



Registration of a Charge

Company name: **FIXED WING TRAINING HOLDINGS LIMITED**

Company number: **09728231**



X503ET1S

Received for Electronic Filing: **05/02/2016**

Details of Charge

Date of creation: **01/02/2016**

Charge code: **0972 8231 0001**

Persons entitled: **SUMITOMO MITSUI BANKING CORPORATION EUROPE LIMITED AS
AGENT AND TRUSTEE**

Brief description: **NONE.**

Contains fixed charge(s).

**Contains floating charge(s) (floating charge covers all the property or
undertaking of the company).**

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT
TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC
COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION**

**FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.**

Certified by:

ASHURST LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 9728231

Charge code: 0972 8231 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 1st February 2016 and created by FIXED WING TRAINING HOLDINGS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 5th February 2016 .

Given at Companies House, Cardiff on 8th February 2016

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

Debenture

relating to the UK Military Flying Training System programme

1 FEBRUARY

2016

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THIS DEED is made on 1 FEBRUARY 2016

BETWEEN:

- (1) **FIXED WING TRAINING LIMITED**, a company registered at C/O Babcock International Group Plc, 33 Wigmore Street, London, W1U 1QX with registered number 09729579 (the "**Borrower**");
- (2) **FIXED WING TRAINING HOLDINGS LIMITED**, a company registered at C/O Babcock International Group Plc, 33 Wigmore Street, London, W1U 1QX with registered number 09728231 ("**FW 1B HoldCo**"); and
- (3) **SUMITOMO MITSUI BANKING CORPORATION EUROPE LIMITED** as agent and trustee for itself and the other Secured Creditors (the "**Security Trustee**").

RECITALS:

- I. TSPCo has entered into the TSPCo Contract with the Authority pursuant to which the Borrower shall implement the Project.
- II. TSPCo has entered into the EnablerCo Contract with EnablerCo pursuant to which TSPCo transfers to EnablerCo certain performance obligations under the TSPCo Contract.
- III. EnablerCo has entered into the 1B Contract with the Borrower pursuant to which EnablerCo transfers to the Borrower certain performance obligations under the EnablerCo Contract.
- IV. The Borrower is a special purpose company directly owned 100 per cent by FW 1B HoldCo which is directly owned 100 per cent by HoldCo which is itself directly owned by the Shareholders (each as to 50 per cent).
- V. The Lenders have agreed to make available certain credit facilities to the Borrower for the purpose of the Project in accordance with the terms of the Facilities Agreement.
- VI. It is a condition precedent to the making of advances under the Facilities Agreement that this deed is entered into by the Borrower and FW 1B HoldCo as security for the Indebtedness.

THE PARTIES AGREE AS FOLLOWS:

1. INTERPRETATION

1.1 Definitions

In this deed:

"Assigned Agreements" means the agreements listed in schedule 1 (Assigned Agreements) and any other agreement, contract or document whether or not after the date of this deed existing relating to or connected with the Project (including, for the avoidance of doubt, any Transaction Documents) to which any Charging Company is a party or in respect of which it derives rights or benefit from time to time;

"Authorised Investments" has the meaning given to it in the Account Bank Agreement;

"Book Debts" means all book and other debts arising in the ordinary course of trading;

"Charged Property" means the assets mortgaged, charged or assigned to the Security Trustee by this deed;

"Charging Companies" means each of FW 1B HoldCo and the Borrower;

"Default Rate" means the rate at which default interest is payable under clause 8.4 (Default Interest) of the Facilities Agreement;

"Distribution Rights" means all dividends, distributions, interest and other income paid or payable on any Investment or Subsidiary Share together with all shares or other property derived from that Investment or Subsidiary Share and all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to that Investment or Subsidiary Share (whether by way of conversion, redemption, bonus, preference, option or otherwise);

"Enforcement Event" means:

- (a) in the case of Indebtedness owed to the Finance Parties under the Finance Documents, an Event of Default which has resulted in the Agent exercising any of its rights under clause 26.2 (Consequences of Events of Default) of the Facilities Agreement; and
- (b) in the case of Indebtedness owed to a Junior Creditor under the Junior Debt Documents, following the Final Discharge Date, an event of default (howsoever described) by the Borrower or FW 1B HoldCo under the Junior Debt Documents that gives rise to a right of acceleration or enforcement (howsoever described) under the Junior Debt Documents which is exercised by the Junior Creditors;

"Excluded Property" means the Distribution Account;

"Facilities Agreement" means the facilities agreement entered into on or about the date of this deed between the Borrower, FW 1B HoldCo, the financial institutions named therein as original arrangers, the financial institutions named therein as original lenders, the financial institution named therein as Agent, the Security Trustee, the financial institution named therein as account bank and the financial institutions named therein as original hedge providers;

"Floating Charge Asset" means an asset charged under clause 3.2 (Floating Charge);

"Indebtedness" means all money or liabilities due, owing or incurred to any Secured Creditor by any Charging Company under any Security Trust Document at present or in the future, in any manner whether actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety, together with all interest accruing thereon;

"Insurances" means all policies of insurance and all proceeds of them either now or in the future held by, or written in favour of, a Charging Company or in which it is otherwise interested;

"Intercreditor Deed" means the intercreditor deed entered into on or about the date of this deed between, among others, the Borrower, FW 1B HoldCo, the financial institutions named therein as original lenders, the entities therein names as junior creditors, the financial institution named therein as Agent and the Security Trustee;

"Investments" means:

- (a) the Authorised Investments and all Investment Proceeds arising therefrom;
- (b) the Borrower Shares; and
- (c) each other stock, share, debenture, loan stock, security, interest in any investment fund and any other comparable investment (whether or not marketable) whether

owned directly by or to the order of a Charging Company or by any trustee, fiduciary or clearance system on its behalf;

"Investment Proceeds" has the meaning given to it in the Account Bank Agreement;

"Junior Creditors" has the meaning given to it in the Intercreditor Deed;

"Junior Debt Documents" has the meaning given to it in the Intercreditor Deed;

"Other Debts" means the debts and claims identified in clause 3.1(b)(vi);

"Planning Acts" means the Town and Country Planning Acts 1990 and the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning and Compensation Act 1991 and any regulations made under them;

"Premises" means all freehold and leasehold property from time to time owned by a Charging Company or in which a Charging Company is otherwise interested;

"Project Accounts" means each of the accounts listed in schedule 2 (Project Accounts) as any such account may be renumbered, redesignated or sub-divided from time to time and for the avoidance of doubt, the Borrower's interest only in the Joint Insurance Proceeds Account; and

"Receiver" means a receiver and manager or (if the Security Trustee so specifies in the relevant appointment) receiver in each case appointed under this deed.

"Related Rights" means, in relation to any asset:

- (a) the proceeds of sale of that asset or any part of that asset;
- (b) any monies and proceeds paid or payable in relation to that asset; and
- (c) the benefit of all other rights, powers, claims, consents, contracts, warranties, security, guarantees, indemnities or covenants for title in respect of that asset,

including the Distribution Rights;

"Secured Creditors" has the meaning given to it in the Intercreditor Deed;

"Security Trust Documents" means:

- (a) the Finance Documents; and
- (b) the Junior Debt Documents;

"Subsidiary Shares" means all shares owned by FW 1B HoldCo in the capital of the Borrower.

