terms, together with any uncapitalized terms used herein which are defined in the UCC (as defined below), have the respective meanings provided in the UCC (and, if defined in more than one Article of the UCC, shall have the meaning given in Article 9 thereof): Deposit Account, Securities Account and Proceeds.

Section 1.03. **Additional Definitions.** Terms defined in the introductory section hereof and in Section 1.02 have the respective meanings set forth therein. The following additional terms, as used herein, have the following respective meanings:

"Acceleration Event" means an Acceleration Event as defined in the Intercreditor Agreement.

"Account Control Agreement" means (i) with respect to a US Deposit Account, a deposit account control agreement, reasonably acceptable in form and substance to the Security Agent, among one or more Grantors, the Security Agent, and the bank which maintains such US Deposit Account and (ii) with respect to a US Securities Account, a securities account control agreement, reasonably

acceptable in form and substance to the Security Agent, among one or more Grantors, the Security Agent and the Securities Intermediary which maintains such US Securities Account.

"Affected Financial Institution" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"Agreement" has the meaning assigned to that term in the preamble.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"Bail-In Legislation" means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"Collateral" has the meaning specified in Section 2.02 of this Agreement.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegatee) having responsibility for the resolution of any EEA Financial Institution.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Event of Default" means an Event of Default as defined in the Intercreditor Agreement.

"Excluded Assets" means (i) any Exempt Accounts and (ii) any asset that is not deposited in or credited to a US Deposit Account or US Securities Account.

"Exempt Accounts" means (i) US Deposit Accounts and US Securities Accounts the balance of which consists exclusively of (A) withheld income taxes and federal, state or local employment taxes in such amounts as are required in the reasonable judgment of the Grantors to be paid to the Internal Revenue Service or state or local government agencies within the following two months with respect to employees of any of the Grantors and (B) amounts required to be paid over to an employee benefit plan pursuant to DOL Reg. Sec. 2510.3-102 on behalf of or for the benefit of employees of one or more Grantors, (ii) all segregated US Deposit Accounts and US Securities Accounts constituting (and the balance of which consists solely of funds set aside in connection with) tax accounts, payroll accounts and trust accounts, (iii) [reserved], (iv) [reserved], (v) any US Deposit Account or US Securities Account that is a zero-balance account, (vi) any US Deposit Account or US Securities Account that is used exclusively as an escrow accounts, fiduciary or other trust accounts, held exclusively for the benefit of third persons, and in each case, the funds or other property held in or maintained in such account, and (vii) for the avoidance of doubt, any Deposit Account or Securities Account that is not maintained in the US.

"Final Discharge Date" has the meaning assigned to such term in the Intercreditor Agreement.

"Governmental Authority" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any *supra-national* bodies such as the European Union or the European Central Bank).

"Grantor" has the meaning specified in the introductory section herein.

"Intercreditor Agreement" has the meaning assigned to that term in the preamble.

"Lien" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"New Money Facility Agreement" has the meaning assigned to such term in the Intercreditor Agreement.

"Permitted Security" means any Liens (other than Transaction Security) (i) permitted by the New Money Facility Agreement and (ii) not otherwise prohibited or restricted pursuant to any of the other Primary Creditor Finance Documents.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Primary Creditor Finance Documents" has the meaning assigned to such term in the Intercreditor Agreement.

"Requisite Priority Security" means a valid and perfected first priority security interest in favor of the Security Agent for the benefit of the Secured Parties and securing the Secured Obligations, subject to any Permitted Security.

"Resolution Authority" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"Secured Obligations" has the meaning assigned to such term in the Intercreditor Agreement.

"Secured Parties" has the meaning assigned to such term in the Intercreditor Agreement.

"Security Agent" has the meaning specified in the introductory section herein.

"Security Interests" means the security interests granted pursuant to Section 2.01 hereof in favor of the Security Agent for the benefit of the Secured Parties securing the Secured Obligations.

"UCC" means the Uniform Commercial Code as in effect from time to time in the State of New York; *provided* that if by reason of mandatory provisions of law, the perfection, the effect of perfection or non-perfection or the priority of the Security Interests in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than New York, **"UCC"** means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

"UK Debenture" means the debenture entered into on or as of the date hereof, amongst others, the Parent, the Company and the Security Agent.

"UK Financial Institution" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from

time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"UK Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"US Deposit Account" means any Deposit Account maintained in the United States.

"US Securities Account" means any Securities Account maintained in the United States.

