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\*insert full name  
of company

## COMPANIES FORM No. 395

### Particulars of a mortgage or charge

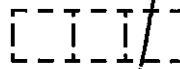
# 395

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies

For official use

Company number



3490323

Name of company

\* Aviation Training International Limited (the "Company")

Date of creation of the charge

30th July 1998

Description of the instrument (if any) creating or evidencing the charge (note 2)

Debenture (the "Debenture")

Amount secured by the mortgage or charge

The "Secured Liabilities", being all present and future obligations and liabilities of whatever nature of the Company to the Finance Parties (or any of them), whether actual or contingent and whether owned jointly or severally or in any other capacity whatsoever including, without limitation, under or in connection with any of the Finance Documents

Names and addresses of the mortgagees or persons entitled to the charge

The Royal Bank of Scotland plc, Waterhouse Square, 138-142 Holborn, London EC1N 2TH as agent and trustee for the Finance Parties (the "Facility Agent"). (The terms "Facility Agent" and "Finance Parties" shall include their respective successors, transferees and assigns.)

Presentor's name address and  
reference (if any):

Allen & Overy  
One New Change  
London  
EC4M 9QQ

PG: 101942

Time critical reference

For official use  
Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

See Continuation Sheet No. 1

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legibly, preferably  
in black type, or  
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Particulars as to commission allowance or discount (note 3)

NIL

Signed

*Allen & Overy*

Date

*12<sup>th</sup> August, 1998*

On behalf of ~~[company]~~ [mortgagee/chargee] <sup>†</sup>

† delete as  
appropriate

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage" or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
  - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
  - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.

**Continuation Sheet No. 1**

**Company Name: Aviation Training International Limited**

**Company Number: 3490323**

**Short Particulars of all the property mortgaged or charged**

**ASSIGNMENT AND FIXED CHARGES**

1. The Company, with full title guarantee, has assigned all of the Assigned Assets absolutely in favour of the Facility Agent, the "Assigned Assets" being:

- (a) all of the Company's present and future right, title and interest in, to, under and in respect of:
  - (i) all present and future Project Agreements, each Hedging Agreement, the Equity and Subordination Agreement and each Parent Company Guarantee to which it is party or of which it has the benefit;
  - (ii) the collateral warranty agreement between it and Tilbury Douglas Construction Ltd and any collateral warranty agreement between it and any sub-contractor of Tilbury Douglas Construction Ltd;
  - (iii) all present and future Insurances; and
  - (iv) all present and future Compensation;
- (b) each Project Account and each Realisations Account (including, in each case and without limitation, all moneys standing to the credit of any such account, all interest accrued on any such account or investment made out of any such moneys or account and all debts represented by any of the above);
- (c) any accounts opened in the joint names of the Authority and the Company pursuant to the provisions of the Concession Agreement; and
- (d) all of its book and other debts and all other moneys due, owing or payable to it (and including, without limitation, the benefit of all rights, securities and guarantees enjoyed or held by it in relation to any of the above),

and including in each case (without limitation) all claims, and all moneys which may at any time be or become paid or payable to the Company, under or in respect of any of the above (including the proceeds of any claims, awards or judgments and any returns of premium).

2. The Company, with full title guarantee and as security for the payment of all the Secured Liabilities, has charged in favour of the Facility Agent:

- (a) by way of first fixed charge, all of the Assigned Assets to the extent (if any) not effectively assigned under Clause 2.1 of the Debenture;
- (b) by way of a first legal mortgage:

