



Registration of a Charge

Company name: **VIRGIN ATLANTIC AIRWAYS LIMITED**

Company number: **01600117**



X786B9QI

Received for Electronic Filing: **15/06/2018**

Details of Charge

Date of creation: **08/06/2018**

Charge code: **0160 0117 0173**

Persons entitled: **LLOYDS BANK PLC**

Brief description: **TWO (2) 787-9 ENGINES BEARING ENGINE SERIAL NUMBERS 37975 AND 37981 FROM THE BOEING COMPANY INC. SIX (6) TRENT 100 ENGINES BEARING ENGINE SERIAL NUMBERS 10277, 10368, 10369, 10398 11070 AND 11076 FROM ROLLS-ROYCE PLC. THREE (3) TRENT 700 ENGINES BEARING ENGINE SERIAL NUMBERS 41870, 42018 AND 42393 FROM ROLLS-ROYCE PLC.**

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC**

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

Certified by:

NORTON ROSE FULBRIGHT LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 1600117

Charge code: 0160 0117 0173

The Registrar of Companies for England and Wales hereby certifies that a charge dated 8th June 2018 and created by VIRGIN ATLANTIC AIRWAYS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 15th June 2018 .

Given at Companies House, Cardiff on 19th June 2018

The above information was communicated by electronic means and authenticated
by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

Private & Confidential

Execution

Dated 8 June 2018

VIRGIN ATLANTIC AIRWAYS LIMITED
as Borrower

and

LLOYDS BANK PLC
as Security Agent

CAPE TOWN SECURITY AGREEMENT
with respect to certain aircraft and aircraft engines

I certify that, save for material
redacted pursuant to s.859G
of the Companies Act 2006,
this copy instrument is a correct copy
of the original instrument.

^
NORTON ROSE FULBRIGHT

Sign & Dated*Norton Rose Fulbright LLP*
15 June 2018

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THIS CAPE TOWN SECURITY AGREEMENT is made on 8 June 2018 **BETWEEN:**

- (1) **VIRGIN ATLANTIC AIRWAYS LIMITED**, a company incorporated and existing under the laws of England whose registered office is at The VHQ, Fleming Way, Crawley, West Sussex RH10 9DF (the Borrower); and
- (2) **LLOYDS BANK PLC**, a company incorporated and existing under the laws of England whose registered office is at 25 Gresham Street, London EC2V 7HN (the Security Agent which expression shall include its successors and assigns).

WHEREAS:

- (A) By a multicurrency revolving credit facility agreement dated 17 January 2018 (the Facility Agreement) between (1) the Borrower as borrower, (2) the Security Agent as security agent, bookrunner and agent and (3) certain banks and financial institutions (the Banks) as lenders and mandated lead arrangers, the Banks agreed (inter alia) to make available to the Borrower (a) a multicurrency revolving loan in an aggregate amount equal to the \$150,000,000 (subject to an increase in accordance with the Accordion Option) and (b) subject to the terms of the Facility Agreement and the Ancillary Documents, certain ancillary facilities.
- (B) It is a condition precedent to Utilisation under the Facility Agreement that the Borrower execute this Cape Town Security Agreement and that the international interests constituted by this Cape Town Security Agreement be registered against the Charged Assets (where applicable) in accordance with the Cape Town Convention.

NOW IT IS AGREED as follows:

1 Definitions and Interpretation

1.1 Facility Agreement Definitions

Words and expressions defined in the Facility Agreement shall, unless otherwise defined herein or unless the context otherwise requires, have the same meanings when used in this Cape Town Security Agreement (including the background paragraphs above).

1.2 Other Definitions

In this Cape Town Security Agreement, unless the context otherwise requires:

Cape Town Convention means, together, the Convention and the Protocol.

Charged Asset means each Qualifying Asset listed in the Schedule to this Cape Town Security Agreement as amended from time to time pursuant to a CTSA Accession or CTSA Release.

together with all Parts from time to time belonging to, installed in or appurtenant to the relevant Qualifying Asset but excluding Parts which are permanently removed from any Qualifying Asset other than any Parts which are so removed but are not replaced or substituted in accordance with the Facility Agreement.

Convention means the Convention on International Interests in Mobile Equipment opened for signature on 16 November 2001 at Cape Town, South Africa.