"Write-Down and Conversion Powers" means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

Section 1.04. **Terms Generally.** The definitions in the introductory statement hereof and in Sections 1.02 and 1.03 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". All references herein to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. Unless otherwise expressly provided herein, the word "**day**" means a calendar day.

(a) Furthermore, in this Agreement, unless a contrary intention appears, a reference to:

(i) any Secured Party, any Grantor or any other person is, where relevant, deemed to be a reference to or to include, as appropriate, that person's successors in title, permitted assignees and transferees and in the case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents in accordance with the Primary Creditor Finance Documents; or

(ii) any Primary Creditor Finance Document or other agreement or instrument is to be construed as a reference to that agreement or instrument as amended, modified, supplemented or novated.

(b) The principles of construction contained in clause 1.2 (Construction) of the Intercreditor Agreement apply equally to the construction of this Agreement, except that references to the Intercreditor Agreement will be construed as references to this Agreement.

(c) Where an action or provision requires the consent or the discretion of, or designation by, the Security Agent, such consent, discretion or designation by the Security Agent:

(i) may be provided if it is permitted by each and all of the Primary Creditor Finance Documents; and

(ii) shall be exercised in accordance with the instructions of the Instructing Group.

(d) Any reference to an "Acceleration Event" is to be construed as an "Acceleration Event which is continuing" and any Acceleration Event is continuing if it has not been waived by the Primary Creditor to which that Acceleration Event relates.

ARTICLE II SECURITY INTERESTS

Section 2.01. **Grant of Security Interests.** To secure the due and punctual payment of all Secured Obligations, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, now or hereafter existing or due or to become due, in accordance with the terms thereof and to secure the performance of all of the Secured Obligations hereunder and under the other Primary Creditor Finance Documents in respect of the Secured Obligations, each Grantor hereby grants to the Security Agent for the benefit of the Secured Parties a security interest in, and each Grantor hereby pledges and collaterally assigns to the Security Agent for the benefit of the Secured Parties, all of such Grantor's right, title and interest in, to and under the Collateral.

Section 2.02. **Collateral.** All right, title and interest of each Grantor in, to and under all US Deposit Accounts, all US Securities Accounts and all assets credited to or deposited in such accounts from time to time and all Proceeds thereof, whether now owned or existing or hereafter created or acquired by a Grantor, whether tangible or intangible, and regardless of where located, are herein collectively referred to as the "Collateral", provided, that the Collateral shall not include any Excluded Assets.

Section 2.03. **Continuing Liability of Each Grantor.** Anything herein to the contrary notwithstanding, each Grantor shall remain liable to observe and perform all the terms and conditions to be observed and performed by it under any contract, agreement, warranty or other obligation with respect to the Collateral. None of the Security Agent or any Secured Party shall have any obligation or liability under any such contract, agreement, warranty or obligation by reason of or arising out of this Agreement or the receipt by the Security Agent or any Secured Party of any payment relating to any Collateral, nor shall the Security Agent or any Secured Party be required to perform or fulfill any of the obligations of any Grantor with respect to any of the Collateral, to make any inquiry as to the nature or sufficiency of any payment received by it or the sufficiency of the performance of any party's obligations with respect to any Collateral. Furthermore, none of the Security Agent or any Secured Party shall be required to file any claim or demand to collect any amount due or to enforce the performance of any party's obligations with respect to the Collateral.

Section 2.04. **Security Interests Absolute.** All rights of the Security Agent, all Security Interests hereunder and all obligations of each Grantor hereunder are unconditional and absolute and independent and separate from (i) any other security for or guaranty of the Secured Obligations executed by such Grantor and (ii) any other security for or guaranty of the Secured Obligations executed by any other Grantor or any other Person. Without limiting the generality of the foregoing, the obligations of each Grantor hereunder shall not (prior to the Final Discharge Date) be released, discharged or otherwise affected or impaired by:

(a) any extension, renewal, settlement, compromise, acceleration, waiver or release in respect of any obligation of any other Grantor under any Primary Creditor Finance Document or any other agreement or instrument evidencing or securing any Secured Obligation, by operation of law or otherwise;

(b) any change in the manner, place, time or terms of payment of any Secured Obligation or any other amendment, supplement or modification to any Primary Creditor Finance Document or any other agreement or instrument evidencing or securing any Secured Obligation;

(c) any release, non-perfection or invalidity of any direct or indirect security for any Secured Obligation, any sale, exchange, surrender, realization upon, offset against or other action in respect of any direct or indirect security for any Secured Obligation or any release of any other obligor or Grantor in respect of any Secured Obligation;

