



Registration of a Charge

Company name: **VIRGIN ATLANTIC AIRWAYS LIMITED**

Company number: **01600117**



X7349K6G

Received for Electronic Filing: **03/04/2018**

Details of Charge

Date of creation: **27/03/2018**

Charge code: **0160 0117 0168**

Persons entitled: **AVOLON AEROSPACE AOE 157 LIMITED**

Brief description: **THE ASSIGNMENT OF INSURANCES IN RESPECT OF ONE (1) BOEING 787-9 AIRCRAFT BEARING MANUFACTURER'S SERIAL NUMBER 37980, AND INCLUDING TWO (2) ROLLS-ROYCE PLC MODEL TRENT-1000K ENGINES WITH ENGINE SERIAL NUMBERS 11058 AND 11057.**

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 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by:

DOMINIC HIGGINS



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 1600117

Charge code: 0160 0117 0168

The Registrar of Companies for England and Wales hereby certifies that a charge dated 27th March 2018 and created by VIRGIN ATLANTIC AIRWAYS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 3rd April 2018 .

Given at Companies House, Cardiff on 5th April 2018

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

Assignment of Insurances relating to one (1) Boeing 787-9 aircraft bearing manufacturer's serial number 37980 and registration mark G-VBEL

Dated 27 March 2018

Virgin Atlantic Airways Limited
(as Assignor)

Avolon Aerospace AOE 157 Limited
(as Assignee)

MILBANK, TWEED, HADLEY & McCLOY LLP
London

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Assignment of Insurances relating to one (1) Boeing 787-9 aircraft bearing manufacturer's serial number 37980 and registration mark G-VBEL

Dated 27 March **2018**

Between

- (1) Virgin Atlantic Airways Limited**, a company organised under the laws of the United Kingdom whose registered address is at The VHQ, Fleming Way, Crawley, West Sussex, RH10 9DF, United Kingdom (the **Assignor**); and
- (2) Avolon Aerospace AOE 157 Limited**, a company incorporated with limited liability under the laws of the Cayman Islands with its registered office at PO Box 309, Ugland House Grand Cayman, KY1-1104, Cayman Island and whose principal place of business is at Building 1, The Oval, Shelbourne Road, Ballsbridge Dublin 4, Ireland (the **Assignee**).

Recitals

- A** Under the terms of the Lease, the Assignee has agreed to lease, and the Assignor has agreed to take on lease, the Aircraft.
- B** It is a condition precedent to the leasing of the Aircraft, and as security for the Secured Obligations, that the Assignor execute this Assignment in favour of the Assignee.

It is agreed:

1 Definitions

In this Assignment, unless the context otherwise requires:

Aircraft means the Boeing 787-9 aircraft bearing manufacturer's serial number 37980, as the same is more particularly defined in the Lease.

Collateral means all of the Assignor's rights, title, interest and benefit (present and future, actual and contingent) in, to, under and pursuant to the Insurances and any and all Requisition Compensation.

Compulsory Acquisition means requisition of title or other compulsory acquisition, requisition, appropriation, expropriation, deprivation or confiscation involving divestiture of title for any reason of the Aircraft or any part thereof by any Government Entity, whether de jure or de facto, but shall exclude requisition for use or hire not involving requisition of title.

Event of Default has the meaning given to it in the Lease.

Expenses means (to the extent that the same has not been received or recovered by the Assignee) all losses, liabilities, costs, charges, expenses and outgoings of whatever nature (including, without limitation, Taxes, registration fees and insurance premiums) suffered, incurred or paid by the Assignee in connection with the exercise of the powers referred to in this Assignment.

Government Entity has the meaning given to it in the Lease.

Insurances means (i) the proceeds of any and all contracts or policies of insurance and reinsurance (other than third party liability insurance) payable to the Assignor and required to be maintained by the Assignor pursuant to the Lease in respect of, or in relation to, the Aircraft or any part thereof, and (ii) all the benefits of, and all claims under, and the right to make all claims under, any and all contracts or policies of insurance and reinsurance (other than in respect of third party liability insurance) required to be maintained by the Assignor pursuant to the Lease in respect of, or in relation to, the Aircraft or any part thereof. For the avoidance of doubt, it is agreed that this is only an assignment of the benefits and proceeds of the insurances and reinsurances and does not amount to an assignment of the policies themselves.

