



Registration of a Charge

Company name: **VIRGIN ATLANTIC AIRWAYS LIMITED**

Company number: **01600117**



X9DQCQ1S

Received for Electronic Filing: **16/09/2020**

Details of Charge

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

Charge code: **0160 0117 0197**

Persons entitled: **LUCID TRUSTEE SERVICES LIMITED**

Brief description: **PLEASE SEE INSTRUMENT FOR FURTHER DETAILS.**

Contains fixed charge(s).

Contains floating 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.**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 1600117

Charge code: 0160 0117 0197

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 16th September 2020 .

Given at Companies House, Cardiff on 17th 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

EXECUTION VERSION

DATE: 4 September 2020

CARGO RECEIVABLES SECURITY AGREEMENT

Between

VIRGIN ATLANTIC AIRWAYS LIMITED

and

LUCID TRUSTEE SERVICES LIMITED

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THIS DEED is made on the day of 4 September 2020

BETWEEN:

- (1) **VIRGIN ATLANTIC AIRWAYS LIMITED**, a company incorporated in England and Wales with registered number 1600117 and whose registered address is The VHQ, Fleming Way, Crawley, West Sussex, RH10 9DF (the “**Company**”); and
- (2) **LUCID TRUSTEE SERVICES LIMITED**, a company incorporated under the laws of England and Wales and with registration number 10992576 with its registered office at 6th Floor, No 1 Building 1-5 London Wall Buildings, London Wall, London, United Kingdom, EC2M 5PG solely in its capacity as security trustee for the CCAs (as defined below) pursuant to the Collateral Agency Agreement (the “**Collateral Agent**”).

WHEREAS:

- (A) The Company enters into this Deed in connection with the conditions precedent to each CCA Override Agreement.

NOW IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

Definitions

1.1 In this Deed:

“**Aircraft Charter Agreements**” means:

- (a) the aircraft charter agreement dated 17 March 2020 between the Company and DHL Global Forwarding (UK) Limited; and
- (b) the aircraft charter agreement dated 17 March 2020 between the Company and the Department of Health and Social Care.

“**Air Waybill**”: means each document entitled “Air Waybill” or “E-AirWaybill” (as the case may be) made out by or on behalf of a Shipper or Cargo Agent which evidences the contract between the Shipper or Cargo Agent (as the case may be) and the Company for the carriage of Cargo by the Company.

“**Business Day**”: means a day which is not a Saturday, Sunday or public holiday in England.

“**Cargo**”: means any property carried or to be carried in an aircraft or by means of surface transportation including but not limited to, road or rail vehicles, other than mail or other property carried under the terms of an international postal convention or passenger ticket and baggage check or baggage or property of the Company, provided that baggage moving under an Air Waybill or Shipment Record is Cargo.

“**Cargo Agency Agreement**”: means any agreements or other contracts between Cargo Agents and the Company in the relation to contracting for the Carriage of Cargo.

“**Cargo Agent**”: means any person who has authority, express or implied, to act for or on behalf of the Company in relation to contracting for the Carriage of Cargo.

“**Cargo Contracts**”: means each and all contracts for the Carriage of Cargo, whether present or future, whether for the Carriage of charter or non-charter Cargo, in each case entered into by the Company, including (but not limited to):

- (a) any contracts entered into directly between a Shipper or agent (as the case may be) and the Company for the Carriage of Cargo;
- (b) any contracts entered into by the Company in relation to the Carriage of Cargo subject to the Conditions;
- (c) any contract for the Carriage of Cargo entered into between the Company or any Cargo Agent on its behalf and a Shipper or a freight forwarder;
- (d) any contracts entered into between the Company and any other airline in relation to the Carriage of Cargo by the Company;
- (e) any block space agreements entered into by the Company for the Carriage of Cargo; and
- (f) the Aircraft Charter Agreements and each aircraft charter agreement entered into by the Company for the Carriage of Cargo.

“Carriage”: means carriage of Cargo by air, or by surface transportation including, but not limited to, road or rail vehicles, whether gratuitously or for reward.

“CASS”: means the Cargo Account Settlement System (CASS-Export), also known as the Cargo Networks Services (CNS) in the United States of America, provided by IATA worldwide as a billing platform in connection with the Carriage of Cargo.

“CCA”: means any entity which is a creditor party to a CCA Document.

“CCA Documents” means:

- (a) the Worldwide Agreement for American Express Card Acceptance dated (a) 12 August 2019 between, among others, Virgin Atlantic Airways Limited and American Express Travel Related Services Company, Inc.;
- (b) the Terms and Conditions for American Express Card Acceptance (January 2018 – Version 4) and addendum thereto dated 7 January 2020, between Virgin Holidays Limited and American Express Payment Services Limited;
- (c) the Merchant Services Agreement dated 26 March 2017 between Virgin Atlantic Airways Limited and Lloyds Bank plc (trading as Cardnet);
- (d) the Global Payment Solutions Agreement (inclusive of the agreements in its schedules) dated 12 June 2019 between, among others, Virgin Atlantic Airways Limited and First Data Merchant Services LLC;
- (e) the CCA Override Agreements;
- (f) a guarantee provided by Virgin Atlantic Airways Limited in favour of First Data Merchant Services LLC and First Data Europe Limited;
- (g) a guarantee provided by Virgin Atlantic Limited in favour of First Data Merchant Services LLC and First Data Europe Limited
- (h) a guarantee provided by Virgin Atlantic Limited in favour of Lloyds Bank plc (trading as Cardnet);
- (i) a guarantee provided by Virgin Atlantic Limited in favour of American Express Travel Related Services Company, Inc., American Express American Express Payment Services Limited and American Express Payments Europe, S.L.; and

- (j) a guarantee provided by Virgin Atlantic Limited and Virgin Atlantic Airways Limited in favour of American Express American Express Payment Services Limited.

“CCA Override Agreements” means:

- (a) the override agreement dated on or about the date of this Deed between among others, Virgin Atlantic Airways Limited, Virgin Holidays Limited, American Express Travel Related Services Company, Inc., American Express Payment Services Limited and American Express Payments Europe, S.L. (**“Amex Override Agreement”**);
- (b) the override agreement dated on or about the date of this Deed between among others, Virgin Atlantic Airways Limited, First Data Merchant Services LLC and First Data Europe Limited (**“First Data Override Agreement”**); and
- (c) the override agreement dated on or about the date of this Deed between among others, Virgin Atlantic Airways Limited and Lloyds Bank plc (trading as Cardnet) (**“Cardnet Override Agreement”**).

“Collateral Agency Agreement”: means the collateral agency agreement between, *inter alia*, the Collateral Agent, the Company and the CCAs in relation to the appointment of the Collateral Agent as trustee of, *inter alia*, the security and other rights (including, but not limited to, the benefit of the covenants contained in this Deed), titles and interests constituted by this Deed.

“Conditions”: means the conditions set out in the Virgin Atlantic Conditions of Contract and General Tariff and Onforwarding Conditions as amended by the Company from time to time.

“Delegate”: means any person appointed by the Collateral Agent or any Receiver pursuant to Clauses 12.2 to 12.4 (*Delegation*) and any person appointed as attorney of the Collateral Agent and/or any Receiver or Delegate.