(d) any change in the existence, structure or ownership of any Grantor, or any insolvency, bankruptcy, reorganization, arrangement, readjustment, composition, liquidation or other similar proceeding affecting any Grantor or its assets or any resulting disallowance, release or discharge of all or any portion of any Secured Obligation;

(e) the existence of any claim, set-off or other right which any Grantor may have at any time against any other Grantor, the Security Agent, any other Secured Party or any other Person, whether in connection herewith or any unrelated transaction; *provided* that nothing herein shall prevent the assertion of any such claim by separate suit or compulsory counterclaim;

(f) any invalidity or unenforceability relating to or against any other Grantor for any reason of any Primary Creditor Finance Document or any other agreement or instrument evidencing or securing any Secured Obligation or any provision of applicable law or regulation purporting to prohibit the payment by any other Grantor of any Secured Obligation;

(g) any failure by any Secured Party: (A) to file or enforce a claim against any Grantor or its estate (in a bankruptcy or other proceeding); (B) to give notice of the existence, creation or incurrence by any Grantor of any new or additional indebtedness or obligation under or with respect to the Secured Obligations; (C) to commence any action against any Grantor; (D) to disclose to any Grantor any facts which such Secured Party may now or hereafter know with regard to any Grantor; or (E) to proceed with due diligence in the collection, protection or realization upon any collateral securing the Secured Obligations;

(h) any direction as to application of payment by any other Grantor or any other Person;

(i) any subordination by any Secured Party of the payment of any Secured Obligation to the payment of any other liability (whether matured or unmatured) of any Grantor to its creditors;

(j) any act or failure to act by the Security Agent or any other Secured Party under this Agreement or otherwise which may deprive any Grantor of any right to subrogation, contribution or reimbursement against any other Grantor or any right to recover full indemnity for any payments made by such Grantor in respect of the Secured Obligations and, notwithstanding any payment made by any Grantor hereunder or under any other Primary Creditor Finance Document or any set-off or application of funds of any Grantor by any Secured Party, no Grantor shall be entitled to be subrogated to any of the rights of any Secured Party against any other Grantor or any collateral security or guarantee or right of offset held by any Secured Party for the payment of the Secured Obligations, nor shall any Grantor seek or be entitled to seek any contribution or reimbursement from any other Grantor in respect of amounts paid hereunder or any other Primary Creditor Finance Document by such Grantor, until all amounts owing to the Secured Parties by the Company on account of the Secured Obligations are paid in full and all commitments to grant extensions of credit under the New Money Facility Agreement are terminated and if any amount shall be paid to any Grantor on account of such subrogation rights in violation of this clause (j) such amount shall be held in trust for the benefit of the Secured Parties and shall forthwith be delivered by such Grantor to the Security Agent in the exact form received by such Grantor to be applied against the Secured Obligations; or

(k) any other act or omission to act or delay of any kind by any Grantor or any Secured Party or any other Person or any other circumstance whatsoever which might, but for the provisions of this clause, constitute a legal or equitable discharge of any Grantor's obligations hereunder.

Until the Final Discharge Date, this Agreement shall remain fully enforceable against each Grantor irrespective of any defenses that any other Grantor may have or assert in respect of the Secured Obligations, including, without limitation, failure of consideration, breach of warranty, payment, statute of frauds, statute of limitations, accord and satisfaction and usury, except that an Grantor may assert the defense that the Final Discharge Date shall have occurred.

ARTICLE III REPRESENTATIONS AND WARRANTIES

The representations set out in this Article III (Representations and Warranties) are made on (a) the date of this Agreement, (b) the date of each Utilisation Request and Utilisation Date (in each case, as defined in the Initial New Money Facility Agreement or any Refinancing Equivalent in the Refinancing New Money Facility Agreement), (c) the first day of each Interest Period (as defined in the Initial New Money Facility Agreement or any Refinancing Equivalent in the Refinancing New Money Facility Agreement) and (d) on the Original Termination Date (as defined in the Initial New Money Facility Agreement).

Section 3.01. **Collateral**. The Collateral is free from Security other than Permitted Security and the Transaction Security and free from any other claims or interest by a third party.

Section 3.02. **[Reserved]**.

Section 3.03. **Validity, Perfection and Priority of Security Interests**.