**Continuation Sheet No. 1****Company Name: Aviation Training International Limited****Company Number: 3490323**

- (i) all the property specified in Schedule 1 (attached hereto);
  - (ii) all estates or interests in any freehold or leasehold property (except any Security Assets specified in paragraph (i) above) now belonging to it; and
  - (iii) all Shares held by it and/or any nominee on its behalf and all Related Rights accruing to the Shares; and
- (c) by way of first fixed charge (to the extent that they are not effectively assigned, charged or mortgaged under Clause 2.1 or Clause 2.2(a) or (b) of the Debenture):
- (i) all estates or interests in any freehold or leasehold property belonging to it;
  - (ii) its interest in the Equipment (as defined in the Concession Agreement) and its interest in any other equipment, plant or machinery owned by it or in its possession;
  - (iii) (to the extent that they are not the subject of a mortgage referred to in paragraph (b) above) its interest in all Shares and their Related Rights;
  - (iv) each bank or other account maintained by it with any bank or financial institution or in which it has an interest (in each case, in any jurisdiction) (and including, without limitation, all moneys standing to the credit of any such account, all interest accrued on any such account, any investment made out of any such moneys or account and all debts represented by any of the above);
  - (v) (to the extent that they do not fall within any other paragraph of this paragraph (c) and to the extent permitted by any applicable law) all of the Company's rights and benefits under each Transaction Document, any other agreements entered into by it at any time, any letters of credit issued in its favour and all bills of exchange and other negotiable instruments held by it;
  - (vi) any beneficial interest, claim or entitlement of the Company in any pension fund;
  - (vii) its goodwill;
  - (viii) (to the fullest extent permitted by any applicable law) the benefit of all licences, consents and authorisations (statutory or otherwise) held in connection with its business or the use of any Security Asset specified in any other paragraph in this clause and the right to recover and receive all compensation which may be payable to it in respect of them;
  - (ix) its uncalled capital; and
  - (x) (to the fullest extent permitted by any applicable law) its Intellectual Property Rights.

**Continuation Sheet No. 1****Company Name: Aviation Training International Limited****Company Number: 3490323****FLOATING CHARGE****Creation of floating charge**

The Company, with full title guarantee and as security for the payment of all of the Secured Liabilities, has charged in favour of the Facility Agent by way of a first floating charge all its assets not otherwise effectively assigned, mortgaged or charged by way of fixed mortgage or charge.

**Restrictions on Dealing****1. Negative pledge**

- (a) The Company has covenanted that it shall not create or permit to subsist any Security Interest on any of its assets other than Permitted Security Interests.
- (b) If the Company creates or permits to subsist any Security Interest on any of its assets contrary to paragraph (a) above, to the extent possible under applicable law, all the obligations of the Company under the Finance Documents shall automatically and immediately be secured upon the same assets, ranking at least pari passu with the other obligations secured on those assets.

**2. Disposals**

- (c) The Company has covenanted that it shall not sell, transfer, grant, or lease or otherwise dispose of (whether by a single transaction or a number of related transactions and whether at the same time or over a period of time) all or any part of its interest in any Security Asset other than as expressly permitted by Clause 19.13 (Disposals) of the Credit Agreement.

**Construction**

A reference in the Debenture and in this Form 395 to a charge or mortgage of any freehold or leasehold property includes:

- (a) all buildings and Fixtures on that property;
- (b) the proceeds of sale of any part of that property; and
- (c) the benefit of any covenants for title given or entered into by any predecessor in title of the Company in respect of that property or any moneys paid or payable in respect of those covenants.

**CAPITALISED TERMS DEFINED:**

**"Account Bank"** means the bank or financial institution with which the Project Accounts are maintained.

**"Agent"** means each of the Facility Agent and the Technical Agent.

**Continuation Sheet No. 1****Company Name: Aviation Training International Limited****Company Number: 3490323**

**"Arranger"** means each of Bayerische Landesbank Girozentrale, Midland Bank plc and The Royal Bank of Scotland plc in their capacities as arrangers.