Lease means the aircraft operating lease agreement between the Assignee as lessor, and the Assignor, as lessee, relating to the Aircraft.

Lessor Lien has the meaning given to it in the Lease.

Operative Document has the meaning given to it in the Lease.

Permitted Lien has the meaning given to it in the Lease.

Requisition Compensation means all moneys (if any) or other compensation from time to time payable in respect of the requisition for hire and the Compulsory Acquisition of the Aircraft.

Secured Obligations means any and all moneys, liabilities and obligations (whether actual or contingent, whether now existing or hereafter arising, whether or not for the payment of money and including, without limitation, any obligation or liability to pay damages) owing from time to time by the Assignor to the Assignee under or pursuant to the Lease or any other Operative Document.

Security Interest means any encumbrance or security interest whatsoever, howsoever created or arising, including (without prejudice to the generality of the foregoing) any right of ownership, security, mortgage, pledge, assignment by way of security, charge, lease, lien, statutory right in rem, hypothecation, title retention arrangement, attachment, levy, claim, right of detention or security interest whatsoever, howsoever created or arising, or arrangement having a similar effect to any of the above.

Security Trustee means Natixis SA.

Taxes and taxes has the meaning given to **Taxes** in the Lease and **Tax, tax, Taxation** and **taxation** shall be construed accordingly.

- 1.1 Clause headings and the table of contents are inserted for convenience of reference only and shall be ignored in the interpretation of this Assignment.
- 1.2 In this Assignment, unless the context otherwise requires:
 - (a) references to clauses and schedules (if any) are to be construed as references to clauses of, and schedules to, this Assignment;

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- (b) references to this Assignment or any specified provision of this Assignment or any other document shall be construed as references to this Assignment, that provision or that document as amended with the agreement of the relevant parties and (where such consent is, by the terms of this Assignment or the relevant document, required to be obtained as a condition of such amendment being permitted) the prior written consent of any other party to the relevant document;
 - (c) words importing the plural shall include the singular and vice versa;
 - (d) references to a person shall be construed as references to an individual, firm, company, corporation, unincorporated body of persons or any Government Entity;
 - (e) in the event that any clause, paragraph, part or other division or sub division of this Assignment is adjudicated to be unenforceable by a competent court of law, the remaining provisions of this Assignment shall be unaffected thereby and shall remain in full force and effect; and
 - (f) references to the Assignor and the Assignee shall be construed so as to include references to the successors, permitted transferees and permitted assigns thereof.

2 Representations and warranties

2.1 The Assignor hereby represents and warrants to the Assignee that:

- (a) the Assignor has full corporate power and authority to enter into and perform its obligations under this Assignment; and the execution, delivery and performance of this Assignment have been duly authorized by all necessary corporate action on the part of the Assignor, do not require any shareholder approval or approval or consent of any trustee or holders of any debt or other obligations of the Assignor except such as have been duly obtained and do not contravene any provision of any law, governmental rule, regulation or order binding on the Assignor, or any applicable interpretation or administration of any such law, government rule, regulation or order, or contravene the constitutional documents of the Assignor or any indenture, mortgage, contract or other agreement or instrument to which the Assignor is a party or by which it or any of its assets may be bound or affected;
- (b) the execution and performance by the Assignor of this Assignment, and the consummation of any of the transactions contemplated hereby, do not require the consent or approval of, the giving of notice to, the registration or filing for recordation with, or the taking of any other action in respect of, any Government Entity of the United Kingdom, including any governmental or political agency, sub-division or instrumentality thereof, except such as have been obtained and are in full force and effect except as set out in the legal opinion referred to in clause 5(c)(vi) of the Lease;
- (c) the Insurances are, or will be as from the Delivery Date, in full force and effect, all premiums in relation thereto which are due for payment as of the date hereof, or will be due for payment as of the Delivery Date, have been, or will be, duly paid and no notice of cancellation thereof has been given by any insurer;