- (a) The Security Interests granted in favor of the Security Agent for the benefit of the Secured Parties constitute legal and valid security interests in all of the Collateral securing the Secured Obligations.
- (b) When each Account Control Agreement, if applicable, has been executed and delivered to the Security Agent, the Security Interests will constitute a Requisite Priority Security in all right, title and interest of the Grantors in the US Deposit Accounts and US Securities Accounts, as applicable, subject thereto.

Section 3.04. **No Litigation**. No litigation, arbitration or administrative proceedings or investigations of, or before any court, arbitral body or agency which are reasonably likely to be adversely determined and which, if adversely determined, are reasonably likely to have a material adverse effect have (to the best of its knowledge (having made due and careful inquiry)) been started in respect of the Collateral.

Section 3.05. **[Reserved]**.

Section 3.06. **[Reserved]**.

Section 3.07. **US Deposit Accounts and US Securities Accounts**. Schedule 3.07 (as such schedule may be amended or supplemented from time to time) sets forth a full, complete and correct list of each Grantor's US Deposit Accounts and US Securities Accounts, the name and address of the financial institution which maintains each such account, whether such account is an Exempt Account (and if so, the purpose of such account) and certain additional related information with respect such US Securities Accounts.

ARTICLE IV COVENANTS

Each Grantor covenants and agrees that until the Final Discharge Date, such Grantor will comply with the following:

Section 4.01. **Deliveries**. Such Grantor shall deliver to the Security Agent within ninety (90) days (or such longer period agreed to by the Security Agent) following the date of this Agreement, a fully executed Account Control Agreement with respect to each of its US Deposit Accounts and US Securities Accounts (in each case other than Exempt Accounts); provided that such Grantor shall use commercially reasonable efforts to deliver such Account Control Agreements within thirty (30) days after the date hereof.

Section 4.02. **General Undertakings.** Each Grantor shall:

(a) maintain its existence and obtain, comply with and do all that is necessary to maintain in full force and effect any authorization required under any law or regulation applicable to such Grantor to enable it to preserve its existence and perform its obligations under this Agreement.

(b) Comply in all material respects with all laws to which it may be subject, if failure to do so would prevent it from performing its obligations under this Agreement.

Section 4.03. **Negative Pledge.** No Grantor may create or agree to create or permit any Security over all or any part of the Collateral except Permitted Security and the Transaction Security.

Section 4.04. **Preservation of Collateral.**

(a) No Grantor shall, without the prior written consent of the Security Agent, take any action which has or is reasonably likely to have the effect of prejudicing the Security created under this Agreement.

(b) Each Grantor will observe and perform all covenants which it is obliged to undertake in respect of the Collateral and take all steps which are necessary to preserve, maintain and renew when necessary all the Collateral, except as otherwise permitted by each and all of the Primary Creditor Finance Documents.

(c) No Grantor may vary any lease, licence, contract or other document relevant to its interest in any Collateral where such variation would have a material adverse effect on the value of the relevant Collateral or the rights of the Secured Parties, except as otherwise permitted by each and all of the Primary Creditor Finance Documents.

(d) Each Grantor will enforce the due observance and performance of all covenants given for its benefit in relation to the Collateral, where failure to do so would have a material adverse effect on the relevant Collateral or the rights of the Secured Parties.

Section 4.05. **[Reserved].**

Section 4.06. **[Reserved].**

Section 4.07. **[Reserved].**

Section 4.08. **[Reserved]**

Section 4.09. **Information Regarding Collateral.** Such Grantor will, promptly upon request, provide to the Security Agent all information and evidence it may reasonably request concerning the Collateral to enable the Security Agent to enforce the provisions of this Agreement.

Section 4.10. **[Reserved].**

Section 4.11. **US Deposit Accounts and US Securities Accounts.** Except as expressly provided in Section 4.01 hereto, no Grantor shall establish after the date hereof or permit to exist any US Deposit Account or US Securities Account (in each case other than Exempt Accounts), unless it delivers to the Security Agent a fully executed Account Control Agreement with respect to such account as soon as reasonably practical and in any event within ninety (90) days after the establishment or acquisition of such account (or such longer period agreed by the Security Agent), provided that the applicable Grantor shall use commercially reasonable efforts to deliver such Account Control Agreement within thirty (30) days after the date such US Deposit Account or US Securities Account is established or acquired.

ARTICLE V
[RESERVED]

Section 5.01. **[Reserved]**.