1.2 Incorporation

In this deed, unless the context otherwise required:

- (a) words and expressions defined in clause 1.1 (Definitions) of the Facilities Agreement have the same meaning in this deed; and
- (b) the principles of construction contained in clause 1.7 (Construction) of the Facilities Agreement have the same application to this deed, except that references to "this Agreement" shall be construed as references to this deed.

1.3 Construction

In this deed, unless a contrary intention appears:

- (a) the terms of the documents under which the Indebtedness arises and of any side letters between any Charging Company and any Secured Creditor relating to the Indebtedness are incorporated in this deed to the extent required for any purported disposition of the Charged Property contained in this deed to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989;
- (b) section 1 of the Trustee Act 2000 shall not apply to the duties of the Security Trustee in relation to the trusts created by this deed or any other Security Trust Document; and
- (c) the parties intend that this document shall take effect as a deed notwithstanding that the Security Trustee may have executed it under hand only.

1.4 Other References

In this deed, unless a contrary intention appears:

- (a) a reference to any person is, where relevant, deemed to be a reference to or to include, as appropriate, that person's successors and permitted assignees or transferees;
- (b) references to clauses and schedules are references to, respectively, clauses of and schedules to this deed and references to this deed include its schedules;
- (c) a reference to (or to any specified provision of) any agreement or document (including the Transaction Documents) is to be construed as a reference to that agreement or document (or that provision) as it may be amended from time to time, but excluding for this purpose any amendment which is contrary to any provision of any Finance Document (or, after the Final Discharge Date, any Junior Debt Document);
- (d) a reference to a statute, statutory instrument or accounting standard or any provision thereof is to be construed as a reference to that statute, statutory instrument or accounting standard or such provision thereof, as it may be amended or re-enacted from time to time;
- (e) the index to and the headings in this deed are inserted for convenience only and are to be ignored in construing this deed; and
- (f) words importing the plural shall include the singular and vice versa.

2. COVENANT TO PAY

Each Charging Company as primary obligor covenants with the Security Trustee (for the benefit of itself and the other Secured Creditors) that it will on demand pay the Indebtedness when it falls due for payment in accordance with the terms of the Facilities Agreement and the other Security Trust Documents.

3. **CHARGING CLAUSE**

3.1 **Fixed Charges**

Each Charging Company, as security for the payment of the Indebtedness, charges in favour of the Security Trustee with full title guarantee the following assets, both present and future, from time to time owned by it or in which it has an interest:

- (a) by way of first legal mortgage: all freehold and leasehold property together with all buildings and fixtures (including trade fixtures) on that property;
- (b) by way of first fixed charge:
 - (i) if not effectively charged under clause 3.1(a) (above) all interests in any freehold or leasehold property, the buildings and fixtures (including trade fixtures) on that property, all proceeds of sale derived therefrom and the benefit of all warranties and covenants given in respect thereof and all licences to enter upon or use land and the benefit of all other agreements relating to land;
 - (ii) in the case of FW 1B HoldCo, all its rights, title and interest in the Subsidiary Shares and all Related Rights;
 - (iii) all plant, machinery, vehicles, computers, office and other equipment and the benefit of all contracts, licences and warranties relating thereto;
 - (iv) all its right, title and interest in and to all Investments owned by it from time to time and all corresponding Distribution Rights (other than the Excluded Property);
 - (v) all Book Debts and all rights and claims against third parties and against any security in respect of Book Debts;
 - (vi) all debts and monetary claims (other than Book Debts) and all rights against third parties in respect of such debts and claims;
 - (vii) all monies standing to the credit of the Project Accounts and any other account it may have from time to time with any bank, financial institution or other person (other than the Excluded Property);
 - (viii) all its Intellectual Property Rights;
 - (ix) all rights and interest in the Hedging Agreements;
 - (x) the benefit of all Licences and all other consents and agreements held by it in connection with the use of any of its assets;
 - (xi) its goodwill and uncalled capital; and
 - (xii) if not effectively assigned by clause 3.3 (Security Assignment), all its right, title and interest in and to (and claims under) the Assigned Agreements.

3.2 **Floating Charge**

- (a) As further security for the payment of the Indebtedness, each Charging Company charges with full title guarantee in favour of the Security Trustee by way of first floating charge all its present and future assets not effectively charged by way of first fixed charge under clause 3.1 (Fixed Charges) or assigned under clause 3.3 (Security Assignment).

- (b) In relation to the security created by way of floating charge by or pursuant to this deed over the balance on the Distribution Account:
 - (i) such security shall only be enforceable immediately upon the date of a petition presented under section 9 of the Insolvency Act 1986 for the making of an administration order in relation to the borrower under section 8 of that Act;
 - (ii) such floating charge shall only crystallise upon presentation of such petition; and
 - (iii) the Secured Creditors shall not otherwise be entitled to change the nature of their security over the Distribution Account into a fixed security.

3.3 Security Assignment

- (a) As further security for the payment of the Indebtedness, each Charging Company assigns absolutely with full title guarantee to the Security Trustee all its:
 - (i) rights to and title and interest from time to time in the Insurances and the proceeds of such Insurance;
 - (ii) all its right, title and interest in and to (and claims under) the Assigned Agreements to which it is a party and any guarantees, warranties and/or other agreements collateral to the Assigned Agreement;and all related property rights in respect of the above.
- (b) Until the occurrence of an Enforcement Event, but subject to clause 7.7 (Assigned Agreements) and to the terms of the Security Trust Documents, the Charging Company may continue to deal with the counterparties to the relevant Assigned Agreements.

3.4 Conversion of Floating Charge

If:

- (a) an Enforcement Event has occurred; or
- (b) the Security Trustee is of the view that any legal process or execution is being enforced against any Floating Charge Asset or that any Floating Charge Asset is in danger of being seized or otherwise in jeopardy,

the Security Trustee may, by notice to the relevant Charging Company, convert the floating charge created under this deed into a fixed charge as regards those assets which it specifies in the notice. Each relevant Charging Company shall promptly execute a fixed charge or legal assignment over those assets in the form which the Security Trustee requires.

3.5 Automatic Conversion of Floating Charge

If any Charging Company creates (or purports to create) any Security Interest (except as permitted by the Facilities Agreement or with the prior consent of the Security Trustee) on or over any Floating Charge Asset without the prior consent in writing of the Security Trustee, or if any third party levies or attempts to levy any distress, attachment, execution or other legal process against any Floating Charge Asset, the floating charge created under this deed will automatically (without notice) and immediately be converted into a fixed charge over the relevant Floating Charge Asset.

3.6 Intellectual Property Rights restricting Charging

- (a) There shall be excluded from the charge created by clause 3.1 (Fixed Charges) and from the operation of clause 5 (Further Assurance) any Intellectual Property Right in which a Charging Company has an interest under any licence or other agreement which either precludes absolutely or conditionally (including requiring the consent of any third party) that Charging Company from creating any charge over its interest in that Intellectual Property (each an "**Excluded Intellectual Property Right**") until the relevant condition or waiver has been satisfied or obtained.
- (b) For each Excluded Intellectual Property Right, each relevant Charging Company undertakes to apply for the relevant consent or waiver of prohibition or condition within fourteen days of the date of this deed and, in respect of any licence or agreement which provides that the relevant third party will not unreasonably withhold its consent to charging (for this purpose a "**Relevant Intellectual Property Right**"), to use its reasonable endeavours to obtain such consent as soon as possible and to keep the Security Trustee informed of the progress of its negotiations.
- (c) Forthwith upon receipt of the relevant waiver or consent, the relevant formerly Excluded Intellectual Property Right shall stand charged to the Security Trustee under clause 3.1 (Fixed Charges). If required by the Security Trustee, at any time following receipt of that waiver or consent the relevant Charging Company will, if required by the Security Trustee, forthwith execute a valid fixed charge or legal assignment in such form as the Security Trustee shall reasonably require.