“Enforcement Event” means:

- (a) an Insolvency Event in respect of the Company has occurred; or
- (b) the Company loses any regulatory licence required in order to continue its Cargo business as a going concern.

“Expenses”: means all costs (including legal fees), charges, expenses and damages sustained or incurred by the Collateral Agent or any Receiver or Delegate at any time in connection with the Security Property or the Secured Liabilities or in taking, holding or perfecting this Deed or in protecting, preserving, defending or enforcing the security constituted by this Deed or in exercising any rights, powers or remedies provided by or pursuant to this Deed (including any right or power to make payments on behalf of the Company under the terms of this Deed) or by law in each case on a full indemnity basis.

“Group”: means the Parent and its Subsidiaries for the time being.

“Holdback Event”: has the meaning given to such term in the relevant CCA Override Agreement.

“IATA”: means International Air Transport Association, an association incorporated by Special Act of the Parliament of Canada, with its head office at 800 Place Victoria, P.O. Box 113, Montreal, Quebec, Canada, H4Z 1M1.

Insolvency Event has the meaning given to it in the CCA Override Agreements.

“Intercreditor Agreement”: means the intercreditor agreement to be entered into on or about the date of this Deed between, among others, Global Loan Agency Services Limited as new money agent, the Company as company, GLAS Trust Corporation Limited as security agent and upon accession, each CCA.

“Liability Period”: means the period beginning on the date of this Deed and ending on the date that a Secured Obligation Release Event has occurred in relation to all CCAs.

“LPA”: means the Law of Property Act 1925.

“MSA” has the meaning given to it in the relevant CCA Override Agreement.

“Parent”: means Virgin Travel Group Limited.

“Payment Contracts”: means contracts under which a party is to remit payment to the Company for the Carriage of Cargo where that party is not the Shipper or a freight forwarder, including, but not limited to:

- (a) each Cargo Agency Agreement;
- (b) CASS; and
- (c) the SIS Participation Agreement.

“Perfection Event” means:

- (a) an Enforcement Event;
- (b) a Holdback Event in relation to cross-acceleration as set out (and defined, where applicable) in (i) clause 14.11 (*Cross Acceleration Holdback Event*) of the First Data Override Agreement, (ii) clause 13.9 (*Cross Acceleration Holdback Event*) of the Cardnet Override Agreement; or (iii) clause 13.7 (*Cross Acceleration Holdback Event*) of the Amex Override Agreement; or
- (c) Cash (as defined in the CCA Override Agreements) falls below £75,000,000 and is not increased to or about this level within thirty (30) days.

“Recapitalisation” has the meaning given to it in the relevant CCA Override Agreement.

“Receiver”: means a receiver or receiver and manager of the whole or any part or parts of the Security Property.

“Receivables Contracts”: means each of the Cargo Contracts and the Payments Contracts.

“Receivables”: means any and all monetary receivables whether present or future, actual or contingent, as such obligations may be amended, modified, restated, novated, varied, extended or supplemented from time to time, including but not limited to claims arising from warranties, representations, indemnities, unjust enrichment or tort, owing to the Company under each Receivables Contract including but not limited to any receivables in respect of:

- (i) the payment of any amount of compensation for damages arising under or in connection with any of the Receivables Contracts; and
- (ii) the payment of any amount resulting from the termination, cancellation, invalidity, ineffectiveness or unenforceability of any of the Receivables Contracts or any of the Company’s rights thereunder.

“Related Rights”: means in relation to any Receivables Contract, the right to:

- (a) receive all moneys payable to or for the benefit of the Company under or in connection with that Receivables Contract and the right to make demands for, or compel or require performance of, the receipt of such moneys pursuant to such Receivables Contract;
- (b) exercise all rights, remedies and discretions in relation to the receipt of such moneys pursuant to such Receivables Contract or available at law or in equity;
- (c) all warranties, guarantees, indemnities, security, covenants for title and/or representations and undertakings in respect of that Receivable; or
- (d) the proceeds of sale of any part of that Receivable and any other moneys paid or payable in respect of or in connection with that Receivable.

“Secured Liabilities”: means all present and future indebtedness, moneys, obligations and liabilities of the Company and each other member of the Group to the CCAs under the CCA Documents and this Deed, in whatever currency denominated, whether actual or contingent and whether owed jointly or severally or as principal or as surety or in some other capacity, including any liability in respect of any further advances made under the CCA Documents, together with all Expenses.

“Secured Obligation Release Event”: has the meaning given to such term in the Intercreditor Agreement.

“Security”: means a mortgage, charge (fixed or floating), pledge, lien, assignment, assignation, hypothecation, reservation of title or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect (including set-off, title transfer, title retention, trust or flawed asset arrangements or any arrangement whereby contractual rights are subordinated to the rights of a third party).

“Security Property”: means all the assets of the Company which from time to time are the subject of any security created or expressed or intended to be created in favour of the Collateral Agent by or pursuant to this Deed and "Security Property" includes any part of any of them and any right, title, interest or benefit therein or in respect thereof.

“Shipper”: means the person whose name appears on the Air Waybill or Shipment Records, as the party contracting with the Company (or a Cargo Agent on its behalf) for the Carriage of Cargo.

“Shipment Record”: means any record of the contract of carriage preserved by Carrier, evidenced by means other than an Air Waybill.

“SIS Participation Agreement”: means the SIS participation agreement dated 1 October 2011 between the Company as participant and IATA.

“Subsidiary”: means subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006 which for this purpose shall be treated as providing that:

- (a) an undertaking which has granted Security over its shares or other ownership interest in another undertaking, by which the recipient of the Security (or its nominee) holds the legal title to that interest, shall nevertheless be treated as a member of that other undertaking; and
- (b) rights attached to shares or other ownership interests which are subject to Security shall be treated as held by the grantor of Security.

“Support Agreement” has the meaning given to it in the relevant CCA Override Agreement.

“Tax”: means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

“VAT” means:

- (a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and
- (b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere.

Construction

1.2 Any reference in this Deed to:

- 1.2.1 the “Collateral Agent”, the “Company”, any “CCA”, or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees and, in the case of the Collateral Agent, shall include any person for the time being appointed as additional Collateral Agent pursuant to the Collateral Agency Agreement;
- 1.2.2 Any change in the constitution of the Collateral Agent or its absorption of or amalgamation with any other person or the acquisition of all or part of its undertaking by any other person shall not in any way prejudice or affect its rights under this Deed.
- 1.2.3 “assets” includes present and future properties, revenues and rights of every description;
- 1.2.4 “indebtedness” includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- 1.2.5 “includes” and “including” means include and including, without limitation;
- 1.2.6 a “person” includes any individual, firm, company, unincorporated association, corporation, government, state or agency of a state or any association, trust, foundation, joint venture, consortium or partnership (in each case whether or not having separate legal personality);
- 1.2.7 a “regulation” includes any regulation, rule, official directive, request or guideline (in each case whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation; and
- 1.2.8 a provision of law is a reference to that provision as amended, restated, supplemented or re-enacted.