**"Assigned Assets"** means:

- (a) all of the Company's present and future right, title and interest in, to, under and in respect of:
  - (i) all present and future Project Agreements, each Hedging Agreement, the Equity and Subordination Agreement and each Parent Company Guarantee to which it is party or of which it has the benefit;
  - (ii) the collateral warranty agreement between it and Tilbury Douglas Construction Ltd and any collateral warranty agreement between it and any sub-contractor of Tilbury Douglas Construction Ltd;
  - (iii) all present and future Insurances; and
  - (iv) all present and future Compensation;
- (b) each Project Account and each Realisations Account (including, in each case and without limitation, all moneys standing to the credit of any such account, all interest accrued on any such account or investment made out of any such moneys or account and all debts represented by any of the above);
- (c) any accounts opened in the joint names of the Authority and the Company pursuant to the provisions of the Concession Agreement; and
- (d) all of its book and other debts and all other moneys due, owing or payable to it (and including, without limitation, the benefit of all rights, securities and guarantees enjoyed or held by it in relation to any of the above),

and including in each case (without limitation) all claims, and all moneys which may at any time be or become paid or payable to the Company, under or in respect of any of the above (including the proceeds of any claims, awards or judgments and any returns of premium).

**"Authority"** means The Secretary of State for Defence for the time being (or such other person as for the time being holds office under the Crown and exercises the Secretary of State's functions under the Concession Agreement).

**"Bank(s)"** means each of the following:

- (a) the persons specified as Banks in the Credit Agreement;
- (b) each assignee of any such person, pursuant to the Credit Agreement;
- (c) any person (other than the Agents, the Arrangers or the Company) which assumes rights and/or obligations, pursuant to the Credit Agreement;

**Continuation Sheet No. 1****Company Name: Aviation Training International Limited****Company Number: 3490323**

(d) any permitted assignee or successor in title of any of the foregoing.

**"Boeing Construction Guarantee"** means the guarantee dated 30th July, 1998 given by The Boeing Company in favour of the Company in respect of the obligations of McDonnell Douglas Corporation under the MDC Construction Contract.

**"Boeing Parent Company Guarantee"** means the guarantee dated 30th July, 1998 between The Boeing Company, the Company and the Facility Agent in respect of the obligations of McDonnell Douglas Corporation (or those of any permitted transferee of McDonnell Douglas Corporation) under the Equity and Subordination Agreement.

**"Compensation"** has the meaning given to it in the Credit Agreement.

**"Compound Lease"** has the meaning given to it in the Concession Agreement.

**"Concession Agreement"** means the concession agreement dated 30th July, 1998 between the Company and the Authority.

**"Construction Contract"** means each of the GWHL Construction Contract, the MDC Construction Contract and/or any other agreement(s) succeeding or replacing either or both of those contracts.

**"Construction Guarantee"** means each of the GKN Construction Guarantee and the Boeing Construction Guarantee respectively.

**"Credit Agreement"** means the Credit Agreement dated 30th July, 1998 between (1) the Company, (2) Bayerische Landesbank Girozentrale, Midland Bank plc and The Royal Bank of Scotland plc as Arrangers, (3) the Banks, (4) The Royal Bank of Scotland plc as Account Bank, (5) Midland Bank plc as Technical Agent and (6) the Facility Agent, as amended or supplemented from time to time.

**"Direct Agreement"** means the direct agreements dated 30th July, 1998 between the Facility Agent, the Company and (respectively):

- (a) each of GKN Westland Helicopters Limited, McDonnell Douglas Corporation and the Authority;
- (b) GKN Westland Helicopters Limited and GKN (United Kingdom) plc; and
- (c) McDonnell Douglas Corporation and The Boeing Company.

**"Equity and Subordination Agreement"** means the equity and subordination agreement dated 30th July, 1998 between GKN Westland Helicopters Limited, McDonnell Douglas Corporation, the Company and the Facility Agent.

**"Facility Agent"** means The Royal Bank of Scotland plc acting as agent and trustee for the Finance Parties.

**"Fee Letter"** has the meaning given to it in the Credit Agreement.

**Continuation Sheet No. 1****Company Name: Aviation Training International Limited****Company Number: 3490323**

**"Finance Document"** means the Debenture, a Security Document, each Parent Company Guarantee, a Direct Agreement, a Hedging Agreement, each Fee Letter, a Novation Certificate, a Request or any other document designated as such by the Facility Agent and the Company.

**"Finance Party"** means an Arranger, a Bank, the Account Bank, a Hedging Bank or an Agent.

**"Fixed-Charge Assets"** means those assets expressed to be the subject of the fixed security pursuant to Clause 2.2 of the Debenture.