3.7 Small Company Moratorium

Notwithstanding any other provision of this deed, the obtaining of a moratorium under section 1A of the Insolvency Act 1986, or anything done with a view to obtaining such a moratorium (including any preliminary decision or investigation) shall not be an event causing the floating charge created under this deed to crystallise or causing restrictions which would not otherwise apply to be imposed on the disposal of property by any Charging Company or a ground for the appointment of a Receiver.

4. CONTINUING SECURITY

4.1 Continuing Security

This security is to be a continuing security notwithstanding any intermediate payment or settlement of all or any part of the Indebtedness or any other matter or thing.

4.2 Other Security

This security is to be in addition to and shall neither be merged in nor in any way exclude or prejudice or be affected by any other security or other right which the Security Trustee and/or any other Secured Creditor may now or after the date of this deed hold for any of the Indebtedness, and this security may be enforced against each Charging Company without first having recourse to any other rights of the Security Trustee or any other Secured Creditor.

5. FURTHER ASSURANCE

5.1 General

- (a) Each Charging Company will, at its own expense, promptly following request by the Security Trustee, execute such deeds and other agreements and otherwise take whatever action the Security Trustee may require:

- (i) to perfect and/or protect the security created (or intended to be created) by this deed;
- (ii) to facilitate the realisation or enforcement of such security;
- (iii) to facilitate the exercise of any of the Security Trustee's rights, powers or discretions under this deed; and/or
- (iv) to confer on the Security Trustee security over any assets of that Charging Company (in whatever jurisdiction situated) (other than, for the avoidance of doubt, the Excluded Property) equivalent or similar to the security intended to be conferred by this deed,

including without limitation the conversion of charges to assignments, equitable security to legal security, the execution of any transfer, conveyance, assignment or assurance whatsoever and the giving of all notices, orders, instructions and directions whatsoever.

- (b) Any security document required to be executed by a Charging Company under this clause 5.1 will contain clauses corresponding to the provisions set out in this deed.

5.2 **HM Land Registry**

- (a) In relation to real property charged by way of legal mortgage under this deed situated in England and Wales, each Charging Company hereby irrevocably consents to the Security Trustee applying to the Chief Land Registrar for a restriction to be entered on the Register of Title of all that real property (including any unregistered properties subject to compulsory first registration at the date of this deed) on the prescribed Land Registry form and agrees to apply for such a restriction, when requested to do so by the Security Trustee, in the following terms:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated ● in favour of ● referred to in the charges register. "

- (b) Subject to the terms of the Facilities Agreement the Lenders are under an obligation to make further advances to the Borrower (which obligation is deemed to be incorporated into this deed) and this security has been made for securing those further advances. In relation to real property charged by way of legal mortgage under this deed situated in England and Wales, the Security Trustee may apply to the Chief Land Registrar for a notice to be entered onto the Register of Title of all that real property (including any unregistered properties subject to compulsory first registration at the date of this deed) that there is an obligation to make further advances on the security of the registered charge.
- (c) In respect of any part of the Charged Property title to which is registered at HM Land Registry, it is certified that the security created by this deed does not contravene any of the provisions of the articles of association of any Charging Company.

5.3 **Register of Trade Marks**

Each Charging Company as registered proprietor appoints the Security Trustee as its agent to apply for the particulars of this deed and of the Secured Creditors' interest in its existing trade marks and trade mark applications and any future trade marks or trade mark applications registered or to be registered in the United Kingdom in the name of that Charging Company, to be made on the Register of Trade Marks under section 25(1) of the

Trade Marks Act 1994, and each Charging Company agrees to execute all documents and forms required to enable those particulars to be entered on the Register of Trade Marks.

6. NEGATIVE PLEDGE AND DISPOSAL RESTRICTIONS

No Charging Company may:

- (a) create or agree to create or permit to subsist any Security Interest over all or any part of the Charged Property;
- (b) sell, transfer, lease out, lend or otherwise dispose of all or any part of the Charged Property (other than Floating Charge Assets on arm's length terms in the ordinary course of trading) or the right to receive or to be paid the proceeds arising on the disposal of the same, or agree or attempt to do so; or
- (c) dispose of the equity of redemption in respect of all or any part of the Charged Property,

except as permitted by the Finance Documents (and, following the Final Discharge Date, the Junior Debt Documents).

7. UNDERTAKINGS

7.1 Duration of Undertakings

Each Charging Company undertakes to the Security Trustee in the terms of this clause 7 from the date of this deed and for so long as any security constituted by this deed remains in force.

7.2 General Undertakings

(a) Charged Property

It will observe and perform all covenants and stipulations from time to time affecting the Charged Property, make all payments, carry out all registrations or renewals and generally take all steps which are necessary to preserve, maintain and renew when necessary or desirable all the Charged Property.

(b) Maintenance

It will keep all Premises, plant, machinery, fixtures, fittings, vehicles, computers and other equipment comprised in the Charged Property to the standard required by the Project Agreement.

7.3 Property Undertakings

(a) Property Acquisitions

It will not acquire any estate or interest in freehold, leasehold or heritable property except as permitted or required by the terms of the Project Agreement and subject to the terms of the Facilities Agreement.

(b) Inspection

It will permit the Security Trustee and any person nominated by the Security Trustee to enter into and upon any Premises at all reasonable times during business hours and on not less than 24 hours' notice to view the state and condition of the Premises and will remedy any material defect or want of repair

forthwith after service by the Security Trustee of notice of the defect or want of repair.

(c) **Leases**

It will not grant any lease, tenancy, contractual licence or right to occupy in respect of the whole or any part of the Premises or otherwise part with possession of the whole or any part of the Premises except as permitted or required by the terms of the Project Agreement and subject to the terms of the Facilities Agreement.

(d) **Rent**

It will pay the rents reserved by and observe and perform the covenants stipulations and conditions contained in any leases comprised in the Premises and on the part of the Borrower as tenant to be paid, observed and performed and to use all reasonable endeavours to procure the observance and performance by the landlord under the said leases of the covenants, stipulations and conditions to be performed on the part of the landlord.

(e) **Alteration of Lease**

Not alter or vary or agree to alter or vary the terms of the Lease or surrender, cancel, dispose of or permit to be forfeited any leasehold interest under which the Premises are held whether such lease be a lease under which the Borrower holds the Premises or superior thereto or a lease which the Borrower has granted in accordance with clause 7.3 (c) (above).

(f) **Forfeiture Notices**

It will give immediate notice to the Security Trustee if it receives any notice under section 146 of the Law of Property Act 1925 or any proceedings are commenced against it for the forfeiture of any lease comprised in any Premises.