CTSA Accession means the side letter entered into between the Borrower, any Security Party (if applicable) and the Security Agent in substantially the form set out in Schedule 2.

CTSA Release means the deed of release entered into by the Security Agent in substantially the form set out in Schedule 3.

Enforcement Event means the service of the notice described in clause 23.14 (*Acceleration*) of the Facility Agreement by the Agent upon the Borrower.

International Interests means the international interests over the Charged Assets granted by the Borrower under clause 3.1.

Proceeds means all proceeds arising from or in connection with any sale, transfer or other disposal of any Charged Asset or any interest therein from time to time, in whatever form they may be, including, without limitation, (a) all amounts from time to time standing to the credit of any account into which such proceeds may be paid and (b) any substitute asset or product of such proceeds.

Protocol means the Protocol to the Convention on Matters Specific to Aircraft Equipment opened for signature on 16 November 2001 at Cape Town, South Africa.

Security Interests means each of the International Interests.

Secured Obligations means the moneys, liabilities and obligations which the Borrower covenants in clause 2 to pay, discharge and perform and any reference to the Secured Obligations includes a reference to any of them.

Security Period means the period commencing on the date of this Security Agreement and terminating upon the absolute, irrevocable and unconditional payment in full of the Secured Obligations and the discharge of all other obligations owed by the Borrower under the Finance Documents.

1.3 Cape Town Convention Definitions

In this Security Agreement the following expressions have the meanings given to them in the Cape Town Convention:

- aircraft engines
- aircraft object
- associated rights
- creditor
- international interest
- international registry
- prospective international interest
- security agreement
- security interest

1.4 Headings

Clause headings and the table of contents are inserted for convenience of reference only, have no legal effect and shall be ignored in the interpretation of this Security Agreement.

1.5 Interpretation

In this Security Agreement, unless a contrary indication appears:

- (a) references to clauses are to be construed as references to the clauses of this Security Agreement;
- (b) references to (or to any specified provision of) this Security Agreement or any other document shall include this Security Agreement, that document or the relevant provision as it may from time to time be amended but so that the above is without prejudice to any requirement in any Finance Document that the prior consent of any party be obtained;
- (c) a reference to an "amendment" includes a supplement, novation, restatement or re-enactment and "amended" will be construed accordingly;
- (d) words importing the plural shall include the singular and vice versa, and words importing a gender include every gender;

- (e) references to a person shall be construed as including references to an individual, firm, company, corporation, unincorporated association or body of persons and any Government Entity, whether or not having separate legal personality and references to any Party shall be construed so as to include the successors, permitted assignees and permitted transferees of the relevant Party;
- (f) a reference to any provision of law is a reference to such provision as applied, amended, extended or re-enacted and includes any subordinate legislation;
- (g) a reference to an "approval" shall be construed as a reference to any approval, consent, authorisation, exemption, permit, licence, registration, filing or enrolment by or with any competent authority; and
- (h) a reference to "including" shall be construed as a reference to "including without limitation", so that any list of items or matters appearing after the word "including" shall be deemed not to be an exhaustive list, but shall be deemed rather to be a representative list, of those items or matters forming a part of the category described prior to the word "including".

1.6 Third Party Rights

Unless expressly provided to the contrary in this Security Agreement and without prejudice to the interests of the Finance Parties in the Charged Assets, no person other than the Borrower and the Security Agent has any right under the Third Parties Act to enforce or to enjoy the benefit of any term of this Security Agreement.

1.7 Contractual recognition of bail-in

The provisions of Clause 39 (*Contractual recognition of bail-in*) in the Facility Agreement apply to this Cape Town Security Agreement as if set out in it but with all necessary changes and as if references to Finance Documents referred to this Cape Town Security Agreement.

2 Covenant to Pay, Discharge and Perform Secured Obligations

The Borrower covenants with the Security Agent that it shall pay, discharge and perform all moneys, liabilities and obligations whatsoever which are now, or at any time hereafter may be, due, owing, payable or outstanding by the Borrower in any currency, actually or contingently, solely and/or jointly and/or severally with another or others, as principal or surety on any account whatsoever under or pursuant to this Security Agreement, the Facility Agreement or any other Finance Document or as a consequence of any breach, non-performance, disclaimer or repudiation by it of any of its obligations under or pursuant to this Security Agreement, the Facility Agreement or any other Finance Document.