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- (d) the Collateral is not assigned, charged or otherwise encumbered and nor are any of its rights, title and interest therein or any moneys payable thereunder other than pursuant to this Assignment; and
 - (e) the Assignor will, for so long as the Assignee shall not have executed a discharge of the security created hereby and subject to this Assignment, remain the sole lawful owner of all of its rights, title and interest in and to the Collateral.
- 2.2 The Assignor hereby covenants with the Assignee that each of the above representations and warranties will be correct in all respects at all times during the continuance of the Security Interest hereby constituted and as long as any Secured Obligations are outstanding as if repeated then by reference to the then existing circumstances.
- 3 Covenant, assignment and notices**
- 3.1 The Assignor hereby expressly covenants with the Assignee that it will pay, perform, satisfy and discharge in full or will procure the payment, performance, satisfaction and discharge in full of the Secured Obligations strictly in accordance with the terms of the Lease. The Assignor's covenants under this Clause 3.1 constitute independent and separate obligations of the Assignor each giving rise to a separate cause of action hereunder.
- 3.2 As security for the payment, performance, satisfaction and discharge in full by the Assignor to the Assignee of the Secured Obligations, the Assignor with full title guarantee hereby assigns and agrees to assign absolutely to the Assignee the Collateral provided that the Collateral will be payable in accordance with the Lease until such time as an Event of Default has occurred which is continuing and the Lessor exercises any of its rights pursuant to clause 25.3 of the Lease upon which the security constituted by the Assignment shall become enforceable in accordance with the terms herein.
- 3.3 Upon payment, performance and discharge in full to the satisfaction of the Assignee of the Secured Obligations, the Assignee shall, at the cost of the Assignee, reassign to the Assignor the property assigned pursuant to Clause 3.2 free and clear of all Lessor Liens.
- 3.4 Upon execution of this Assignment, the Assignor shall deliver written notice of the assignment herein contained substantially in the form of the notice set out in Schedule 1 to the brokers through whom, the Insurances or any part thereof are effected and shall use reasonable endeavours to obtain from such brokers an acknowledgement of such notice.
- 3.5 Should the insurers and/or brokers through whom all or any part of the Insurances are effected at any time change and provided the Assignee is informed of such change pursuant to the letter of undertaking from the broker addressed to, amongst others, the Assignee, the Assignee shall at its own cost and as soon as is practicable execute and deliver to such new insurers and/or brokers a further notice of assignment substantially in the form of the notice set out in Schedule 1 and shall use reasonable endeavours to obtain from such new insurers and/or brokers an acknowledgement of such notice.
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- 3.6 The Assignor hereby undertakes to give notice of the assignment pursuant to Clause 3.2 in respect of any Requisition Compensation to any relevant Government Entity reasonably requested by the Assignee, and in such form as the Assignee may reasonably require, upon any Compulsory Acquisition of the Aircraft and shall use reasonable endeavours to obtain the countersignature by or on behalf of the relevant Government Entity of each such notice by way of acknowledgement of receipt of such notice.

4 Assignor's covenants

The Assignor hereby covenants with the Assignee that until such time as the Secured Obligations are discharged in full:

- (a) it will, subject to the terms of the Lease and the notice of the assignment delivered to the brokers through whom the Insurances are effected pursuant to Clause 3.4, direct the insurers and the brokers to pay all moneys arising from or in connection with the Collateral to such account or accounts as the Assignee may from time to time direct;
- (b) it will, at the Assignee's cost and expense, do or permit to be done each and every act or thing which the Assignee may from time to time reasonably require to be done for the purpose of enforcing the Assignee's rights in respect of the Collateral;
- (c) it will not knowingly do, or omit to do, or cause to be done anything which may in any way depreciate, jeopardise or otherwise prejudice the security constituted hereby or the rights of the Assignee;
- (d) it will not sell, assign, transfer, or otherwise dispose of, or create, or permit to exist, any Security Interest, howsoever created or arising, over all or any part or any of its rights, title and interest in, to and under the Collateral (other than the Security Interest constituted hereby and any Permitted Liens); and
- (e) it will not exercise any right of set off, counterclaim or defence against the Assignee with respect to the Collateral.

5 Application of moneys

All moneys received by the Assignee pursuant to this Assignment shall be applied:

- (a) first, in payment of the Expenses;
- (b) secondly, in or towards settlement of the Secured Obligations in such manner and in such order of priorities as the Assignee deems appropriate; and
- (c) thirdly, in payment to the Assignor or any third party who is entitled thereto under applicable law.

6 Intentionally deleted

7 Assignor's continuing obligations

Notwithstanding anything herein contained, the Assignor shall remain liable with respect to the Collateral to perform all the obligations assumed by it thereunder and no exercise by the Assignee of any of its rights under this Assignment shall constitute or be deemed to constitute an assumption or acceptance by the Assignee of any obligation of the Assignor. The Assignee shall not be under any obligation or liability with respect to the Collateral by reason of this Assignment or anything arising out of it.