1.3 An Enforcement Event is **continuing** if it has not been remedied or waived.

1.4 Clause and Schedule headings are for ease of reference only.

1.5 Any reference in this Deed to any CCA Document or any other agreement or other document shall be construed as a reference to that CCA Document or that other agreement or document as

the same may have been, or may from time to time be, restated, varied, amended, supplemented, substituted, novated or assigned, whether or not as a result of any of the same:

- 1.5.1 there is an increase or decrease in any facility made available under that CCA Document or other agreement or document or an increase or decrease in the period for which any facility is available or in which it is repayable;
 - 1.5.2 any additional, further or substituted facility to or for such facility is provided;
 - 1.5.3 any rate of interest, commission or fees or relevant purpose is changed;
 - 1.5.4 the identity of the parties is changed;
 - 1.5.5 the identity of the providers of any security is changed;
 - 1.5.6 there is an increased or additional liability on the part of any person; or
 - 1.5.7 a new agreement is effectively created or deemed to be created.
- 1.6 Any reference in this Deed to “**this Deed**” shall be deemed to be a reference to this Deed as a whole and not limited to the particular Clause, Schedule or provision in which the relevant reference appears and to this Deed as amended, novated, assigned, supplemented, extended or restated from time to time and any reference in this Deed to a “**Clause**” or a “**Schedule**” is, unless otherwise provided, a reference to a Clause or a Schedule of this Deed.
- 1.7 Unless the context otherwise requires, words denoting the singular number only shall include the plural and vice versa.
- 1.8 Where any provision of this Deed is stated to include one or more things, that shall be by way of example or for the avoidance of doubt only and shall not limit the generality of that provision.
- 1.9 It is intended that this document shall take effect as and be a deed of the Company notwithstanding the fact that the Collateral Agent may not execute this document as a deed.
- 1.10 Nothing in this Deed is intended to confer on any person any right to enforce or enjoy the benefit of any provision of this Deed which that person would not have had but for the Contracts (Rights of Third Parties) Act 1999.
- 1.11 The obligations of the Company under this Deed are effective from the time specified in the recapitalisation implementation deed dated on or around the date of this Deed between, among others, the Company and certain of its creditors relating to the solvent recapitalisation of the Company and its Subsidiaries.

2. COVENANT TO PAY

Covenant to Pay

- 2.1 The Company covenants with and undertakes to the Collateral Agent that it shall pay duly, unconditionally and promptly, perform and discharge, or procure the payment, performance or discharge of, the Secured Liabilities as and when the same fall due for payment, performance or discharge in accordance with the terms of the CCA Documents or, in the absence of any such express terms, on demand and in the currency and in the manner in which, they are expressed to be due, owing, incurred or payable.

3. GRANT OF SECURITY

Assignment

- 3.1 The Company, as security for the payment, performance and discharge of all the Secured Liabilities, assigns to the Collateral Agent absolutely by way of a first equitable assignment all of its present and future right, title and interest in and to the Receivables and the Related Rights to the fullest extent capable of assignment.

Charge

- 3.2 The Company, as security for the payment, performance and discharge of all the Secured Liabilities, charges in favour of the Collateral Agent by way of first floating charge and by way of further continuing security to and in favour of the Collateral Agent for the discharge and payment of the Secured Liabilities all of its present and future right, title, interest and benefit from time to time in and to Receivables and the Related Rights to the extent not capable of assignment or not effectively assigned under Clause 3.1 (*Assignment*).
- 3.3 Except as provided in Clause 3.4 (*Charge*) below, the Collateral Agent may by notice to the Company convert the floating charge created by Clause 3.2 (*Charge*) above into a fixed charge as regards any of the Security Property specified in that notice if:
- 3.3.1 an Enforcement Event is continuing;
 - 3.3.2 the Collateral Agent considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process levied or threatened or to be otherwise in jeopardy; or
 - 3.3.3 if any other circumstance occurs which the Collateral Agent considers does or is likely to threaten, jeopardise or prejudice any of the Security Property or Security or the priority of any Security.
- 3.4 The floating charge created by Clause 3.2 (*Charge*) above may not be converted into a fixed charge solely by reason of:
- 3.4.1 the obtaining of a moratorium; or
 - 3.4.2 anything done with a view to obtaining a moratorium,
- under section 1A of the Insolvency Act 1986 in respect of the Company.
- 3.5 Clause 3.4 (*Charge*) above does not apply in respect of any floating charge referred to in subsection (4) of section A52 of Part A1 of the Insolvency Act 1986.
- 3.6 Notwithstanding Clause 3.3 (*Charge*) above and without prejudice to any law which may have a similar effect, the floating charge created by Clause 3.2 (*Charge*) will automatically be converted (without notice) with immediate effect into a fixed charge as regards all of the undertaking and assets subject to that floating charge if:
- 3.6.1 the Company creates or attempts to create any Security over any of the Security Property (other than as expressly permitted under the CCA Documents or this Deed);
 - 3.6.2 any person levies or attempts to levy any distress, execution or other process against any of the Security Property; or
 - 3.6.3 a petition is presented or a resolution is passed or an order is made for the winding-up, dissolution or administration of the Company or an administrator is appointed in respect of the Company other than any winding-up petition which is demonstrably

frivolous or vexatious and is discharged, stayed or dismissed within 30 days of presentation.

Assignment of Proceeds

- 3.7 The Company, as continuing security for the payment, performance and discharge of all the Secured Liabilities, assigns to the Collateral Agent absolutely by way of a first equitable assignment all of its present and future right, title and interest in and to all proceeds (including, without limitation, remuneration, rent, income, profit, compensation, damages for whatever reason and other moneys of whatever nature) which the Company may derive from the Receivables Contracts and all their Related Rights (to the extent that any of the assets referred to in Clause 3.1 (*Assignment*) and/or Clause 3.2 (*Charge*) and/or are not, or cease to be, validly and effectively assigned or charged (whether at law or in equity) by way of security pursuant to Clause 3.1 (*Assignment*) and/or Clause 3.2 (*Charge*), as the case may be).

4. PERFECTION OF SECURITY

Notice of Grant of Security

- 4.1 Upon the occurrence and during the continuance of a Perfection Event, the Company shall, promptly on demand, give or join the Collateral Agent in a notice of assignment or, as the case may be, charge in the form set out in Schedule 1 (*Form of Notice of Grant of Security*) or in such other form as the Collateral Agent may reasonably require, duly signed by or on behalf of the Company, to all or any of the persons (as the Collateral Agent shall specify) party to a Receivables Contract.

Documents

- 4.2 The Company shall, promptly upon the request of the Collateral Agent from time to time, deliver to the Collateral Agent a copy (which may be digital) of each Receivables Contract as is then in effect and all such other documents relating to the Security Property as the Collateral Agent may reasonably require.

5. FURTHER ASSURANCE

Further Assurance

- 5.1 The Company shall promptly do all such acts and execute all such acts, deeds, instruments or documents (including, without limitation, assignments, transfers, mortgages, charges, notices and instructions) or otherwise to provide more effectively to the Collateral Agent the full benefit of the rights conferred on it by this Deed or of the Security Property created or intended to be created by or pursuant to this Deed or otherwise with a view to giving full effect to the provisions of this Deed as the Collateral Agent or any Receiver may, in each case, reasonably specify (and in such form as the Collateral Agent or any Receiver may reasonably require in favour of the Collateral Agent or its nominee(s)) to:
- 5.1.1 perfect, improve, repair, preserve or protect the security created or intended to be created in respect of the Security Property;
 - 5.1.2 facilitate the exercise, or the proposed exercise, of any rights, powers and remedies of the Collateral Agent or any Receiver or Delegate provided by or pursuant to this Deed or by law;
 - 5.1.3 facilitate the realisation of the assets which form part of, or are intended to form part of, the Security Property; and/or

- 5.1.4 following the occurrence of an Enforcement Event which is continuing, create any legal assignment of any of the Security Property.