7.4 Collection of Book Debts, Investments and Other Debts

(a) Each Charging Company will:

- (i) as agent for the Security Trustee but save in respect of any monies standing to the credit of the Distribution Account, collect all Book Debts and Other Debts, Investments and their Distribution Rights (to the extent held as temporary investments) and all other rights and claims charged to the Security Trustee under this deed pay the proceeds into the relevant Project Account in accordance with clause 22 (Project Accounts) of the Facilities Agreement forthwith on receipt and, pending that payment, hold those proceeds on trust for the Security Trustee; and
- (ii) not charge, factor, discount or assign any of the Book Debts or Other Debts in favour of any other person, or purport to do so unless permitted by the Finance Documents (and, following the Final Discharge Date, the Junior Debt Documents).

(b) No Charging Company may withdraw all or any monies from time to time standing to the credit of any Project Account except in accordance with clause 22 (Project Accounts) of the Facilities Agreement.

(c) On and with effect from the occurrence of an Enforcement Event the Security Trustee (or a Receiver) may (subject to the payment of any claims having priority to this security and subject also to clause 10.8 (Joint Insurance Proceeds Account)) withdraw amounts standing to the credit of any Project Account charged hereby to

meet an amount due and payable under any of the Security Trust Documents when it is due and payable.

7.5 Title Documents

Each Charging Company will promptly deposit with the Security Trustee (or as it shall direct):

- (a) all deeds and documents of title relating to all Premises and if those deeds and documents are with HM Land Registry, will promptly deposit them with the Security Trustee (or as it shall direct) upon their release;
- (b) all stock and share certificates and other documents of title relating to the Borrower Shares together with stock transfer forms executed in blank and left undated. The Security Trustee shall hold such documents of title and stock transfer forms until the Indebtedness has been irrevocably and unconditionally discharged in full and shall be entitled, at any time, following the occurrence of an Enforcement Event or if the Security Trustee considers that the security constituted by this deed is in jeopardy, to complete, under the power of attorney given by clause 9 (Attorney) below, the stock transfer forms on behalf of the Charging Company in favour of itself or such other person as it shall select;
- (c) an original of each of the Assigned Agreements entered into after (or not otherwise delivered at) Financial Close, duly executed and delivered by the parties thereto;
- (d) (following an Enforcement Event), the certificates and other documents of title relating to the Authorised Investments (and that Charging Company shall execute all document and take further action which the Security Trustee requires for the purpose of perfecting a legal security interest over the Authorised Investments or vesting title to the Authorised Investments in the name of the Security Trustee or its nominees or any purchaser);
- (e) all Insurances for the time being charged under this deed; and
- (f) all other documents relating to the ownership of the Charged Property which the Security Trustee from time to time requires.

7.6 Voting Rights

- (a) Until an Enforcement Event occurs:
 - (i) all Investment Proceeds shall be applied in accordance with the Accounts Agreement;
 - (ii) all voting and other rights and powers attaching to the Investments shall be exercised as each Charging Company may from time to time reasonably direct, provided that such Charging Company shall not be entitled to direct that the voting and other rights attaching to the Investments be exercised in a manner which the Security Trustee considers to be prejudicial to the interests of the Secured Creditors under the Security Trust Documents; and
 - (iii) the Security Trustee will forward copies of all notices, documents and other communications received in connection with the Investments to the relevant Charging Company promptly following receipt.
- (b) At any time following the occurrence of an Enforcement Event, the Security Trustee shall be entitled to require that any Investment be registered in the name of the Security Trustee or its nominee but in so doing the Security Trustee will not be under any duty to ensure that any Investment Proceeds are duly and promptly paid

or received by it or its nominee, or to verify that the correct amounts are paid or received, or to take any action in connection with any other Distribution Rights arising in respect of those Investments.

7.7 Assigned Agreements

Each Charging Company shall:

- (a) perform all its obligations under the Assigned Agreements in accordance with the terms of the Facilities Agreement;
- (b) not make or agree to make any amendments to the Assigned Agreements, waive any of its rights under the Assigned Agreements or exercise any right to terminate any of the Assigned Agreements, unless permitted by the terms of the Facilities Agreement;
- (c) promptly after the execution of this deed (or, as the case may be, after execution of any Assigned Agreements or Hedging Agreement entered into after Financial Close), give notice to the other parties to the Assigned Agreements and Hedging Agreements that it has assigned its rights under the applicable Assigned Agreements or Hedging Agreement to the Security Trustee under this deed. Such notice will be given substantially in the form set out in part 1 of schedule 3 (Form of notice to counterparties (other than Insurers) of Assigned Agreements/Hedging Agreements) (save where the notice of assignment of such Assigned Agreement or Hedging Agreement is contained in a Direct Agreement or a Hedging Agreement), except in the case of the Insurances where the notice will be substantially in the form set out in part 2 of schedule 3 (Form of notice to Insurers). Each relevant Charging Company will use its reasonable endeavours to procure that each party served with any such notice countersigns and returns the notice to the Security Trustee within 14 days of the execution of this deed (or, as the case may be, the execution of such Assigned Agreement or Hedging Agreement) (save where the assignment of such Assigned Agreement or Hedging Agreement is acknowledged in a Direct Agreement or a Hedging Agreement).

7.8 Retention of Documents

The Security Trustee may retain any document delivered to it under clause 7.5 (Title Documents) or otherwise until the security created by this deed is released and, if for any reason it ceases to hold any such document before that time, it may by notice to the relevant Charging Company require that the relevant document be redelivered to it and the relevant Charging Company shall promptly comply (or procure compliance) with that notice.

7.9 Power to Remedy

If a Charging Company fails to comply with any covenant set out in clauses 7.1 (Duration of Undertakings) to 7.8 (Retention of documents) (inclusive) and that failure is not remedied to the satisfaction of the Security Trustee within 14 days, it will allow (and irrevocably authorises) the Security Trustee or any person which the Security Trustee nominates to take any action on behalf of that Charging Company which is necessary to ensure that those covenants are complied with.

7.10 Indemnity

Each Charging Company shall indemnify the Security Trustee against all losses incurred by the Security Trustee as a result of a breach by any Charging Company of its obligations under clauses 7.2 (General Undertakings) to 7.8 (Retention of Documents) (inclusive) and in connection with the exercise by the Security Trustee of its rights contained in clause 7.9

(Power to Remedy) above. All sums the subject of this indemnity will be payable by the relevant Charging Company to the Security Trustee on demand and if not so paid will bear interest at the Default Rate. Any unpaid interest will be compounded with monthly rests.

8. SUBSIDIARY SHARES

8.1 Voting and Distribution Rights

- (a) Until an Enforcement Event occurs, FW 1B HoldCo may:
 - (i) receive and retain all dividends, distributions and other monies paid on or derived from the Subsidiary Shares; and
 - (ii) exercise all voting and other rights and powers attaching to the Subsidiary Shares provided that it may not exercise any such voting or other rights or powers in a manner which is inconsistent with any Security Trust Document or which may be prejudicial to the interests of the Secured Creditors under this deed.
- (b) On and after the occurrence of an Enforcement Event:
 - (i) FW 1B HoldCo will promptly pay all dividends, distributions and other monies paid on or derived from the Subsidiary Shares into a Cash Collateral Account; and
 - (ii) the Security Trustee may (in its sole discretion) directly or indirectly (by instruction to the relevant legal owner of the relevant Investments) exercise, refrain from exercising or disclaim any right to exercise any voting or other rights and powers attaching to the Subsidiary Shares. Any exercise of such voting rights may only be for the purpose of preserving the value of the security given by this deed or facilitating the realisation of it. FW 1B HoldCo will promptly comply with any direction given by the Security Trustee in relation to the exercise of voting or other rights and powers. Any such disclaimer will confer on FW 1B HoldCo the authority to direct the exercise of the disclaimed right, as if a Declared Default had not occurred, in accordance with paragraph (a)(ii) above.
- (c) At any time when any Subsidiary Shares are registered in the name of the Security Trustee or its nominee, the Security Trustee will not be under any duty to ensure that any dividends, distributions or other monies payable in respect of those Subsidiary Shares are duly and promptly paid or received by it or its nominee, or to verify that the correct amounts are paid or received, or to take any action in connection with the taking up of any (or any offer of any) stocks, shares, rights, monies or other property paid, distributed, accruing or offered at any time by way of interest, dividend, redemption, bonus, rights, preference, option, warrant or otherwise on or in respect of or in substitution for, any of those Subsidiary Shares.