8 Exercise of remedies

8.1 At any time after the termination of the lease of the Aircraft under the Lease, the Assignee shall be entitled to exercise, as and when it deems appropriate, in relation to the Collateral and each part thereof, all or any of the rights, powers and remedies possessed by it as assignee and/or chargee of the Collateral (whether at law, by virtue of this Assignment or otherwise), in each case, without further notice and without the restrictions contained in Section 103 of the Law of Property Act 1925, and in particular (without limiting the generality of the foregoing) the Assignee shall be entitled to:

- (a) exercise any and all rights of the Assignor under or in connection with the Collateral including, without limitation, any and all rights of the Assignor to demand or otherwise require payment of any amount under, or performance of, or in respect of, the Collateral;
- (b) perform and exercise any rights of the Assignor in respect of the Collateral as if it were a party thereto in place of the Assignor and for those purposes do all such things and execute all such documents as the Assignor may have done in respect of the Collateral;
- (c) sell to any person all or any part of its right, title and interest in and to the Collateral upon such terms as the Assignee shall determine; and
- (d) collect, receive or compromise and give a good discharge for any and all moneys and claims for moneys due and to become due for the time being comprised in the Collateral, and otherwise put into force and effect all rights, powers and remedies available to it, at law or otherwise, as assignee of the Collateral.

8.2 Section 93 of the Law of Property Act 1925 shall not apply to this Assignment or to the security created by and under this Assignment.

8.3 The Assignee may exercise its power of sale hereunder in such a way as it in its absolute discretion may determine and shall not in any circumstances be answerable for any loss occasioned by any such sale or resulting from any postponement thereof.

8.4 The Assignee shall not be liable as assignee in respect of the Collateral to account or be liable for any loss upon the realisation thereof or for any neglect or default of any nature whatsoever in connection therewith for which any assignee may be liable as such unless

such loss arises as a direct result of the wilful misconduct or gross negligence of the Assignee and is a direct result of an act for which an assignee may be liable as such.

- 8.5 Upon any sale by the Assignee of the Assignee's, or any part of the Assignee's, right, title and interest in and to the Collateral, the purchaser shall not be bound to see or enquire whether the power of sale of the Assignee has arisen, the sale shall be deemed for all purposes hereof to be within the power of the Assignee and the receipt of the Assignee for the purchase money shall effectively discharge the purchaser who shall not be concerned with the manner of application of the proceeds of sale or be in any way answerable therefor.

9 Continuing security and other provisions

9.1 It is declared and agreed that:

- (a) the security created by this Assignment shall:
 - (i) be a continuing security for the payment, satisfaction, performance and discharge in full to the satisfaction of the Assignee in accordance with the terms of the Lease of all of the Secured Obligations and the performance of the Assignor's obligations under the Lease and accordingly the security so created shall not be satisfied by any intermediate payment, repayment, satisfaction, performance or discharge of any part only of the Secured Obligations;
 - (ii) be in addition to and shall not in any way discharge, impair, prejudice or affect the security created by any deposit of documents, or any guarantee, bill, note or Security Interest now or hereafter held by the Assignee, or any right or remedy of the Assignee thereunder, and shall not in any way be discharged, impaired, prejudiced or affected thereby, or by the invalidity or unenforceability thereof, or by the Assignee releasing, discharging, modifying or refraining from perfecting or enforcing any of the same or granting time or indulgence or compounding with any person liable;
 - (iii) not be discharged, impaired, prejudiced or otherwise affected by any amendment, modification, variation, supplement, novation, restatement or replacement of all or any part of the Secured Obligations or the Lease; and
 - (iv) not be discharged, impaired, prejudiced or otherwise affected by any other act, fact, matter, event, circumstance, omission or thing (including, without limitation, the invalidity, unenforceability or illegality of the Lease or the bankruptcy, liquidation, winding-up, insolvency, dissolution, administration, reorganisation or amalgamation of, or other analogous event of or with respect to, the Assignor or any other person) which, but for this provision, might operate to discharge, impair, prejudice or otherwise affect the rights of the Assignee under this Assignment or under the Lease or which, but for this provision, might constitute a legal or equitable discharge of the security hereby created; and