Necessary Action

- 5.2 The Company shall promptly take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any security conferred or intended to be conferred on the Collateral Agent by or pursuant to this Deed.

Implied Covenants for Title

- 5.3 The security granted by the Company under this Deed is granted with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994, save that the covenants set out in Section 2(1)(a), Section 3 and Section 4 of that Act shall extend to the Company without, in each case, the benefit of Section 6(2) of that Act.

6. REPRESENTATIONS

The Company hereby represents and warrants to the Collateral Agent (on behalf of each CCA) on the date hereof, and on each date during the Liability Period that:

- 6.1 no limit on its powers will be exceeded as a result of the grant of security or giving of guarantees or indemnities contemplated by this Deed;
- 6.2 it has the power to own the Security Property and carry on its business as it is being conducted;
- 6.3 other than the Security created by this Deed, it has not and will not create any Security in or over the Security Property or any part thereof;
- 6.4 the Security Property has the ranking in priority which such security interests are expressed to have in this Deed and are not subject to any prior ranking or *pari passu* ranking Security;
- 6.5 it has not sold, transferred, mortgaged, charged or otherwise disposed of (or agreed to sell, grant such rights, transfer, mortgage, charge or otherwise dispose of), whether by way of security or otherwise, the benefit of all or any of its right, title and interest in and to any of the Security Property;
- 6.6 the terms of the Security Property do not restrict or otherwise limit its right to charge the Security Property;
- 6.7 the Company is and will remain the sole legal and beneficial owner of the Security Property;
- 6.8 the Receivables Contracts in existence at the date of this Deed are, to the best of its knowledge, in full force and effect and are not the subject of any claim or right of action other than claims or rights arising in the ordinary course of business for which adequate reserves exist; or
- 6.9 this Deed creates the Security it purports to create and is not liable to be avoided or otherwise set aside on the liquidation or administration of the Company or otherwise.

The Company acknowledges that the Collateral Agent (on behalf of each CCA) has entered into this Deed in reliance on the representations and warranties set out in this Clause 6 (*Representations*).

7. UNDERTAKINGS

General

- 7.1 The undertakings in this Clause 7 and Clause 8 (*The Receivables Contracts and Related Rights*) remain in force from the date of this Deed for so long as any amount is outstanding under this Deed.

Negative Pledge

- 7.2 The Company shall not create or extend or permit to arise or subsist any Security in, to or over all or any part of the Security Property, other than as permitted under the CCA Documents.

Restriction on Disposals

- 7.3 The Company shall not enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, assign, transfer or otherwise dispose of the whole or any part of the Security Property, other than as permitted under the CCA Documents.

Performance of Receivables Contracts

- 7.4 Save to the extent prohibited by law, the Company shall use all reasonable efforts to observe and perform all of the obligations assumed by it under the Receivables Contracts and diligently pursue its rights under the Receivables Contracts.

Preservation of Security Property

- 7.5 The Company undertakes that after the occurrence and during the continuance of an Enforcement Event, it shall not, without the prior written consent of the Collateral Agent or except as expressly permitted under the CCA Documents:

- 7.5.1 amend, vary, supplement, substitute, replace or novate any Receivables Contract;
- 7.5.2 waive any breach of the terms of any Receivables Contract;
- 7.5.3 release, rescind or abandon any Receivables Contract;
- 7.5.4 exercise any right to terminate any Receivables Contract or repudiate any Receivables Contract or otherwise treat itself as discharged or relieved from further performance of any of the obligations or liabilities assumed by it under or in connection with any Receivables Contract; and/or
- 7.5.5 grant any time or other indulgence to, or waive, release, settle, compromise or abandon any liability of, or claim against, any person in connection with the Security Property or do or omit to do any other act or thing whereby the recovery in full of any moneys payable under or in connection with the Receivables Contract or for the time being comprised in the Security Property may be delayed or impeded;

Defence of Security Property

- 7.6 The Company shall take all such steps as are necessary or expedient (including bringing or defending proceedings) to keep the Security Property in full force and effect and to protect or preserve the interests of the Company and the Collateral Agent in the Security Property against the claims and demands of any person, all such steps to be taken at the expense of the Company.

Information and Notification

- 7.7 The Company shall promptly supply to the Collateral Agent such information as the Collateral Agent may reasonably require about the Security Property and its compliance with the terms of

this Deed and such further information regarding its financial condition, assets and operations as the Collateral Agent may reasonably request.

- 7.8 The Company shall promptly notify the Collateral Agent of a Secured Obligation Release Event and supply evidence that such event has occurred.
- 7.9 Following the occurrence and during the continuance of a Perfection Event, the Company shall promptly
- 7.9.1 supply to the Collateral Agent a copy of every material notice or other material communication given, made or, as the case may be, received by it concerning the Cargo Contracts promptly after its despatch or receipt;
- 7.9.2 notify the Collateral Agent:
- (a) that a Perfection Event has occurred, supplying evidence of such Perfection Event;
 - (b) of any material default under any Receivables Contract by itself or (promptly upon becoming aware thereof) by any person party to any such Receivables Contract or if a serious risk of such a default occurs;
 - (c) of any release, rescission or abandonment of any Receivables Contract by itself or (promptly upon becoming aware thereof) by any person party (or with rights) to any such Receivables Contract; or
 - (d) promptly upon becoming aware thereof, of any matter or event which may lead or cause any Receivables Contract to be terminated or repudiated or which might make any such Receivables Contract ineffective or unenforceable.

Authorisations

- 7.10 The Company shall promptly obtain, comply with and do all that is necessary to maintain in full force and effect, any authorisation, approval, licence or consent required under any law or regulation of its jurisdiction of incorporation:
- 7.10.1 to enable it to perform its obligations under this Deed and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of this Deed; and
- 7.10.2 to enable it to properly operate its business or to preserve, maintain or renew any Security Property;

and to supply a copy thereof on reasonable written request of the Collateral Agent at any time after the occurrence of a Perfection Event.

Compliance with Laws and Regulations

- 7.11 The Company shall comply in all respects with all laws and regulations to which it or its business or any Security Property may be subject, if failure so to comply would impair its ability to perform its obligations under this Deed.

No Action

- 7.12 The Company shall not take any action in respect of the Security Property that is outside the ordinary course of business and which:

- 7.12.1 would materially adversely affect the value from time to time of the Security Property (but recognising that the value of the Security Property will vary dependent on the Receivables that comprise Security Property from time to time);
- 7.12.2 would adversely affect the right, title and interest of the Collateral Agent in and to the Security Property
- 7.12.3 jeopardises or materially prejudices the security constituted or intended to be constituted by this Deed.

Books and Records

- 7.13 The Company shall at all times keep proper books of account of the Receivables and at any time after and during the continuance of a Perfection Event, allow the Collateral Agent and any person appointed by the Collateral Agent to whom the Company shall have no reasonable objection free access to such books of account at all reasonable times and on reasonable notice during normal business hours and shall use reasonable endeavours to minimise the scope and nature of the enquiry undertaken and the cost to the Company of that enquiry.