8.2 Perfection of Subsidiary Shares Security

FW 1B HoldCo will promptly following the execution of this deed or (if later) acquisition of any Subsidiary Share deposit with the Security Agent (or as it shall direct) all stock and share certificates and other documents of title relating to the Subsidiary Shares in which it has an interest together with stock transfer forms executed in blank and left undated on the basis that the Security Agent shall be able to hold such documents of title and stock transfer forms until the Secured Obligations have been irrevocably and unconditionally discharged in full and shall be entitled, at any time, following the occurrence of an Enforcement Event to complete, under its power of attorney given by clause 9 (Attorney) below, the stock transfer forms on behalf of FW 1B HoldCo in favour of itself or its nominee(s).

9. **ATTORNEY**

9.1 **Appointment of Attorney**

Each Charging Company, by way of security, irrevocably and severally appoints the Security Trustee, each Receiver and any person nominated for the purpose by the Security Trustee or any Receiver (in writing and signed by an officer of the Security Trustee or Receiver) as its attorney (with full power of substitution and delegation) in its name and on its behalf and as its act and deed to execute, seal and deliver (using the company seal where appropriate) and otherwise perfect and do any deed, assurance, agreement, instrument, act or thing which it ought to execute and do under the terms of this deed, or the Direct Agreements, or which may be required or deemed proper in the exercise of any rights or powers conferred on the Security Trustee or any Receiver under this deed or the Direct Agreements or otherwise for any of the purposes of this deed or the Direct Agreements.

9.2 **Powers of Attorney**

The powers granted to an attorney appointed under clause 9.1 of this deed shall only take effect:

- (a) in relation to the Security Trustee:
 - (i) upon the occurrence of an Enforcement Event; or
 - (ii) where an Enforcement Event has not occurred, if either Charging Company has failed to perform an obligation under this deed or the Direct Agreement within two Business Days of notice by the Security Trustee; and
- (b) in relation to a Receiver, upon its appointment.

9.3 **Ratification**

Each Charging Company covenants with the Security Trustee and each Receiver to ratify and confirm all such acts or things made, done or executed by that attorney.

10. **ENFORCEMENT AND POWERS OF THE SECURITY TRUSTEE**

10.1 **Statutory Restrictions**

The restriction on the consolidation of mortgages and on power of sale imposed by sections 93 and 103 respectively of the Law of Property Act 1925 shall not apply to the security constituted by this deed.

10.2 **Enforcement Powers**

For the purpose of all rights and powers implied or granted by statute, the Indebtedness is deemed to have fallen due on the date of this deed. The power of sale and other powers conferred by section 101 of the Law of Property Act 1925 and all other enforcement powers conferred by this deed shall be immediately exercisable at any time after the occurrence of an Enforcement Event.

10.3 **Statutory Powers**

The powers conferred on mortgagees, receivers or administrative receivers by the Law of Property Act 1925 and the Insolvency Act 1986 (as the case may be) shall apply to the security created by this deed, unless they are expressly or impliedly excluded. If there is ambiguity or conflict between the powers contained in those Acts and those contained in this deed, those contained in this deed shall prevail.

10.4 **Fixtures**

The Security Trustee may sever any fixtures from the property to which they are attached and sell them separately from that property.

10.5 **Appointment of Receiver**

- (a) Subject to paragraph (c) below, at any time after a Enforcement Event has occurred, or if so requested by the relevant Charging Company, the Security Trustee may, by writing under hand signed by any officer or manager of the Security Trustee, appoint any person (or persons) to be a Receiver of all or any part of the Charged Property.
- (b) Section 109(1) of the Law of Property Act 1925 shall not apply to this deed.
- (c) The Security Trustee shall be entitled to appoint a Receiver save to the extent prohibited by section 72A Insolvency Act 1986.
- (d) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to the floating charge created by this deed.

10.6 **Powers of Leasing**

The Security Trustee may lease, make agreements for leases at a premium or otherwise, accept surrenders of leases and grant options or vary or reduce any sum payable under any leases or tenancy agreements as it thinks fit, without the need to comply with any of the provisions of sections 99 and 100 of the Law of Property Act 1925.

10.7 **Exercise of Powers**

All or any of the powers conferred upon mortgagees by the Law of Property Act 1925 as varied or extended by this deed, and all or any of the rights and powers conferred by this deed on a Receiver (whether expressly or impliedly), may be exercised by the Security Trustee without further notice to any Charging Company at any time after a Enforcement Event has occurred, irrespective of whether the Security Trustee has taken possession or appointed a Receiver of the Charged Property.

10.8 **Joint Insurance Proceeds Account**

The Security Trustee shall apply amounts from time to time standing to the credit of the Joint Insurance Proceeds Account in accordance with the Joint Insurance Proceeds Account Agreement.

11. **STATUS, POWERS, REMOVAL AND REMUNERATION OF RECEIVER**

11.1 **Receiver as Agent**

Each Receiver shall be the agent of the relevant Charging Company which shall be solely responsible for his acts or defaults, and for his remuneration and expenses, and be liable on any agreements or engagements made or entered into by him. The Security Trustee will not be responsible for any misconduct, negligence or default of a Receiver.

11.2 **Powers of Receiver**

Each Receiver appointed under this deed shall have all the powers conferred from time to time on receivers by the Law of Property Act 1925 and the Insolvency Act 1986 (each of which is deemed incorporated in this deed), so that the powers set out in schedule 1 to the Insolvency Act 1986 shall extend to every Receiver, whether or not an administrative

receiver. In addition, notwithstanding any liquidation of the relevant Charging Company, each Receiver shall have power to:

- (a) develop, reconstruct, amalgamate or diversify any part of the business of the relevant Charging Company;
- (b) enter into or cancel any contracts on any terms or conditions;
- (c) incur any liability on any terms, whether secured or unsecured, and whether to rank for payment in priority to this security or not;
- (d) let or lease or concur in letting or leasing, and vary the terms of, determine, surrender leases or tenancies of, or grant options and licences over, or otherwise dispose of or deal with, all or any of the Charged Property, without being responsible for loss or damage;
- (e) establish subsidiaries to acquire interests in any of the Charged Property and/or arrange for those subsidiaries to trade or cease to trade and acquire any of the Charged Property on any terms and conditions;
- (f) make and effect all repairs, renewals and improvements to any of the Charged Property and maintain, renew, take out or increase insurances;
- (g) exercise all voting and other rights attaching to the Investments and stocks and other securities owned by the relevant Charging Company and comprised in the Charged Property;
- (h) redeem any prior Security Interests on or relating to the Charged Property and settle and pass the accounts of the person entitled to those prior Security Interests, so that any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on the relevant Charging Company and the money so paid shall be deemed to be an expense properly incurred by the Receiver;
- (i) appoint and discharge officers and others for any of the purposes of this deed and/or to guard or protect the Charged Property upon terms as to remuneration or otherwise as he may think fit;
- (j) settle any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the relevant Charging Company or relating to any of the Charged Property;
- (k) implement or continue the development of (and obtain all consents required in connection therewith) and/or complete any buildings or structures on any real property comprised in the Charged Property;
- (l) purchase or acquire any land or any interest in or right over land;
- (m) exercise on behalf of the relevant Charging Company all the powers conferred on a landlord or a tenant by any legislation from time to time in force in any relevant jurisdiction relating to rents or agriculture in respect of any part of the Premises; and
- (n) do all other acts and things (including signing and executing all documents and deeds) as the Receiver considers to be incidental or conducive to any of the matters or powers in this clause 11.2, or otherwise incidental or conducive to the preservation, improvement or realisation of the Charged Property, and use the name of the relevant Charging Company for all such purposes,

and in each case may use the name of any Charging Company and exercise the relevant power in any manner which he may think fit.

11.3 Removal of Receiver

The Security Trustee may by notice remove from time to time any Receiver appointed by it (subject to the provisions of section 45 of the Insolvency Act 1986 in the case of an administrative receivership) and, whenever it may deem appropriate, appoint a new Receiver in the place of any Receiver whose appointment has terminated, for whatever reason.

11.4 Remuneration of Receiver

The Security Trustee may from time to time fix the remuneration of any Receiver appointed by it.

11.5 Several Receivers

If at any time there is more than one Receiver, each Receiver may separately exercise all of the powers conferred by this deed (unless the document appointing such Receiver states otherwise).

12. APPLICATION OF MONEYS AND INTERCREDITOR AGREEMENT

12.1 Order of Application

Subject to clause 10.8 (Joint Insurance Proceeds Account) moneys received by the Security Trustee or any Receiver appointed under this deed shall be applied in accordance with the Intercreditor Deed.

12.2 Insurance Proceeds

All moneys received by virtue of any insurance maintained or effected in respect of the Charged Property shall be applied in accordance with clause 22.7 (Insurance Proceeds Account) of the Facilities Agreement.

12.3 Section 109 Law of Property Act 1925

Sections 109(6) and (8) of the Law of Property Act 1925 shall not apply to a Receiver appointed under this deed.

12.4 Application Against Indebtedness

Subject to the Intercreditor Deed, any moneys received or realised by the Security Trustee from a Charging Company or a Receiver under this deed may be applied by the Security Trustee to any item of account or liability or transaction forming part of the Indebtedness to which they may be applicable in any order or manner which the Security Trustee may determine.

12.5 Suspense Account

Until the Indebtedness is paid in full, the Security Trustee may place and keep (for such time as it shall determine) any money received pursuant to this deed or on account of any Charging Company's liability in respect of the Indebtedness in an interest bearing separate suspense account and the Receiver may retain the same for the period which he and the Security Trustee consider expedient without having any obligation to apply all or any part of that money in or towards discharge of the Indebtedness.

12.6 Intercreditor Deed

As between the Secured Creditors, the order of application of monies arising as a result of enforcement of this deed is governed by the terms of the Intercreditor Deed.

13. PROTECTION OF THIRD PARTIES

13.1 No Obligation to Enquire

No purchaser from, or other person dealing with, the Security Trustee or any Receiver (or their agents) shall be obliged or concerned to enquire whether:

- (a) the right of the Security Trustee or any Receiver to exercise any of the powers conferred by this deed has arisen or become exercisable or as to the propriety or validity of the exercise or purported exercise of any such power; or
- (b) any of the Indebtedness remains outstanding or be concerned with notice to the contrary and the title and position of such a purchaser or other person shall not be impeachable by reference to any of those matters.

13.2 Receipt Conclusive

The receipt of the Security Trustee or any Receiver shall be an absolute and a conclusive discharge to a purchaser, and shall relieve him of any obligation to see to the application of any moneys paid to or by the direction of the Security Trustee or any Receiver.

14. PROTECTION OF SECURITY TRUSTEE AND RECEIVER

14.1 No Liability

Neither the Security Trustee nor any Receiver shall be liable in respect of any of the Charged Property or for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, their respective powers, unless caused by its or his gross negligence, wilful default or breach of any obligations under the Finance Documents.

14.2 Possession of Charged Property

Without prejudice to clause 14.1 (No Liability), if the Security Trustee or the Receiver enters into possession of the Charged Property, it will not be liable to account as mortgagee in possession and may at any time at its discretion go out of such possession.

14.3 Liability of Charging Companies

Each Charging Company shall be deemed to be a principal debtor and the sole, original and independent obligor for the Indebtedness and the Charged Property shall be deemed to be a principal security for the Indebtedness. The liability of each Charging Company under this deed and the charges contained in this deed shall not be impaired by any forbearance, neglect, indulgence, extension of time, release, surrender or loss of securities, dealing, variation or arrangement by the Security Trustee or any other Secured Creditor, or by any other act, event or matter whatsoever whereby the liability of the relevant Charging Company (as a surety only) or the charges contained in this deed (as secondary or collateral charges only) would, but for this provision, have been discharged.

14.4 Security Trustee

The provisions set out in clause 29 (Role of the Agent and Arrangers) of the Facilities Agreement and clause 16 (Security Trustee Provisions) of the Intercreditor Deed shall govern the rights, duties and obligations of the Security Trustee under this deed.

15. COSTS AND EXPENSES

15.1 Initial Expenses

The Charging Companies will on demand pay to each of the Security Trustee and any Receiver the amount of all costs and expenses (including legal fees and other out-of-pocket expenses and any value added tax or other similar tax thereon) reasonably incurred by any of them in connection with:

- (a) the negotiation, preparation, execution and completion of this deed, and all documents, matters and things referred to in, or incidental to this deed;
- (b) any amendments, consent or suspension of rights (or proposal for any of the same) relating to this deed (and documents, matters or things referred to in this deed); and
- (c) the investigation of any Default.

15.2 Enforcement Expenses

The Charging Companies will on demand pay to each of the Security Trustee, the other Secured Creditors and any Receiver the amount of all costs and expenses (including legal fees and other out of pocket expenses and any value added tax or other similar tax thereon) reasonably incurred by any of them in connection with the preservation, enforcement or attempted preservation or enforcement of any of their rights under this deed (and any documents referred to in this deed) or any of the Charged Property.

15.3 Stamp Duties, etc.

The Charging Companies will on demand indemnify each of the Security Trustee, the other Secured Creditors and any Receiver appointed under this deed, from and against any liability for any stamp, documentary, filing and other duties and Taxes (if any) which are or may become payable in connection with this deed.

15.4 Default Interest

If not paid when due, the amounts payable under this clause 15 shall carry interest compounded with monthly rests at the Default Rate (after as well as before judgment), from the date of demand and shall form part of the Indebtedness.