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- (b) all the rights and powers vested in the Assignee by this Assignment may be exercised from time to time and as often as the Assignee may deem expedient.
- 9.2 No failure or delay on the part of the Assignee to exercise any right, power or remedy under this Assignment shall operate as a waiver thereof, nor shall any single or partial exercise by the Assignee of any right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy, nor shall the giving by the Assignee of any consent to any act which by the terms of this Assignment requires such consent prejudice the right of the Assignee to give consent to the doing of any other similar act. The remedies provided in this Assignment are cumulative and are not exclusive of any remedies provided by law.
- 9.3 The Assignee shall not be obliged to make any enquiry as to the nature or sufficiency of any payment received by it under this Assignment, or to make any payment or to make any claim or to take any action to collect any moneys hereby assigned, or to enforce any rights and benefits hereby assigned to the Assignee or to which the Assignee may at any time be entitled under this Assignment.
- 9.4 Any settlement or discharge between the Assignee and the Assignor and/or any other person shall be conditional upon no security or payment to the Assignee by the Assignor or any other person being avoided or set aside or ordered to be refunded or reduced by virtue of any provision or enactment relating to bankruptcy, liquidation, winding-up, insolvency, dissolution, administration, reorganisation, amalgamation or other analogous event or proceedings for the time being in force.
- 10 Attorney**
- 10.1 The Assignor hereby irrevocably, appoints the Assignee to be its attorney (with full power of substitution and delegation) for and in its name and on its behalf, and as its act and deed or otherwise, to execute, seal and deliver and otherwise perfect and do all such deeds, assurances, agreements, instruments, acts and things which may be required for the full exercise of all or any of the rights, powers or remedies hereby conferred, or which may be deemed proper in connection with all or any of the purposes aforesaid. Provided that the Assignee shall not be entitled to exercise the powers conferred upon it pursuant to this Clause 10.1 unless an Event of Default shall have occurred and be continuing and the leasing of the Aircraft under the Lease has been terminated. The power hereby conferred shall be a general power of attorney under the Powers of Attorney Act 1971 and the Assignor hereby ratifies and confirms, and agrees to ratify and confirm, any deed, assurance, agreement, instrument, act or thing which the Assignee or any substitute or delegate may execute or do pursuant hereto.
- 10.2 The exercise of such power by or on behalf of the Assignee or any substitute or delegate shall not put any person dealing with same upon any enquiry as to whether the security created by this Assignment has become enforceable, nor shall such person be in any way affected by notice that the security so created has not become so enforceable, and the exercise by the same of such power shall be conclusive evidence of their, its or his right to exercise the same.
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11 Further assurance

The Assignor further undertakes at the Assignee's sole expense from time to time upon the Assignee's reasonable request to execute, sign, perfect, do and (if necessary) register every such further assurance, document, act or thing as may be necessary or advisable for the purpose of obtaining the full benefit of this Assignment or for perfecting or more effectively constituting the security constituted or intended to be constituted by this Assignment or to establish, maintain, protect, preserve or enforce the same or for exercising the rights and powers hereby conferred on the Assignee.

12 Successors in title

This Assignment and the security hereby created shall bind and shall inure for the benefit of each of the parties hereto and each of their respective successors, permitted transferees and permitted assigns.

13 Notices

Save as otherwise expressly provided in this Assignment, every notice, request, demand or other communication under this Assignment shall be in accordance with clause 25 of the Lease, or to such other address or facsimile number as may be notified by each party to the other under this Assignment

14 Miscellaneous

- 14.1** All certificates, instruments and other documents to be delivered under or supplied in connection with this Assignment shall be in the English language or shall be accompanied by a certified English translation upon which the parties hereto shall be entitled to rely.
- 14.2** The Assignee shall (as between the Assignor and the Assignee) be entitled to assign or novate all or any of its rights, title and interest and/or obligations in and under this Assignment in accordance with clause 22.2 of the Lease.
- 14.3** This Assignment may be executed in counterparts.
- 14.4** The Assignor agrees for the Assignee's benefit that the Assignee shall not be liable to pay any costs it would not be liable to pay had it not entered into this Assignment.
- 14.5** The Assignee shall at all times maintain a valid agent for service of process in England. Such agent shall be Bolt Burdon of Providence House, Providence Place, Islington, London N1 0NT and any writ, judgment or other notice of legal process shall be sufficiently served on Assignee if delivered to such agent at its address for the time being. The Assignee agrees that it may not change the agent's identity without giving at least 28 days' prior notice to the Assignor.