**"Fixtures"** means, in relation to any freehold or leasehold property, all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery from time to time which is owned by the Company.

**"GWHL Construction Contract"** means the construction contract dated 30th July, 1998 between the Company and GKN Westland Helicopters Limited.

**"GKN Parent Company Guarantee"** means the guarantee dated 30th July, 1998 between GKN (United Kingdom) plc, the Company and the Facility Agent in respect of the obligations of GKN Westland Helicopters Limited (or those of any permitted transferee of GKN Westland Helicopters Limited) under the Equity and Subordination Agreement.

**"Hedging Agreement"** means any agreement documenting a Hedging Transaction in form and substance satisfactory to (in the case of a Hedging Agreement dated 30th July, 1998) the Arrangers or (in the case of any other Hedging Agreement) the Facility Agent (in each case acting reasonably).

**"Hedging Bank"** means a bank or financial institution that is party to a Hedging Agreement (in its capacity as such).

**"Hedging Transaction"** means any interest or currency, swap, cap or collar transaction entered into by the Company in accordance with the provisions of the Credit Agreement.

**"Insurances"** means all contracts and policies of insurance and re-insurance of any kind which are taken out by or on behalf of the Company from time to time or (to the extent of its interest) in which the Company has an interest.

**"Intellectual Property Rights"** means all know-how, patents, trade marks, service marks, designs, business names, internet domain names, topographical or similar rights, copyrights, database rights and other intellectual property rights and any interests (including by way of licence) in any of the foregoing (in each case whether registered or not and including all applications for the same).

**"Leases"** has the meaning given to it in the Concession Agreement.

**"MDC Construction Contract"** means the construction contract dated 30th July, 1998 between the Company and McDonnell Douglas Corporation.

**"Novation Certificate"** has the meaning given to it in the Credit Agreement.

**"Obligor"** has the meaning given to it in the Credit Agreement.



**Continuation Sheet No. 1****Company Name: Aviation Training International Limited****Company Number: 3490323**

**"Parent Company Guarantee"** means each of the Boeing Parent Company Guarantee and the GKN Parent Company Guarantee.

**"Permitted Security Interest"** means:

- (a) any Security Interest created under the Security Documents;
- (b) any right of set-off arising under the express terms of the Transaction Documents specified in paragraphs 3(a) and (b) of Part I of Schedule 2 of the Credit Agreement;
- (c) any lien or right of set-off arising (in either case) by operation of law (or by agreement to the same effect) in the ordinary course of the Company's trading and not as a result of any default or omission on the part of any Obligor;
- (d) any Security Interest created in favour of the Authority under or pursuant to the Concession Agreement; and
- (e) any other Security Interest approved by the Facility Agent.

**"Project"** has the meaning given to it in the Credit Agreement.

**"Project Account"** means:

- (a) each of the bank accounts maintained or to be maintained under Clause 16.2 of the Credit Agreement;
- (b) any account opened in replacement of any such account with the consent of the Facility Agent; and
- (c) any account so designated by the Company and the Facility Agent.

**"Project Agreement"** means any material agreement to which the Company is a party for the time being and which relates to the Project including, without limitation:

- (a) the Concession Agreement;
- (b) each Construction Contract;
- (c) each Technical Services Agreement;
- (d) the Leases;
- (e) the Compound Lease;
- (f) each Construction Guarantee;
- (g) any document that replaces or supplements any of the agreements listed in paragraphs (a) to (f)

**Continuation Sheet No. 1****Company Name: Aviation Training International Limited****Company Number: 3490323**

above;

(h) any other agreement designated a Project Agreement by the Company and the Facility Agent.

**"Realisations Account"** means each account maintained from time to time for the purposes of Clause 9.2 of the Credit Agreement at such branch of the Account Bank as the Facility Agent may from time to time approve.

**"Related Rights"** means any dividend or interest paid or payable in relation to any Share and any rights, moneys or property accruing or offered at any time in relation to any Shares by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise.