16. CUMULATIVE POWERS AND AVOIDANCE OF PAYMENTS

16.1 Cumulative Powers

The powers which this deed confers on the Security Trustee, the other Secured Creditors and any Receiver appointed under this deed are cumulative, without prejudice to their respective powers under the general law, and may be exercised as often as the relevant person thinks appropriate. The Security Trustee, the other Secured Creditors or the Receiver may, in connection with the exercise of their powers, join or concur with any person in any transaction, scheme or arrangement whatsoever. The respective powers of the Security Trustee, the other Secured Creditors and the Receiver will in no circumstances be suspended, waived or otherwise prejudiced by anything other than an express consent or amendment.

16.2 Amounts Avoided

If any amount paid by a Charging Company in respect of the Indebtedness is capable of being avoided or set aside on the liquidation or administration of the relevant Charging

Company or otherwise, then for the purposes of this deed that amount shall not be considered to have been paid.

16.3 Discharge Conditional

Any settlement or discharge between a Charging Company and any Secured Creditor shall be conditional upon no security or payment to that Secured Creditor by that Charging Company or any other person being avoided, set aside, ordered to be refunded or reduced by virtue of any provision or enactment relating to insolvency and accordingly (but without limiting the other rights of that Secured Creditor under this deed) that Secured Creditor shall be entitled to recover from that Charging Company the value which that Secured Creditor has placed on that security or the amount of any such payment as if that settlement or discharge had not occurred.

17. RULING OFF ACCOUNTS

If the Security Trustee or any other Secured Creditor receives notice of any subsequent Security Interest or other interest affecting any of the Charged Property (except as permitted by the Facilities Agreement it may open a new account for the relevant Charging Company in its books. If it does not do so then (unless it gives express notice to the contrary to FW 1B HoldCo), as from the time it receives that notice, all payments made by the relevant Charging Company to it (in the absence of any express appropriation to the contrary) shall be treated as having been credited to a new account of the relevant Charging Company and not as having been applied in reduction of the Indebtedness.

18. DELEGATION

The Security Trustee may delegate by power of attorney or in any other manner all or any of the powers, authorities and discretions which are for the time being exercisable by it under this deed to any person or persons upon such terms and conditions (including the power to sub-delegate) as it may think fit. The Security Trustee will not be liable or responsible to any Charging Company or any other person for any losses arising from any act, default, omission or misconduct on the part of any delegate.

19. REDEMPTION OF PRIOR CHARGES

The Security Trustee may, at any time after an Enforcement Event has occurred, redeem any prior Security Interest on or relating to any of the Charged Property or procure the transfer of that Security Interest to itself, and may settle and pass the accounts of any person entitled to that prior Security Interest. Any account so settled and passed shall (subject to any manifest error) be conclusive and binding on each Charging Company. Each Charging Company will on demand pay to the Security Trustee all principal monies and interest and all losses incidental to any such redemption or transfer.

20. SET-OFF

20.1 Set-Off Rights

Subject, in the case of the Account Bank, to the terms of the Accounts Agreement, any Secured Creditor may at any time after an Enforcement Event has occurred (without notice to any Charging Company):

- (a) set-off or otherwise apply sums standing to the credit of any Charging Company's accounts with that Secured Creditor (irrespective of the terms applicable to those accounts and whether or not those sums are then due for repayment to that Secured Creditor); and

- (b) set-off any other obligations (whether or not then due for performance) owed by that Secured Creditor to the relevant Charging Company,

against any liability of the relevant Charging Company to the relevant Secured Creditor under the Security Trust Documents.

20.2 **Different Currencies**

A Secured Creditor may exercise its rights under clause 20.1 (Set-Off Rights) notwithstanding that the amounts concerned may be expressed in different currencies and each Secured Creditor is authorised to effect any necessary conversions at a market rate of exchange selected by it.

20.3 **Unliquidated Claims**

If the relevant obligation or liability is unliquidated or unascertained, the Secured Creditor may set-off the amount which it estimates (in good faith) will be the final amount of that obligation or liability once it becomes liquidated or ascertained.

21. **NOTICES**

21.1 **Mode of Service**

- (a) Any notice, demand, consent, agreement or other communication (a "**Notice**") to be served in connection with this deed shall be in writing and shall be made by letter or by facsimile transmission to the party to be served.
- (b) The address and facsimile number of each party to this deed for the purposes of clause 21.1(a) are as set out in the Facilities Agreement or otherwise:
 - (i) as notified by that party for this purpose to the Security Trustee on or before the date it becomes a party to this deed (in the case of any person who becomes a party after the date of this deed); or
 - (ii) as notified by that party for this purpose to the Security Trustee by not less than five Business Days' notice.
- (c) Any Notice to be served by any Charging Company on a Secured Creditor will be effective only if it is expressly marked for the attention of the department or officer (if any) specified in conjunction with the relevant address and facsimile number referred to in clause 21.1(b).

21.2 **Deemed Service**

- (a) Subject to clause 21.2(b), a Notice will be deemed to be given as follows:
 - (i) if by letter, when delivered personally or on actual receipt; and
 - (ii) if by facsimile, when delivered.
- (b) A Notice given in accordance with clause 21.2(a) but received on a non-working day or after business hours in the place of receipt will be deemed to be given on the next working day in that place.

22. **CHANGES TO PARTIES**

22.1 **Assignment by the Security Trustee**

The Security Trustee may at any time assign or otherwise transfer all or any part of its rights under this deed in accordance with the Finance Documents.

22.2 **Changes to Parties**

Each Charging Company authorises and agrees to changes to parties under clause 28 (Changes to Obligors) of the Facilities Agreement, and clause 21 (Changes to the Parties) of the Intercreditor Deed and authorises the Security Trustee to execute on its behalf any document required to effect the necessary transfer of rights or obligations contemplated by those provisions.

23. **CURRENCY CLAUSES**

23.1 **Conversion**

All monies received or held by the Security Trustee or any Receiver under this deed may be converted into any other currency which the Security Trustee considers necessary to cover the obligations and liabilities comprised in the Indebtedness in that other currency at the Security Trustee's spot rate of exchange then prevailing for purchasing that other currency with the existing currency.

23.2 **No Discharge**

No payment to the Security Trustee (whether under any judgement or court order or otherwise) shall discharge the obligation or liability of the relevant Obligor in respect of which it was made unless and until the Security Trustee has received payment in full in the currency in which the obligation or liability was incurred. To the extent that the amount of any such payment shall on actual conversion into that currency fall short of that obligation or liability expressed in that currency, the Security Trustee shall have a further separate cause of action against the relevant Charging Company and shall be entitled to enforce the security constituted by this deed to recover the amount of the shortfall.

24. **MISCELLANEOUS**

24.1 **Certificates Conclusive**

A certificate or determination of the Security Trustee as to any amount payable under this deed will be conclusive and binding on each Charging Company, except in the case of manifest error.

24.2 **Invalidity of any Provision**

If any provision of this deed is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired in any way.

24.3 **Counterparts**

This deed may be executed in any number of counterparts, all of which taken together shall be deemed to constitute one and the same instrument.

24.4 **Failure to Execute**

Failure by one or more parties ("**Non-Signatories**") to execute this deed on the date hereof will not invalidate the provisions of this deed as between the other parties who do execute this deed. Such Non-Signatories may execute this deed on a subsequent date and will thereupon become bound by its provisions.