3 Security Interests

- 3.1 By way of security for the payment of the Secured Obligations, the Borrower and each Security Party hereby grant and constitute an international interest in respect of all their rights, title and interest present and future in each of the Charged Assets, in favour of the Security Agent.
- 3.2 The International Interests shall take effect on the date of this Security Agreement.
- 3.3 Each Charged Asset shall be subject to the Security Interests and accordingly:
- (a) any Part installed on a Charged Asset shall be subject to the Security Interests unless it is a Part which is removed from that Charged Asset and to which clause 3(b) applies;
 - (b) any Part which is removed from a Charged Asset shall remain subject to the Security Interests until it has been replaced or substituted in accordance with the Facility Agreement.
- 3.4 The Security Agent shall, at the cost (if any) of the Borrower and subject as provided in clause 3.5, release each Charged Asset from the Security Interests on the earliest to occur of:
- (a) the date on which the Borrower and any applicable Security Party have satisfied the conditions set out in Clause 4.5(b) (*Conditions relating to the Charged Property*) of the Facility Agreement in respect of the substitution or removal of a Charged Asset from the pool of Charged Assets;
 - (b) the date on which the Borrower and any applicable Security Party have satisfied the conditions set out in Clause 4.5(d) of the Facility Agreement in respect of the transfer of title to a Charged Asset; and
 - (c) the expiry of the Security Period.
- by executing a CTSA Release in respect of such Charged Asset and discharging from the International Registry any international interest registered in respect of such Charged Asset(s).
- 3.5 The obligation of the Security Agent under clause 3.4 to release each Charged Asset from the Security Interests is subject to the condition that, immediately prior to such release, the Security Agent (acting reasonably) is satisfied that no payment previously made by the Borrower to any Finance Party pursuant to the Finance Documents will be ordered to be refunded pursuant to any Applicable Law relating to bankruptcy, liquidation, administration or insolvency.
- 3.6 All Proceeds and other moneys received by the Security Agent by virtue of its exercise of its powers under this Security Agreement shall be applied, after the discharge of the remuneration and expenses of the Security Agent and all liabilities having priority to the Secured Obligations.

in accordance with the provisions of clause 29.7 (*Application of Collateral Proceeds and Total Loss Proceeds*) of the Facility Agreement.

4 Cape Town Convention

4.1 The Borrower (on behalf of itself and each Security Party) and the Security Agent agree that

- (a) the Charged Assets are aircraft objects;**
- (b) the International Interests are security interests and international interests; and**
- (c) this Security Agreement is a security agreement;**
- (d) the international interests (or prospective international interests) of the Security Agent as creditor in respect of each of the Charged Assets under this Security Agreement shall on or prior to the date of this Security Agreement be registered under the Cape Town Convention in respect of each of the Charged Assets and as a first priority international interest;**
- (e) the international interest of the Security Agent as creditor under this Security Agreement in respect of each Charged Asset added to the pool of Charged Assets (whether by way of addition, in substitution for an existing Charged Asset or title transfer) in accordance with clause 4.5 (*Conditions relating to the Charged Property*) of the Facility Agreement shall on the date of the CTSA Accession be registered under the Cape Town Convention in respect of each such Charged Asset and as a first priority international interest;**
- (f) the international interest of the Security Agent as creditor under this Security Agreement in respect of Charged Assets removed from the pool of Charged Assets (whether by way of removal, in substitution for an incoming Charged Asset or by title transfer) in accordance with clause 4.5 (*Conditions relating to the Charged Property*) of the Facility Agreement shall on the date of the CTSA Release be discharged from the International Registry in respect of each such Charged Asset;**
- (g) each of the events which constitutes an Event of Default are events that constitute a default or otherwise give rise to the rights and remedies specified in Articles 8 to 10 of the Convention and Articles IX and X of the Protocol, and the Borrower and the Security Agent agree that the rights and remedies specified in the said Articles and in clause 5 (*Enforcement Event*) shall be available to the Security Agent.**

4.2 The Borrower shall cooperate with the Security Agent with respect to effecting registration pursuant to the Cape Town Convention of any agreement related to the ranking of priority

between the various international interests and/or the interests of the Borrower, the Security Agent and any other party.