Carriage of Cargo

- 7.14 The Company undertakes that it shall not suspend or cease to carry on (or threaten to suspend or cease to carry on) its cargo business, unless such suspension or cessation of its cargo business is due to flight cancellations caused by exceptional events outside of its control affecting the whole UK aviation industry (including governmental actions in relation to the COVID-19 pandemic).

Prohibition on Disposal

- 7.15 The Company undertakes that it shall not assign or transfer its rights or duties under any Receivables Contract or its Related Rights to any member of the Group without the prior written consent of the Collateral Agent.

Exclusivity

- 7.16 The Company undertakes that it will be the exclusive provider and seller of Carriage of Cargo services within the Group.

8. THE RECEIVABLES CONTRACTS AND RELATED RIGHTS

Liability of Company

- 8.1 The Company undertakes and agrees with the Collateral Agent that, notwithstanding the assignment contained in Clause 3.1 (*Assignment*) and the charge created by Clause 3.2 (*Charge*), it shall remain liable to observe and perform all of the obligations assumed by it under or in connection with the Receivables Contracts and the Related Rights and the Collateral Agent shall not have or incur any obligation or liability under or in connection with the Receivables Contracts by reason of such assignment or charge.

Exercise of Rights and Powers

- 8.2 At any time after the security constituted by this Deed has become enforceable in accordance with Clause 9.1 (*When Security Becomes Enforceable*), the Collateral Agent shall be entitled to exercise, without notice to the Company, at any time or times and in such manner as the Collateral Agent shall think fit all or any of the rights, powers and remedies held by it as assignee of the Security Property and (without limitation) to:

- 8.2.1 collect, demand and receive or recover by legal process all or any moneys payable under or in connection with the Receivables Contracts or for the time being comprised in the Security Property and on payment to give an effectual discharge for them;
 - 8.2.2 exercise all such other rights, powers and remedies as the Company is then entitled to exercise in relation to the Security Property (or might, but for the terms of this Deed, exercise) to the exclusion of the Company (and the Company shall exercise all such rights, powers and remedies in accordance with the instructions of the Collateral Agent); and
 - 8.2.3 do all such acts, deeds and things as the Collateral Agent may consider necessary or proper in relation to any of the rights, powers and remedies referred to above.
- 8.3 Neither the Collateral Agent nor its nominee(s) shall be under any duty to the Company or any other person to make any enquiry into the nature or sufficiency of any payment received by it in respect of the Security Property or the adequacy of performance by any person party to any Receivables Contract of any of its obligations under or in connection with that Receivables Contract or to present or file or make any claim, take any action or do any other act or thing for the purpose of collecting and/or enforcing the payment of any amount to which it may be entitled in respect of the Security Property or to enforce any other rights, title, interests or claims assigned under this Deed or to which the Collateral Agent may at any time be entitled pursuant to this Deed.

9. ENFORCEMENT OF SECURITY

When Security becomes Enforceable

- 9.1 At any time after the occurrence of an Enforcement Event which is continuing, the security constituted by this Deed shall become immediately enforceable and the Collateral Agent (or any Receiver on its behalf) may, without notice to the Company or prior authorisation from any court, in its absolute discretion:
- 9.1.1 enforce all or any part of that security at the times, in the manner and on the terms it thinks fit and take possession of and hold or dispose of all or any part of the Security Property; and
 - 9.1.2 whether or not it has appointed a Receiver, exercise all or any of the powers, rights and discretions conferred by the LPA (as varied or extended by this Deed) on mortgagees and by this Deed on any Receiver or otherwise conferred by law on mortgagees or Receivers.

Statutory Powers and Restrictions

- 9.2 The power of sale or other disposal conferred on the Collateral Agent or any Receiver by this Deed shall operate as a variation and extension of the statutory power of sale and other powers conferred by Section 101 of the LPA. For the purposes of all powers implied by the LPA, such powers shall arise (and the Secured Liabilities shall be deemed to have become due and payable for that purpose) on the date of this Deed.
- 9.3 Section 103 of the LPA (restricting the power of sale) and Section 93 of the LPA (restricting the right of consolidation) shall not apply to the security constituted by this Deed.

Redemption of Prior Mortgages

- 9.4 At any time after the security constituted by this Deed has become enforceable in accordance with Clause 9.1 (*When Security Becomes Enforceable*), the Collateral Agent or any Receiver may:
- 9.4.1 redeem any prior Security over any Security Property; or
 - 9.4.2 procure the transfer of that Security to the Collateral Agent; or
 - 9.4.3 settle and pass the accounts of the person or persons entitled to such Security (and any accounts so settled and passed shall be conclusive and binding on the Company).
- 9.5 All principal moneys, interest, costs, charges and expenses of and incidental to any such redemption or transfer shall be paid by the Company to the Collateral Agent and every Receiver on demand and shall be secured by this Deed.

10. APPOINTMENT OF RECEIVER

Appointment

- 10.1 At any time after the security constituted by this Deed has become enforceable in accordance with Clause 9.1 (*When Security Becomes Enforceable*), or if the Company so requests the Collateral Agent in writing (in which case the security constituted by this Deed shall become immediately enforceable), the Collateral Agent may without prior notice to the Company appoint free from the restrictions imposed by Section 109(1) of the LPA either under seal or in writing under its hand any one or more persons to be a Receiver of the whole or any part or parts of the Security Property in like manner in every respect as if the Collateral Agent had become entitled under the LPA to exercise the power of sale conferred under the LPA.

Removal of Receiver

- 10.2 The Collateral Agent may by writing under its hand (or by an application to the court where required by law):
- 10.2.1 remove any Receiver appointed by it; and
 - 10.2.2 may, whenever it deems it expedient, appoint any one or more persons to be a new Receiver in the place of or in addition to any Receiver.

Statutory Powers of Appointment

- 10.3 The powers of appointment of a Receiver conferred by this Deed shall be in addition to all statutory and other powers of appointment of the Collateral Agent under the LPA (as extended by this Deed) or otherwise and such powers shall be and remain exercisable from time to time by the Collateral Agent in respect of any part or parts of the Security Property.

Capacity of Receiver

- 10.4 Each Receiver shall be deemed to be the agent of the Company which shall be solely responsible for his contracts, engagements, acts, omissions, defaults and losses and for liabilities incurred by him and for the payment of his remuneration.
- 10.5 The agency of each Receiver shall continue until the Company goes into liquidation and after that the Receiver shall act as principal. No Receiver shall at any time act as agent for the Collateral Agent.

- 10.6 If there is more than one Receiver holding office at the same time, each Receiver shall (unless the document appointing him states otherwise) be entitled to act (and to exercise all of the powers conferred on a Receiver under this Deed) individually or together with any other person appointed or substituted as Receiver.

Remuneration of Receiver

- 10.7 The Collateral Agent may fix the remuneration of any Receiver appointed by it without any restriction imposed by Section 109(6) of the LPA and the remuneration of the Receiver shall be a debt secured by this Deed, which shall be due and payable immediately upon its being paid by the Collateral Agent.