ARTICLE VI
GENERAL AUTHORITY; REMEDIES

Section 6.01. **General Authority.** Each Grantor hereby irrevocably appoints the Security Agent and any officer, employee or agent thereof as its true and lawful attorney-in-fact, with full power of substitution and delegation, in the name of such Grantor, the Security Agent, the Secured Parties or otherwise, for the sole use and benefit of the Security Agent and the Secured Parties, but at such Grantor's expense, to the extent not prohibited by applicable law, to exercise at any time and from time to time after an Acceleration Event has occurred, all or any of the following powers with respect to all or any of the Collateral, all acts of such attorney being hereby ratified and confirmed; such power, being coupled with an interest, is irrevocable until the Final Discharge Date:

- (i) to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to carry out the terms of this Agreement;
- (i) to receive, take, indorse, assign and deliver any and all checks, notes, drafts, acceptances, documents and other negotiable and non-negotiable Instruments taken or received by such Grantor as, or in connection with, the Collateral;
- (ii) to commence, settle, compromise, compound, prosecute, defend or adjust any claim, suit, action or proceeding with respect to, or in connection with, the Collateral;
- (iii) to transfer, assign or otherwise deal in or with the Collateral or the Proceeds or avails thereof, as fully and effectually as if the Security Agent were the absolute owner thereof;
- (iv) to extend the time of payment of any or all of the Collateral and to make any allowance and other adjustments with respect thereto;
- (v) give all consents, waivers and ratifications in respect of the Collateral; and
- (vi) to do, at its option, but at the expense of the Grantors, at any time or from time to time, all acts and things which the Security Agent deems necessary to protect or preserve the Collateral and to realize upon the Collateral.

Section 6.02. **Authority of the Security Agent.** The Security Agent has been appointed as security agent pursuant to the Intercreditor Agreement. The rights, duties, privileges, immunities and indemnities of the Security Agent hereunder are subject to the provisions of the Intercreditor Agreement.

Section 6.03. **Remedies upon an Acceleration Event.**

(a) If any Acceleration Event has occurred, the Security Agent may, in addition to all other rights and remedies granted to it in this Agreement and in any other agreement securing, evidencing or relating to the Secured Obligations (including, without limitation, the right to give instructions or a notice of sole control under an Account Control Agreement): (i) exercise on behalf of the Secured Parties all rights and remedies of a secured party on default under the UCC (whether or not the UCC applies to the affected Collateral) and, in addition, (ii) without demand of performance or other demand or notice of any kind (except as herein provided or as may be required by mandatory provisions of law) to or upon any Grantor or any other Person (all of which demands and/or notices are hereby waived by each Grantor), give notice and take sole possession and control of all amounts on deposit in or credited to any US Deposit Account or US Securities Account, as applicable, pursuant to the related Account Control Agreement and apply all such funds as specified in Section 6.05.

(b) [Reserved].

(c) [Reserved].

(d) [Reserved].

(e) [Reserved].

(f) [Reserved].

(g) If any Acceleration Event has occurred, the Security Agent shall, to the extent permitted by applicable law, without notice to any Grantor or any party claiming through any Grantor, without regard to the solvency or insolvency at such time of any Person then liable for the payment of any of the Secured Obligations, without regard to the then value of the Collateral and without requiring any bond from any complainant in such proceedings, be entitled as a matter of right to the appointment of a receiver or receivers (who may be the Security Agent) of the Collateral or any part thereof, and of the profits, revenues and other income thereof, pending such proceedings, with such powers as the court making such appointment shall confer, and to the entry of an order directing that the profits, revenues and other income of the property constituting the whole or any part of the Collateral be segregated, sequestered and impounded for the benefit of the Security Agent and the other Secured Parties, and each Grantor irrevocably consents to the appointment of such receiver or receivers and to the entry of such order.

(h) Each Grantor agrees, to the extent it may lawfully do so, that it will not at any time in any manner whatsoever claim or take the benefit or advantage of, any appraisal, valuation, stay, extension, moratorium, turnover or redemption law, or any law permitting it to direct the order in which the Collateral shall be sold, now or at any time hereafter in force which may delay, prevent or otherwise affect the performance or enforcement of this Agreement, and each Grantor hereby waives all benefit or advantage of all such laws to the extent permitted by law. Each Grantor covenants that it will not hinder, delay or impede the execution of any power granted to the Security Agent, the Facility Agent or any other Secured Party in any Primary Creditor Finance Document.

(i) [Reserved].

(j) Each Grantor waives, to the extent permitted by law, presentment, demand, protest and any notice of any kind (except the notices expressly required hereunder or in any other Primary Creditor Finance Documents) in connection with this Agreement and any action taken by the Security Agent with respect to the Collateral.