15 Intentionally deleted

16 Governing law and jurisdiction

16.1 This Assignment and any non-contractual obligations connected with it shall be governed by and construed in accordance with English law.

16.2 Each of the Assignor and the Assignee agrees for the benefit of the other that any legal action or proceedings arising out of or in connection with this Assignment or any non-contractual obligations connected with it (including a dispute regarding the existence, validity or termination of this Assignment) may be brought in the courts of England, irrevocably and unconditionally submits to the jurisdiction of such courts and the Assignor agrees that the documents which start any legal action or other proceedings and any other documents required to be served in relation to those proceedings may be served on it at its registered office and the Assignee irrevocably designates, appoints and empowers Bolt Burdon of Providence House, Providence Place, Islington, London N1 0NT, in each case to receive for it and on its behalf, service of process issued out of the courts of England in any such legal action or proceedings. The submission to such jurisdiction shall not (and shall not be construed so as to) limit the right of either party to take proceedings against the other in the courts of any other competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not. The parties further agree that only the courts of England and not those of any other state shall have jurisdiction to determine any claim arising out of or in connection with this Assignment.

16.3 Each of the Assignor and the Assignee agrees that in any legal action or proceedings against it or its assets in connection with this Assignment no immunity from such legal action or proceedings (which shall include, without limitation, suit, attachment prior to judgment, other attachment, the obtaining of judgment, execution or other enforcement) shall be claimed by or on behalf of it or with respect to its assets, irrevocably waives any such right of immunity which it or its assets now have or may hereafter acquire or which may be attributed to it or its assets and consents generally in respect of any legal action or proceedings to the giving of any relief or the issue of any process in connection with such action or proceedings including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given in such action or proceedings.

IN WITNESS whereof the parties hereto have caused this Assignment to be executed as a deed and delivered the day and year first above written.

Schedule 1 - Form of Notice of Assignment of Insurances

Marsh Ltd (the Insurance Brokers)

Date: 2018

IT IS NOTED that:

- (1) by an assignment of insurances dated _____ 2018 made between Avolon Aerospace AOE 157 Limited (the Lessor) and Virgin Atlantic Airways Limited (the Lessee), the Lessee assigned to the Lessor, *inter alia*, all the right, title and interest, present and future, of the Lessee in and to all proceeds of the policies and contracts of insurance (other than third party liability insurances) (the Assignment of Insurances) taken out or in existence from time to time in respect of, or which relate to, the Aircraft, any Engine or any Part (more particularly described below) and all other amounts payable to the Lessee under or in respect of such policies and contracts of insurance including damages for breach and return of premium (the Insurances); and
- (2) by a security assignment (the Security Assignment) dated _____ 2018 made between the Lessor and Natixis SA (the Security Trustee), the Lessor assigned to and charged in favour of the Security Trustee, *inter alia*, all the right, title and interest, present and future of the Lessor in and to the proceeds of the Insurances and the rights of the Lessor under the Assignment of Insurances (other than Excluded Property, as defined below).

Neither the Lessor nor the Security Trustee (including their successors and permitted assignees) has any operational interest in the Aircraft, any Engine or Part (as more particularly described below). The Security Trustee (including its successors and permitted assignees) does not have any obligation or responsibility in respect of the Insurances nor any obligation or responsibility for the payment of any premiums due with respect to the Insurances.

Description

One (1) Boeing 787-9 aircraft (except engines) bearing manufacturer's serial number 37980 and Rolls Royce plc model Trent-1000K engines bearing manufacturer's serial numbers 11057 and 11058 (the Aircraft) subject to the security created by the first priority aircraft mortgage entered into by the Lessor and the Security Trustee (the Mortgage) and all appliances, components, parts, instruments, appurtenances, accessories, furnishings and other equipment of any nature which may from time to time be subject to the security created by the Mortgage.

In accordance with paragraph 1.1 of the latest certificate of insurance (AVN67B or based on AVN67B or any replacement therefor) relating to the Aircraft, where settlement of any claim representing Proceeds of the Insurances on the basis of a Total Loss is to be made to or to the order of the Contract Party(ies), the Contract Party(ies) have agreed that payment shall be made to the Security Trustee.