11. POWERS OF RECEIVER

General

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

- 11.1.1 all the powers, rights and discretions conferred by the LPA on mortgagors and on mortgagees in possession and on receivers appointed under the LPA;
- 11.1.2 all the powers, rights and discretions of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 and any of the same added to that Schedule after the date of this Deed (whether or not the Receiver is an administrative receiver);
- 11.1.3 all other powers, rights and discretions conferred on receivers, or receivers and managers, under the provisions of the Insolvency Act 1986 or by any other law;
- 11.1.4 all the powers and rights of an absolute beneficial owner of the Security Property and power to do or omit to do anything which the Company itself could do or omit to do; and
- 11.1.5 the power to do all acts and things (including bringing or defending proceedings in the name of or on behalf of the Company) which he may consider incidental or conducive to any of the functions, rights, powers, authorities or discretions conferred on or vested in him or to the exercise of any of the rights, powers and remedies of the Collateral Agent provided by or pursuant to this Deed (including realisation of all or any part of the Security Property) or which he may consider desirable or necessary for bringing to his hands any assets of the Company constituting, or which when got in would constitute, Security Property.

Collateral Agent's Powers

- 11.2 To the fullest extent permitted by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) upon a Receiver may after the security constituted by this Deed has become enforceable in accordance with Clause 9.1 (*When Security Becomes Enforceable*), be exercised by the Collateral Agent in relation to any Security Property, irrespective of whether or not it has taken possession of any Security Property and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

12. DISCRETIONS AND DELEGATION

Discretion

- 12.1 Any liberty or power which may be exercised or any determination which may be made under this Deed by the Collateral Agent or any Receiver may be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

Delegation

- 12.2 Each of the Collateral Agent and any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this Deed (including the power of attorney).
- 12.3 Any such delegation may be made upon such terms and conditions (including the power to sub-delegate) as the Collateral Agent or any Receiver (as the case may be) shall think fit. Any such delegation shall not preclude either the subsequent exercise of any right, power, authority or discretion by the Collateral Agent or any Receiver itself or any subsequent delegation or revocation of any delegation.
- 12.4 Neither the Collateral Agent nor any Receiver shall be in any way liable or responsible to the Company for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

13. POWER OF ATTORNEY

Appointment and Powers

- 13.1 The Company, by way of security, irrevocably appoints the Collateral Agent, every Receiver and every Delegate severally and independently to be its attorney and in its name, on its behalf and as its act and deed to execute, deliver and perfect all documents and do all things which the attorney may consider to be required or desirable for:
- 13.1.1 carrying out any obligation imposed on the Company by this Deed; and
 - 13.1.2 enabling the Collateral Agent or any Receiver or Delegate to exercise, or delegate the exercise of, any of the rights, powers, authorities and discretions conferred on it or him by or pursuant to this Deed or by law (including the exercise of any right of an absolute legal or beneficial owner of the Security Property).

Ratification

- 13.2 The Company shall ratify and confirm whatever any attorney does or purports to do pursuant to its appointment under Clause 14.1 (*Appointment and Powers*).

14. PROTECTION OF PURCHASERS

Consideration

- 14.1 The receipt of the Collateral Agent or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Security Property (including a disposal by a Receiver or Delegate to any subsidiary of the Company) or in making any acquisition in the exercise of their respective powers, the Collateral Agent, every Receiver and every Delegate may do so for such consideration, in such manner and on such terms as it or he thinks fit.

Protection of Third Parties

- 14.2 No person (including a purchaser) dealing with the Collateral Agent, any Receiver or any Delegate shall be bound to enquire:
- 14.2.1 whether the Secured Liabilities have become payable; or
 - 14.2.2 whether any power which the Collateral Agent or any Receiver or Delegate is purporting to exercise has arisen or become exercisable; or
 - 14.2.3 whether any money remains due under the CCA Documents; or
 - 14.2.4 how any money paid to the Collateral Agent or to any Receiver or Delegate is to be applied,
- or shall be concerned with any propriety, regularity or purpose on the part of the Collateral Agent or any Receiver or Delegate in such dealings or in the exercise of any such power.

15. APPLICATION OF PROCEEDS

Order of Application

- 15.1 All moneys received or recovered by the Collateral Agent, any Receiver or any Delegate pursuant to this Deed, after the security constituted by this Deed has become enforceable in accordance with Clause 9.1 (*When Security Becomes Enforceable*), shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the LPA) be applied in the following order (but without prejudice to the right of the Collateral Agent to recover any shortfall from the Company):
- 15.1.1 in or towards payment of all costs, losses, liabilities and expenses of and incidental to the appointment of the Collateral Agent, any Receiver or Delegate and the exercise of any of his rights and powers, including his remuneration, and all outgoings paid by him;
 - 15.1.2 in or towards payment of all other Expenses;
 - 15.1.3 in or towards payment of all other Secured Liabilities or such part of them as is then due and payable to the CCAs in accordance with the order of application set out in Clause 6.1 of the Collateral Agency Agreement; and
 - 15.1.4 in payment of the surplus (if any) to the Company or other person entitled to it.
- 15.2 The priority of payment set out in Clause 15.1 (*Order of Application*) shall apply irrespective of:
- 15.2.1 the date on which this Deed or any other document was executed, registered or notice thereof was given to any person; and
 - 15.2.2 unless otherwise provided in this Deed, any reduction or increase in any of the Secured Liabilities or any amendment or variation of its terms.
- 15.3 Clause 15.1 (*Order of Application*) will override any appropriation made by the Company.
- ### ***New Accounts***
- 15.4 If the Collateral Agent (acting in its capacity as trustee for the CCAs or otherwise) or a CCA at any time receives, or is deemed to have received, notice of any subsequent Security or other interest affecting all or any of the Security Property or of any disposal of any Security Property which is prohibited by the terms of this Deed or the CCA Documents or of any other matter

which may cause the security constituted by this Deed to cease to be a continuing security, the Collateral Agent and/or the relevant CCA may open a new account with the Company.

- 15.5 If the Collateral Agent and/or a CAA does not open a new account, it shall nevertheless be treated as if it had done so at the time when it received, or was deemed to have received, such notice. As from that time all payments made by or on behalf of the Company to the Collateral Agent (whether in its capacity as trustee for the CCAs or otherwise) and/or a CCA shall be credited or be treated as having been credited to the new account of the Company and not as having been applied in reduction of the Secured Liabilities.

Currency Conversion

- 15.6 For the purpose of or pending the discharge of any of the Secured Liabilities, the Collateral Agent and each CCA may (in its absolute discretion) convert any moneys received or recovered by it or any Receiver or Delegate pursuant to this Deed or any moneys subject to application by it or any Receiver or Delegate pursuant to this Deed from one currency to another and any such conversion shall be made at the Collateral Agent's (or that CCA's) spot rate of exchange for the time being for obtaining such other currency with the first currency and the Secured Liabilities shall be discharged only to the extent of the net proceeds of such conversion realised by the Collateral Agent or that CCA. Nothing in this Deed shall require the Collateral Agent to make, or shall impose any duty of care on the Collateral Agent or any CCA in respect of, any such currency conversion.