Section 6.04. **Limitation on duty of Security Agent in respect of Collateral.** Beyond the exercise of reasonable care in the custody thereof or as required by law, none of the Security Agent or any other Secured Party shall have any duty to exercise any rights or take any steps to preserve the rights of any Grantor in the Collateral in its or their possession or control or in the possession or control of any agent or bailee or any income thereon or as to the preservation of rights against prior parties or any other rights pertaining thereto. Each Grantor agrees that the Security Agent shall not at any time be required to, nor shall the Security Agent be liable to any Grantor for any failure to, account separately to any Grantor for amounts received or applied by the Security Agent from time to time in respect of the Collateral pursuant to the terms of this Agreement. Without limiting the foregoing, the Security Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which the Security Agent accords its own property, and shall not be liable or responsible for any loss or damage to any of the Collateral, or for any diminution in the value thereof, by reason of the act or omission of any warehouseman, carrier, forwarding agency, consignee or other agent or bailee selected by the Security Agent in good faith.

Section 6.05. **Application of Proceeds.**

(a) **Priority of Distributions.** All moneys and proceeds received or recovered by the Security Agent pursuant to this Agreement shall be applied in the order and manner specified by Clause 18 of the Intercreditor Agreement.

(b) **Deficiencies.** It is understood that the Grantors shall remain liable to the extent of any deficiency between the amount of the proceeds of the Collateral and the amount of the Secured Obligations.

**ARTICLE VII
SECURITY AGENT**

Section 7.01. **Concerning the Security Agent.** The Security Agent has been appointed to act as Security Agent hereunder by the Secured Parties pursuant to the New Money Facility Agreement and the Intercreditor Agreement. The Security Agent shall be obligated, and shall have the right hereunder, to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking any action (including without limitation the release or substitution of Collateral), solely in accordance with this Agreement and the Intercreditor Agreement or otherwise in accordance with the instructions of the Instructing Group. In furtherance and not in derogation of the rights, privileges and immunities of the Security Agent therein set forth:

(a) The Security Agent is authorized to take all such actions as are provided to be taken by it as Security Agent hereunder and all other actions reasonably incidental thereto. As to any matters not expressly provided for herein (including, without limitation, the timing and methods of realization upon the Collateral upon an Acceleration Event), the Security Agent shall act or refrain from acting in accordance with the Intercreditor Agreement.

(b) The Security Agent shall not be responsible for the existence, genuineness or value of any of the Collateral or for the validity, perfection, priority or enforceability of the Security Interests in any of the Collateral, whether impaired by operation of law or by reason of any action or omission to act on its part hereunder unless such action or omission constitutes gross negligence or willful misconduct. The Security Agent shall have no duty to ascertain or inquire as to the performance or observance of any of the terms of this Agreement by any Grantor.

Section 7.02. **Reference to Intercreditor Agreement.** In furtherance of the foregoing provisions of this Section, each Secured Party, by its acceptance of the benefits hereof, agrees that it shall have no right individually to realize upon any of the Collateral hereunder (except as provided herein in the ordinary course of business), it being understood and agreed by such Secured Party that all rights and remedies hereunder may be exercised solely by the Security Agent for the benefit of Secured Parties in accordance with the terms of this Section. The provisions of the Intercreditor Agreement relating to the Security Agent including, without limitation, the provisions relating to resignation or removal of the Security Agent and the powers and duties and immunities of the Security Agent are incorporated herein by this reference and shall survive any termination of the New Money Facility Agreement and/or Intercreditor Agreement.

Section 7.03. **Indemnity.** The indemnification provisions set out in Clause 22.1 of the Intercreditor Agreement in favor of the Security Agent shall apply to this Agreement as if set out in full herein.

**ARTICLE VIII
MISCELLANEOUS**

Section 8.01. **Notices.** Unless otherwise expressly provided herein, all notices and other communications provided for hereunder shall be provided in the manner set forth in Clause 25 of the Intercreditor Agreement.

Section 8.02. **Costs and Expenses.** The cost and expenses provisions as set out in Clause 21 of the Intercreditor Agreement in favor of the Security Agent shall apply to this Agreement as if set out in full herein.