**"Request"** has the meaning given to in the Credit Agreement.

**"Security Asset"** means the Fixed-Charge Assets and all other assets of the Company the subject of any security created by the Debenture.

**"Security Document"** means:

- (a) the Debenture;
- (b) the Shares Mortgage; or
- (c) the Equity and Subordination Agreement;

or any other document that creates or evidences any Security Interest granted by an Obligor to secure any obligation towards any Finance Party under or in respect of any Finance Document (or purports to do so).

**"Security Interest"** means any mortgage, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement (such as a blocked account or "flawed asset" arrangement) having a commercial effect analogous to the conferring of security.

**"Shares"** means any stocks, shares, debentures, bonds or other securities and investments owned either legally or beneficially at any time by the Company.

**"Shares Mortgage"** means the shares mortgage dated 30th July, 1998 between GKN Westland Helicopters Limited, McDonnell Douglas Corporation and the Facility Agent pursuant to which GKN Westland Helicopters Limited and McDonnell Douglas Corporation mortgaged and charged in favour of the Facility Agent their present and future shares in the Company and any rights in relation to such shares, and their rights in relation to any loan notes issued by the Company.

**"Technical Agent"** means Midland Bank plc in its capacity as technical agent (or any replacement of the same).

**Continuation Sheet No. 1****Company Name: Aviation Training International Limited****Company Number: 3490323**

**"Technical Services Agreement"** means each of the technical services agreement entered into or to be entered into between GKN Westland Helicopters Limited and the Company and the technical services agreement entered into or to be entered into between McDonnell Douglas Corporation and the Company respectively and/or any other agreement(s) succeeding or replacing either or both of those contracts.

**"Transaction Documents"** means:

- (a) a Finance Document;
- (b) a Project Agreement;
- (c) the joint venture and shareholders' agreement dated 13th July, 1998 between GKN Westland Helicopters Limited and McDonnell Douglas Corporation; or
- (d) each authorisation referred to in paragraph 4 (Authorisations and consents) of Part I of Schedule 2 of the Credit Agreement and any other authorisation, grant, right or easement necessary for the development, completion and/or operation of the Project as contemplated by each of the Project Agreements and the Finance Documents.

**Continuation Sheet No. 1**

**Company Name: Aviation Training International Limited**

**Company Number: 3490323**

**SCHEDULE 1**

**REAL PROPERTY**

1. The leasehold property comprising the Attack Helicopter Site, Biggs Lane, Arborfield, Berkshire being the premises shown for the purposes of identification only shaded pink on Plan 1 annexed to the Debenture.
2. The leasehold property comprising the Attack Helicopter Site, Dishforth Airfield, Thirsk, North Yorkshire shown for the purposes of identification only edged red on Plan 2 annexed to the Debenture.
3. The leasehold property comprising the Attack Helicopter Site, Middle Wallop, Hampshire shown for the purposes of identification only shaded pink on Plan 3 annexed to the Debenture.
4. The leasehold property comprising the Attack Helicopter Site, Wattisham Airfield, Suffolk, shown for the purposes of identification only edged red on Plan 4 annexed to the Debenture.
5. The leasehold property leased to the Borrower pursuant to the Compound Lease.

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## CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 401(2) of the Companies Act 1985

COMPANY No. 03490323

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 30th JULY 1998 AND CREATED BY AVIATION TRAINING INTERNATIONAL LIMITED FOR SECURING ALL PRESENT AND FUTURE OBLIGATIONS AND LIABILITIES DUE OR TO BECOME DUE FROM THE COMPANY TO THE ROYAL BANK OF SCOTLAND plc AS AGENT AND TRUSTEE FOR THE FINANCE PARTIES (AS DEFINED) (THE "FACILITY AGENT") ON ANY ACCOUNT WHATSOEVER UNDER OR IN CONNECTION WITH ANY OF THE FINANCE DOCUMENTS (AS DEFINED) WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 12th AUGUST 1998.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 14th AUGUST 1998.

*Peter C Protheroe*

for the Registrar of Companies

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C O M P A N I E S H O U S E