16. NO LIABILITY

Neither the Collateral Agent nor any Receiver or Delegate shall in any circumstances (either by reason of taking possession of any Security Property or for any other reason and whether as mortgagee in possession or on any other basis) be liable to account to the Company for anything, except actual receipts, or be liable to the Company for any costs, charges, losses, liabilities or expenses arising from the realisation of any Security Property or from any act, default or omission of the Collateral Agent, any Receiver, any Delegate or any of their respective officers, agents or employees in relation to the Security Property or from any exercise or purported exercise or non-exercise by the Collateral Agent or any Receiver or Delegate of any power, authority or discretion provided by or pursuant to this Deed or by law or for any other loss of any nature whatsoever in connection with the Security Property or the CCA Documents unless such error was directly caused by the Collateral Agent's, Receiver's or Delegates gross negligence or wilful misconduct.

17. SET-OFF

After the occurrence of an Enforcement Event, without limiting any other rights conferred on the Collateral Agent and/or any CCA by law or by any other agreement entered into with the Company, the Collateral Agent and a CCA may (but shall not be obliged to) set-off any matured obligation due from the Company under this Deed (to the extent beneficially owned by the Collateral Agent or, as the case may be, a CCA) against any obligation (whether matured or not) owed by the Collateral Agent or, as the case may be, the CCA to the Company under this Deed or the CCA Documents, regardless of the place of payment, booking branch or currency of either obligation.

18. EFFECTIVENESS OF SECURITY

Continuing Security

- 18.1 The security constituted by this Deed shall remain in full force and effect as a continuing security for the Secured Liabilities, unless and until discharged by the Collateral Agent, and will extend to the ultimate balance of all the Secured Liabilities, regardless of any intermediate payment or discharge in whole or in part.

Cumulative Rights

- 18.2 The security constituted by this Deed and all rights, powers and remedies of the Collateral Agent provided by or pursuant to this Deed or by law shall be cumulative, in addition to and independent of any other guarantee or Security now or subsequently held by the Collateral Agent or any CCA for the Secured Liabilities or any other obligations or any rights, powers and remedies provided by law. No prior Security held by the Collateral Agent (whether in its capacity as trustee or otherwise) or any CCA over the whole or any part of the Security Property shall be superseded by, supersede or merge into, the security constituted by this Deed.

Reinstatement

- 18.3 If any discharge, release or arrangement (whether in respect of the obligations of the Company or another member of the Group or any Security for those obligations or otherwise) is made by the Collateral Agent or any CCA in whole or in part on the faith of any assurance, payment, Security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of the Company under, the security constituted by this Deed will continue or be reinstated as if the discharge, release or arrangement had not occurred and the discharge, release or arrangement (whether in respect of the obligations of the Company or another member of the Group or any Security for those obligations or otherwise) shall have no effect and shall not prejudice the right of the Collateral Agent to enforce any Security in respect of the Secured Liabilities .
- 18.4 The Collateral Agent may concede or compromise any claim that any payment or any discharge is liable to avoidance or restoration.

No Security held by Company

- 18.5 The Company shall not take or receive any Security from any person in connection with its liability under this Deed. However, if any such Security is so taken or received by the Company:
- 18.5.1 it shall be held by the Company on trust for the Collateral Agent, together with all moneys at any time received or held in respect of such Security, for application in or towards payment and discharge of the Secured Liabilities; and
- 18.5.2 on demand by the Collateral Agent, the Company shall promptly transfer, assign or pay to the Collateral Agent all Security and all moneys from time to time held on trust by the Company under this Clause 18.5.

19. PAYMENTS

Manner of Payments

- 19.1 The Company shall make all payments required to be made by it under this Deed available to the Collateral Agent (unless a contrary indication appears in this Deed) for value on the due date at the time and in such funds specified by the Collateral Agent as being customary at the time

for settlement of transactions in the relevant currency in the place of payment. Payment shall be made in the currency in which the relevant indebtedness is denominated or, if different, is expressed to be payable and to such account in the principal financial centre of the country of that currency with such bank as the Collateral Agent specifies.

No Set-off by Company

- 19.2 All payments to be made by the Company under this Deed shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

Tax Gross-Up

- 19.3 The Company shall make all payments to be made by it under this Deed without any deduction or withholding for or on account of Tax, unless such a deduction or withholding is required by law. The Company, promptly upon becoming aware that it must make such a deduction or withholding (or that there is any change in the rate or the basis of such a deduction or withholding), shall notify the Collateral Agent accordingly.
- 19.4 If a deduction or withholding for or on account of Tax from a payment under this Deed is required by law to be made by the Company, the amount of the payment due from the Company shall be increased to an amount which (after making any such deduction or withholding) leaves an amount equal to the payment which would have been due if no such deduction or withholding had been required.
- 19.5 If the Company is required to make a deduction or withholding for or on account of Tax from a payment under this Deed, the Company shall make that deduction or withholding and any payment required in connection with that deduction or withholding within the time allowed and in the minimum amount required by law. Within thirty days of making such a deduction or withholding or any payment required in connection with that deduction or withholding, the Company shall deliver to the Collateral Agent evidence reasonably satisfactory to the Collateral Agent that the deduction or withholding has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.
- 19.6 Each recipient of a payment required under this Deed which is subject to a deduction or withholding as contemplated by Clause 19.4 shall use reasonable efforts to co-operate in completing any procedural formalities necessary for the Company to obtain authorisation to make that payment without a deduction or withholding for or on account of Tax.

20. EXPENSES, STAMP TAXES AND INDEMNITIES

Expenses and Stamp Taxes

- 20.1 Clauses 10.4 (Transaction Expenses), 10.5 (Amendment Costs) and 10.6 (Stamp Taxes) of the Collateral Agency Agreement shall be deemed to be incorporated in this Deed as though set out in this Deed mutatis mutandis and as if reference therein to “this Agreement” and any derivative terms were references to this Deed.

General Indemnity

- 20.2 The Company shall, notwithstanding the release or discharge of all or any part of the security constituted by this Deed, promptly indemnify the Collateral Agent and every Receiver and Delegate against any cost, loss, liability or damage incurred by any of them as a result of:
- 20.2.1 any default or delay by the Company in the performance of any of the obligations expressed to be assumed by it in this Deed;

- 20.2.2 the taking, holding, protection or enforcement of the security constituted by this Deed; and
- 20.2.3 the exercise of any of the rights, powers, discretions and remedies vested in the Collateral Agent and each Receiver and Delegate by this Deed or by law in respect of the Security Property.

Currency Indemnity

- 20.3 If any sum owing by the Company under this Deed (a “Sum”), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the “First Currency”) in which that Sum is payable into another currency (the “Second Currency”) for the purpose of:
 - 20.3.1 making or filing a claim or proof against the Company;
 - 20.3.2 obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings, or
 - 20.3.3 applying the Sum in satisfaction of any of the Secured Liabilities,
 the Company shall as an independent obligation, within three Business Days of written demand, indemnify the Collateral Agent and each Receiver or Delegate to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between:
 - 20.3.4 the rate of exchange used to convert that Sum from the First Currency into the Second Currency; and
 - 20.3.5 the rate or rates of exchange available to that person at the time of its receipt of any amount paid to it in satisfaction, in whole or in part, of such claim, proof, order, judgment or award.

- 20.4 The Company waives any right it may have in any jurisdiction to pay any amount under this Deed in a currency or currency unit other than that in which it is denominated or, if different, is expressed to be payable.