Section 8.03. **No Waivers; Non-Exclusive Remedies.** No failure or delay on the part of the Security Agent or any Secured Party to exercise, no course of dealing with respect to, and no delay in exercising, any right, power or privilege under this Agreement or any other Primary Creditor Finance Document or any other document or agreement contemplated hereby or thereby and no course of dealing between the Security Agent or any Secured Party and any of the Grantors shall operate as a waiver thereof nor shall any single or partial exercise of any such right, power or privilege hereunder or under any Primary Creditor Finance Document preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder or thereunder. The rights and remedies provided herein and in the other Primary Creditor Finance Documents are cumulative and are not exclusive of any other remedies provided by law. Without limiting the foregoing, nothing in this Agreement shall impair the right of any Secured Party to exercise any right of set-off or counterclaim it may have and to apply the amount subject to such exercise to the payment of indebtedness of any Grantor other than its indebtedness under the Primary Creditor Finance Documents.

Section 8.04. **Enforcement.** The Secured Parties agree that this Agreement may be enforced only by the action of the Security Agent and that no other Secured Party shall have any right individually to seek to enforce this Agreement or to realize upon the security to be granted hereby, it being understood and agreed that such rights and remedies may be exercised by the Security Agent, for the benefit of the Secured Parties upon the terms of this Agreement, the Intercreditor Agreement and the other Primary Creditor Finance Documents.

Section 8.05. **Amendments and Waivers.** Any provision of this Agreement may be amended, changed, discharged, terminated or waived if, but only if, such amendment or waiver is in writing and is signed by each Grantor directly affected by such amendment, change, discharge, termination or waiver (it being understood that the addition or release of any Grantor hereunder shall not constitute an amendment, change, discharge, termination or waiver affecting any Grantor other than the Grantor so added or released) and the Security Agent in accordance with the Intercreditor Agreement.

Section 8.06. **Successors and Assigns.** This Agreement shall be binding upon each of the parties hereto and inure to the benefit of the Security Agent and the Secured Parties and their respective successors and permitted assigns. In the event of an assignment of all or any of the Secured Obligations, the rights hereunder, to the extent applicable to the indebtedness so assigned, may be transferred with such indebtedness. The Security Agent may at any time assign or otherwise transfer all or any part of its rights under this Agreement in accordance with each and all Primary Creditor Finance Documents. No Grantor shall assign or delegate any of its rights and duties hereunder except as expressly permitted by and in accordance with the Primary Creditor Finance Documents and the Intercreditor Agreement.

Section 8.07. **Limitation of Law; Severability.**

(a) All rights, remedies and powers provided in this Agreement may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Agreement are intended to be subject to all applicable mandatory provisions of law which may be controlling and be limited to the extent necessary so that they will not render this Agreement invalid, unenforceable in whole or in part, or not entitled to be recorded, registered or filed under the provisions of any applicable law.

(b) If any provision hereof is invalid or unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (i) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Security Agent and the Secured Parties in order to carry out the intentions of the parties hereto as nearly as may be possible, and (ii) the invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provisions in any other jurisdiction.

Section 8.08. **Acknowledgement and Consent to Bail-in of Affected Financial Institutions.**

Notwithstanding anything to the contrary in any Primary Creditor Finance Documents or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Primary Creditor Finance Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Primary Creditor Finance Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

Section 8.09. **Counterparts; Effectiveness.** This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective with respect to each Grantor when the Security Agent shall receive counterparts hereof executed by itself and such Grantor. Delivery of an executed counterpart of a signature page to this Agreement if made via electronic imaging means (e.g. "pdf") shall be effective as delivery of a manually executed counterpart of this Agreement. The words "executed," "signed," "signature," and words of like import in this Agreement shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 8.10. **Additional Grantors.** It is understood and agreed that if any Affiliate is required to be a party to this Agreement pursuant to the New Money Facility Agreement or the Intercreditor Agreement, such Affiliate shall become a Grantor hereunder, with the same force and effect as if originally named as a Grantor hereunder, by executing an instrument of accession or joinder satisfactory in form and substance to the Security Agent and delivering the same to the Security Agent. Concurrently with the execution and delivery of such instrument of accession or joinder, such Affiliate shall take all such actions and deliver to the Security Agent all such documents and agreements as such Affiliate would have been required to deliver to the Security Agent on or prior to the date of this Agreement had such Affiliate been a party hereto on the date of this Agreement. Such additional materials shall include, among other things, supplements to each of the Schedules hereto (which Schedules shall thereupon automatically be amended and supplemented to include all information contained in such supplements) such that, after giving effect to the accession or joinder of such Affiliate, each of the Schedules hereto is true, complete and correct with respect to such Affiliate as of the effective date of such accession or joinder. The execution and delivery of any such instrument of accession or joinder, and the amendment and supplementation of the Schedules hereto as provided in the immediately preceding sentence, shall not require the consent of any other Grantor hereunder. The

rights and obligations of each Grantor hereunder shall remain in full force and effect notwithstanding the addition of any new Grantor as a party to this Agreement.