Where settlement of any claim representing Proceeds of the Insurances (other than a Total Loss) is to be made, it shall be paid to the relevant repairer unless you have received one of the following notices:

- (1) a notice from the Lessor and the Lessee requiring you to pay such proceeds to (or as directed by) the Lessee in accordance with the lease dated _____ 2018 between the Lessor and the Lessee, in which case (subject to (b) and (c) below) such proceeds shall be paid to (or as directed by) the Lessee;
- (2) a notice from the Security Trustee requiring you to pay such proceeds to the Security Trustee, in which case such proceeds shall be paid to the Security Trustee to the exclusion of the Lessor and the Lessee; or
- (3) a notice from the Lessor requiring you to pay such proceeds to the Lessor, in which case (subject to (b) above) such proceeds shall be paid to the Lessor to the exclusion of the Lessee,

provided that the notices set out in (b) and (c) above shall prevail over the notice set out in (a) and the notice set out in (b) above shall prevail over the notice in (c).

For the purposes of the above:

- (i) the term **Contract Party(ies)** shall have the same meaning ascribed to such term in the latest certificate of insurance issued by you in respect of the insurances for the Aircraft;
- (ii) the term **Excluded Property** means any of:
 - (A) all public liability insurance and any proceeds thereof payable as a result of claims paid for the benefit of or losses suffered by the Lessor (other than in respect of the Lessor's obligations owed to the Indemnities under any Finance Document (as such terms are defined in the loan agreement entered into between, *inter alios*, the Lessor and the Security Trustee in connection with the financing of the Aircraft)) or any of its officers, directors, shareholders, agents, employees and affiliates;
 - (B) proceeds of insurance separately maintained by or for the sole benefit of the Lessor or any of its officers, directors, shareholders, agents, employees or affiliates, so long as the separate maintenance of such insurance does not reduce the coverage or the amounts payable under the insurances required pursuant to the Lease (as such term is defined in the Security Assignment);
 - (C) any indemnity amount payable in favour of and for the benefit of the Lessor which supports any payment obligation of the Lessor to a third party (and not in support of any payment obligation of the Lessor under the loan agreement or any other Finance Document as defined therein) pursuant to the indemnity provisions of the Lease;
 - (D) any ancillary rights in respect of the foregoing, including the rights of the Lessor to seek specific performance of payment of any of the foregoing amounts; and

-
- (E) all proceeds of the foregoing; and
- (iii) the term **Part** shall mean in relation to the Aircraft, all modules, appliances, parts, accessories, the APU, appurtenances, instruments, furnishings and other equipment of whatsoever nature that at any time of determination are incorporated or installed in or attached to the Airframe or any Engine or, having been removed therefrom, title to which remains vested in the Lessor in accordance with the provisions of the Lease; and **Parts** shall have a corresponding meaning.

Without prejudice to the settlement instructions above and the rights of the Contract Parties under the Insurances, until you are notified to the contrary by the Security Trustee you should continue to deal with the Lessee in respect of all matters relating to the making and settlement of claims under the Insurances as though such assignment had not been made.

This Notice and all non-contractual matters associated with, arising out of or in connection with it, shall be governed by and construed in accordance with English law.

.....
For and on behalf of
Avolon Aerospace AOE 157 Limited
as Lessor

.....
For and on behalf of
Virgin Atlantic Airways Limited
as Lessee

.....
For and on behalf of
Natixis SA
as Security Trustee

Execution page - Assignment of Insurances - manufacturer's serial number 37980

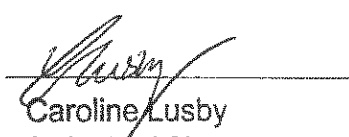
Executed as a deed by)
Virgin Atlantic Airways Limited)
acting by ~~two directors or~~ one director:) T. Mah
and the Company Secretary) Director
) [Signature]
) Director/Secretary

Executed as a deed by)
Avolon Aerospace AOE 157 Limited)
acting by _____)
being a person who in accordance)
with the law of the Cayman Islands)
is acting under the)
authority of the company)

Execution page - Assignment of Insurances - manufacturer's serial number 37980

Executed as a deed by)
Virgin Atlantic Airways Limited)
acting by two directors or one director:)
and the Company Secretary) Director

.....
Director/Secretary

Executed as a deed by)
Avolon Aerospace AOE 157 Limited)
acting by CAROLINE LUSBY)
being a person who in accordance)
with the law of the Cayman Islands)
is acting under the)
authority of the company)

Caroline Lusby
Authorised Signatory