Collateral Agent may Debit Account

- 20.5 The Collateral Agent may, without prejudice to any other right, power or remedy, at any time and from time to time and without further authority from or notice to the Company, debit and charge any account of the Company with any cost or expense referred to in this Clause 20.

Value Added Tax

- 20.6 Any cost or expense referred to in this Clause 20 is exclusive of any VAT that might be chargeable in connection with that cost or expense. If any VAT is so chargeable, it shall be paid by the Company at the same time as it pays the relevant cost or expense.

21. CERTIFICATES AND DETERMINATIONS

Any certificate or determination by the Collateral Agent of a rate or amount under this Deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

22. PARTIAL INVALIDITY

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the

remaining provisions of this Deed nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired and, if any part of the security constituted, or intended to be constituted, by this Deed is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the security.

23. REMEDIES AND WAIVERS

23.1 No failure to exercise, nor any delay in exercising, on the part of the Collateral Agent, any right, remedy or power under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right, remedy or power prevent any further or other exercise or the exercise of any other right, remedy or power. The rights, remedies and powers provided in this Deed are cumulative and not exclusive of any rights, remedies or powers provided by law.

23.2 Any amendment, waiver or consent by the Collateral Agent under this Deed must be in writing and may be given subject to any conditions thought fit by the Collateral Agent. Any waiver or consent shall be effective only in the instance and for the purpose for which it is given.

24. NOTICES

Communications in Writing

24.1 Any communication to be made under or in connection with this Deed shall be made in writing and, unless otherwise stated, may be made by email or letter.

Addresses

24.2 The address and email (and the department or officer, if any, for whose attention the communication is to be made) of the Company and the Collateral Agent for any communication or document to be made or delivered under or in connection with this Deed is that identified with its name below:

VIRGIN ATLANTIC AIRWAYS LIMITED

Address: The VHQ, Fleming Way, Crawley, West Sussex, RH10 9DF

Email: notices@fly.virgin.com

For the Attention of: Chief Financial Officer and Legal Department

LUCID TRUSTEE SERVICES LIMITED

Address: 6th Floor, No 1 Building 1-5 London Wall Buildings, London Wall, London, United Kingdom, EC2M 5PG

Email: deals@lucid-ats.com

For the Attention of: Lucid Agency and Trustee Services Limited

or any substitute address, email address or department or officer as the Company may notify to the Collateral Agent or, as the case may be, the Collateral Agent may notify to the Company, in each case by not less than five Business Days' notice.

Delivery

24.3 Any communication or document made or delivered by one person to another under or in connection with this Deed will only be effective:

24.3.1 if by way of email, when received; or

24.3.2 if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 24.2 (*Addresses*), if addressed to that department or officer.

24.4 Any communication or document to be made or delivered to the Collateral Agent will be effective only when actually received by it and then only if it is expressly marked for the attention of the department or officer identified with the Collateral Agent's name in Clause 24.2 (*Addresses*) (or any substitute department or officer as it shall specify for this purpose).

25. COUNTERPARTS

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed. Delivery of an electronic counterpart of this Deed by e-mail attachment or telecopy shall be an effective mode of delivery.

26. ASSIGNMENT

The Collateral Agent may assign, charge or transfer all or any of its rights under this Deed without the consent of the Company. The Collateral Agent may disclose any information about the Company and this Deed as the Collateral Agent shall consider appropriate to any actual or proposed direct or indirect successor or to any person to whom information is required to be disclosed by any applicable law or regulation.

27. RELEASES

Upon the expiry of the Liability Period (but not otherwise) and subject to Clauses 18.3 and 18.4 (*Reinstatement*), the Collateral Agent shall, at the request and cost of the Company, take whatever action is necessary to release the Security Property from the security constituted by this Deed.

28. GOVERNING LAW

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

29. JURISDICTION

Jurisdiction

29.1 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").

- 29.2 The Company agrees that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly it will not argue to the contrary or take proceedings relating to a Dispute in any other courts.
- 29.3 Clauses 29.1 and 29.2 above are for the benefit of the Collateral Agent only. As a result, the Collateral Agent shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Collateral Agent may take concurrent proceedings in any number of jurisdictions.
- 29.4 Without prejudice to Clauses 29.1 and 29.2 above, the Company further agrees that proceedings relating to a Dispute may be brought in the courts of New York and irrevocably submits to the jurisdiction of such courts.
- 29.5 The Company irrevocably waives any right it may have to the trial by jury in any proceedings relating to a Dispute.

IN WITNESS of which this Deed has been entered into as a deed and is intended to be and is delivered on the day and year first before written.

SCHEDULE 1

FORM OF NOTICE OF GRANT OF SECURITY

To: [Name of relevant counterparty]

Address: [●]

[Date]

Dear Sirs

Cargo Receivables Security Agreement dated [●] between Virgin Atlantic Airways Limited and [Security Trustee] (the “Security Agreement”)

Lucid Trustee Services Limited (the “Collateral Agent”) and Virgin Atlantic Airways Limited (the “Company”) HEREBY GIVE NOTICE that by [an assignment] / [a charge] contained in a security deed dated [●] and made between the Company and the Collateral Agent (the “Security Deed”), the Company [assigned absolutely to the Collateral Agent by way of security] / [charged by way of first floating charge to the Collateral Agent] all of its present and future right, title and interest in and to the following:

[describe receivable and contract under which derives]

(the “Receivable(s)”) including, but not limited to:

- (a) the right to receive all moneys payable to or for the benefit of the Company under or in connection with that [Contract] and the right to make demands for, or compel or require performance of, the receipt of such moneys pursuant such [Contract]; or
- (b) otherwise exercise all rights, remedies and discretions in relation to the receipt of such moneys pursuant to such [Contract] or available at law or in equity.

The Company confirms that:

1. it will remain liable under the [Contract] to perform all the obligations assumed by it under the [Contract]; and
2. none of the Collateral Agent, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the [Contract].

The Company will also remain entitled to exercise all its rights, powers and discretions under the [Contract], and you should continue to give notices and make payments under the [Contract] to the Company, unless and until you receive notice from the Collateral Agent to the contrary stating that the security under the Security Deed has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and notices must be given and payments must be made to, the Collateral Agent or as it directs.

The Company irrevocably instructs and authorises you to disclose to the Collateral Agent any information relating to the [Contract] requested from you by the Collateral Agent.

The instructions in this letter may not be revoked or amended without the prior written consent of the Collateral Agent.

In the event of any conflict between communications received from the Company and from the Collateral Agent, the communication from the Collateral Agent shall prevail.

Any written notice or instructions given to you by the Collateral Agent in accordance with this Notice shall be conclusive.

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

Yours faithfully,

.....

for and on behalf of

Virgin Atlantic Airways Limited

.....

for and on behalf of

Lucid Trustee Services Limited

EXECUTION PAGE

THE COMPANY

Executed and delivered as a deed by)	
VIRGIN ATLANTIC AIRWAYS LIMITED)
acting by two directors or by)	Director
one director and the Company Secretary)	<i>Tom Mackay</i>
)
)	Director/ Company Secretary

THE COLLATERAL AGENT

Executed and delivered as a deed by
LUCID TRUSTEE SERVICES LIMITED

on being signed by a Director in the presence of:

(Director)

Paul Barton
Director

Witness signature:

Witness name:

Sarah Barton

Witness address:

Witness occupation:

Chartered Accountant