Section 8.11. **Termination; Release**. The Security Agent and each Secured Party shall, at the request and cost of the Grantors:

(a) once all the Secured Obligations have been paid in full and none of the Security Agent nor any Secured Party has any actual or contingent liability to advance further monies to, or incur liability on behalf of, any member of the Group; or

(b) in any other circumstances in which the release of the Collateral is expressly permitted by the Intercreditor Agreement,

take any action which is necessary to release (including the filing of any UCC termination statements) the Collateral from the security constituted by this Agreement

Section 8.12. **Entire Agreement**. This Agreement and the other Primary Creditor Finance Documents constitute the entire agreement and understanding among the parties hereto and supersede any and all prior agreements and understandings, oral or written, and any contemporaneous oral agreements and understandings relating to the subject matter hereof and thereof.

Section 8.13. **Intercreditor Agreement; UK Debenture**. In the event of any conflict or inconsistency between the provisions of the Intercreditor Agreement or the UK Debenture (as applicable) and this Agreement, the provisions of such Intercreditor Agreement or UK Debenture (as applicable) shall govern and control.

Section 8.14. **GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK.**

Section 8.15. **SUBMISSION TO JURISDICTION**. EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT SHALL AFFECT ANY RIGHT THAT ANY PARTY HERETO MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER PRIMARY CREDITOR FINANCE DOCUMENT AGAINST ANY OTHER PARTY HERETO OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

Section 8.16. **WAIVER OF JURY TRIAL**. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers/directors as of the day and year first written above.

GRANTORS:

VIRGIN ATLANTIC AIRWAYS LIMITED

acting by a ~~director and its~~
~~secretary~~ two directors:

Director
Name: Shai weiss

Director/~~secretary~~
Name: Tom Mackay

VIRGIN HOLIDAYS LIMITED

acting by a ~~director and its~~
~~secretary~~ two directors:

Director
Name: Shai weiss

Director/~~secretary~~
Name: Tom Mackay

SECURITY AGENT:

Signed for and on behalf of **GLAS**
TRUST CORPORATION LIMITED:

)
)
)
)
)

DocuSigned by:

B3C77B4ADAE4A3.....

Name: Lee Morrell

Title: Transaction Manager

Notice Details

Address: 45 Ludgate Hill, London EC4M 7JU, United Kingdom

Telephone: +44 (0)20 3597 2940

Email: tmg@glas.agency

Attention: Transaction Management Group (Virgin Atlantic TRN00001274)

Schedule 3.01(a) to Pledge and Security Agreement

LEGAL NAME; TRADE NAME; LOCATION; CHIEF EXECUTIVE OFFICE

LEGAL NAME	Virgin Atlantic Airways Limited Virgin Holidays Limited
JURISDICTION OF ORGANIZATION:	England and Wales
CHIEF EXECUTIVE OFFICE	Company Secreteriat - The Vhq, Fleming Way, Crawley, West Sussex, United Kingdom, RH10 9DF

Schedule 3.07 to Pledge and Security Agreement

SCHEDULE OF US DEPOSIT ACCOUNTS AND US SECURITIES ACCOUNTS

Deposit Accounts:

Name of Grantor	Name of Financial Institution	Account Number	Purpose	Exempt Account?
Virgin Holidays Limited	Bank of America		US account for Virgin Holidays Limited	
Virgin Atlantic Airways Limited	Bank of America		US Cargo account	
Virgin Atlantic Airways Limited	Bank of America		US Operations account	
Virgin Atlantic Airways Limited	Bank of America		Treasury account	
Virgin Atlantic Airways Limited	Bank of America		US Operations account	
Virgin Atlantic Airways Limited	Bank of America		US Expense account	
Virgin Atlantic Airways Limited	Bank of America		US Controlled Disbursement Cheque account	
Virgin Atlantic Airways Limited	Bank of America		Line of credit collateral account	
Virgin Atlantic Airways Limited	US Bank		PFC Holding Account	
Virgin Atlantic Airways Limited	Central Bank & Trust		Charter escrow account	

Securities Accounts:

None.