24.5 **Third Party Rights**

The Contracts (Rights of Third Parties) Act 1999 shall not apply to this deed and no rights or benefits expressly or impliedly conferred by this deed shall be enforceable under that Act against the parties to this deed by any other person.

24.6 **Covenant to Release**

Once all the Indebtedness has been paid in full and none of the Secured Agent nor any Secured Creditor has any contingent liability to advance further monies to, or incur liability on behalf of, any Charging Company, the Security Trustee and each Secured Creditor shall, at the request and cost of each Charging Company, take any action which may be necessary to release the Charged Property from the security constituted by this deed.

25. **GOVERNING LAW**

This deed (and any dispute, controversy, proceedings or claims of whatever nature arising out of or in any way relating to this deed or its formation) shall be governed by and construed in accordance with English law.

IN WITNESS whereof this deed has been duly executed on the above date first above written.

SCHEDULE 1

Assigned Agreements

Part 1 – Borrower

1. The 1B Contract
2. The Contingent Funding Agreement
3. Any admissions agreement
4. Babcock ICT, Construction and Support Services Contract
5. Babcock Sub-Contract Parent Guarantee
6. LMUK GBTE Contract
7. LMUK Sub-Contract Parent Guarantee
8. The Interface Agreement
9. The Multiparty Agreement
10. Each bond and each collateral warranty entered into in favour of the Borrower
11. The Management Services Agreement
12. The Wrap Direct Agreement
13. The Independent Tester Appointments
14. Each side letter or other agreement entered into in relation to any Project Document or Equity Document
15. Each other document designated as an Assigned Agreement by the Security Trustee and the Borrower or deemed to be designated as such pursuant to the Finance Documents

Part 2 – FW 1B HoldCo

1. The Borrower Loan Note Instrument and Borrower Loan Notes
2. Each side letter or other document entered into in relation to any Project Document or Equity Document
3. Each other document designated as an Assigned Agreement by the Security Trustee and FW 1B HoldCo or deemed to be designated as such pursuant to the Finance Documents

SCHEDULE 2

Project Accounts

Borrower Accounts	Account Number	Sort Code
Proceeds Account		
Operating Account		
Insurance Proceeds Account		
Compensation Proceeds Account		
Debt Service Reserve Account		
Capital Contribution Account		
Subscription Contribution Account		
Equity Cure Account		
Joint Insurance Proceeds Account		

SCHEDULE 3

Part 1

Forms of Notice to Counterparties (Other than Insurers) of Assigned Agreements/Hedging Agreements

To: [insert name and address of counterparty]

Dated: ●

Dear Sirs,

Re: [*here identify the relevant Assigned Agreement/Hedging Agreement*] (the "**Agreement**")

We notify you that by the terms of a debenture dated on or about the date of this notice [*insert name of Charging Company*] (the "**Charging Company**") has assigned to [*insert name of Security Trustee*] (the "**Security Trustee**") for the benefit of itself, certain other banks and financial institutions, and certain shareholder entities (the "**Secured Creditors**") all its right, title and interest in the Agreement as security for certain obligations owed by the Charging Company to the Secured Creditors.

We further notify you that:

1. the Charging Company may not agree to amend, waive or terminate the Agreement (otherwise than expressly permitted under clause 25.2 (Amendment to Transaction Documents) of the Facilities Agreement) without the prior written consent of the Security Trustee;
2. you may continue to deal with the Charging Company in relation to the agreement until you receive written notice from the Security Trustee that an Enforcement Event has occurred. Thereafter the Charging Company will cease to have any right to deal with you in relation to the agreement and therefore from that time you should deal only with the Security Trustee;
3. you are authorised to disclose information in relation to the Agreement to the Security Trustee on request;
4. you must pay all monies to which the Charging Company is entitled under the Agreement direct to [project account] (account number ●) at ● unless the Security Trustee otherwise agrees in writing; and
5. the provisions of this notice may only be revoked with the written consent of the Security Trustee.

Please sign and return the enclosed copy of this notice to the Security Trustee (with a copy to the Charging Company) by way of confirmation that:

- (a) you agree to the terms set out in this notice and to act in accordance with its provisions;
- (b) you have not received notice that the Charging Company has assigned its rights under the agreement to a third party or created any other interest (whether by way of security or otherwise) in the agreement in favour of a third party; and

- (c) you have not claimed or exercised, nor do you have any outstanding right to claim or exercise against the Charging Company any right of set-off, counter-claim or other right relating to the Agreement.

The provisions of this notice are governed by English law.

Yours faithfully

.....
for and on behalf of
[insert name of Charging Company]

[On acknowledgement copy]

To: **[insert name and address of Security Trustee]**

Copy to **[insert name and address of Charging Company]**

We acknowledge receipt of the above notice and confirm the matters set out in paragraphs (a) to (c) above.

.....
for and on behalf of
[insert name of Counterparty]

Dated: ●

Part 2

Form of Notice to Insurers

To: **[insert name and address of insurance company]**

Dated: ●

Dear Sirs

Re: [here identify the relevant insurance policy(ies)] (the "Policies")

We notify you that by the terms of a debenture dated on or about the date of this notice **[insert name of Charging Company]** (the "**Charging Company**") has assigned to **[insert name of Security Trustee]** (the "**Security Trustee**") for the benefit of itself and certain other banks and financial institutions (the "**Secured Creditors**") all its right, title and interest in the Policies as security for certain obligations owed by the Charging Company to the Secured Creditors.

We further notify you that:

1. the Charging Company may not agree to amend or terminate the Policies (otherwise than as expressly permitted under Schedule 12 (Insurances) of the Facilities Agreement) without the prior written consent of the Security Trustee;
2. you may continue to deal with the Charging Company in relation to the Policies until you receive written notice from the Security Trustee that an Enforcement Event has occurred. Thereafter the Charging Company will cease to have any right to deal with you in relation to the Policies and therefore from that time you should deal only with the Security Trustee;
3. you are authorised to disclose information in relation to the Policies to the Security Trustee on request; and
4. the provisions of this notice may only be revoked with the written consent of the Security Trustee.

You have agreed to the inclusion of certain endorsements on the policy and a separate acknowledgement of this notice is not required.

The provisions of this notice are governed by English law.

Yours faithfully

.....

for and on behalf of

[insert name of Charging Company]

SIGNATORIES TO DEBENTURE

FW 1B HoldCo

Executed as a deed by)
FIXED WING TRAINING HOLDINGS)
LIMITED)
acting by its authorised director/attorney)
in the presence of:

Signature of director/attorney

Signature of witness

Name of witnessJOE C RICHIE.....

Address of witness3 NOBLE ST.....

.....LONDON.....

.....EC2V 7EE.....

Occupation of witness

Borrower

Executed as a deed by)
FIXED WING TRAINING LIMITED)
acting by its authorised director/attorney)
in the presence of:)

Signature of director/attorney

Signature of witness

Name of witnessJOE C RICHIE.....

Address of witness3 NOBLE ST,.....

.....LONDON,.....

.....EC2V 7EE.....

Occupation of witness

The Security Trustee

Signed _____ by _____)
SUMITOMO MITSUI BANKING)
CORPORATION EUROPE LIMITED)
acting by duly authorised attorneys:)

Signature of authorised attorney _____

Name of attorney _____

LUCA

GATTO

Signature of authorised attorney _____

Name of attorney _____

M. SCHWEER