4.3 If any of the Qualifying Aircraft or Qualifying Engines are added to the pool of Charged Assets (whether by addition or in substitution for an existing Charged Asset) or title to any Charged Asset is transferred between Security Parties (including the Borrower) in accordance with clause 4.5 (*Conditions relating to the Charged Property*) of the Facility Agreement then the Borrower and the Security Agent (at the cost of the Borrower) shall, on or prior to such addition, take such steps as shall be available to them and as are necessary:

- (a) to constitute in favour of the Security Agent as a creditor an international interest such Qualifying Aircraft or Qualifying Engine, to complete and deliver to the Security Agent the CTSA Accession and to subject such additional or substitute Qualifying Aircraft or Qualifying Engine to the Charged Assets;
- (b) to register, or in the case of the Borrower or any relevant Security Party consent to the registration of, such international interest in accordance with the Cape Town Convention, and
- (c) following completion of the steps in clauses 4.3(a) and 4.3(b), to remove the registrations made under clause 4.1(d) of this Security Agreement against any Charged Asset that is being removed (including by way of substitution) or in respect of which a different Security Party becomes the debtor under an international interest following the transfer of title to such Charged Asset.

5 Enforcement Event

If an Enforcement Event occurs, the Security Agent shall become entitled, as and when it may see fit and without further notice, to exercise in relation to the Charged Assets all or any of the rights, powers and remedies conferred upon the Security Agent by virtue of this Security Agreement or by the Cape Town Convention or by any other Applicable Law, and in particular (but without limiting the generality of the foregoing) to exercise all the rights and remedies specified in Articles 8 to 10 of the Convention and Articles IX and X of the Protocol, subject to the terms and conditions of the Facility Agreement.

6 Further Assurance and Authority

6.1 The Borrower further undertakes (at its cost) that at any time and from time to time upon the request of the Security Agent it will, or will procure that any Security Party will, execute, perfect, do, and (if required) register every such further assurance, document, act or thing which the Security Agent may reasonably specify with a view to:

- (a) perfecting or giving effect to or ensuring the priority of any Security created or intended to be created by this Security Agreement; or
- (b) facilitating the exercise, or the proposed exercise, of any of the Security Agent's powers under this Security Agreement.

6.2 Following the occurrence of an Enforcement Event which is continuing, the Borrower irrevocably authorises the Security Agent in its name, or the name of any Security Party, and on such party's behalf:

- (a) to execute and complete all such documents which the Security Agent may require for perfecting the title of the Security Agent to the Charged Assets or for vesting the same in the Security Agent, its nominee or any purchaser;
- (b) to execute and complete any document referred to in clause 6.1; and
- (c) generally to execute and complete all documents and to do all acts and things which may be required for the full exercise of any of the powers conferred on the Security Agent under this Security Agreement or which may be deemed expedient by the Security Agent in connection with any disposition, realisation or getting in by the Security Agent of a Charged Asset or any part thereof or in connection with any other exercise of any power under this Security Agreement

6.3 Notwithstanding the provisions of clause 27.2 (*No responsibility to perfect Transaction Security*) of the Facility Agreement, where any international interest (or prospective international interest) is to be registered or discharged in accordance with or as required by this Security Agreement, it is agreed that neither the Borrower nor any Security Party shall be responsible for making any registration under the Cape Town Convention provided that the Borrower or applicable Security Party shall be obliged to consent to any such registration or discharge, as applicable.

7 Security

7.1 This Security Agreement and the security created hereby shall be held by the Security Agent as a continuing security for the payment, discharge and performance of the Secured Obligations, and the securities, covenants and provisions contained in this Security Agreement shall remain in force as continuing securities to the Security Agent notwithstanding any settlement of account or any intermediate payment or satisfaction of any part of the Secured Obligations or any other act, event or matter whatsoever, except only the execution by the Security Agent of an absolute and unconditional release of the security created by this Security Agreement.

7.2 The security created by this Security Agreement, and the powers and remedies of the Security Agent under this Security Agreement, shall be in addition to, and shall not in any way be

prejudiced or affected by, any collateral or other security or powers or remedies now or hereafter held by the Security Agent for all or any part of the Secured Obligations.

- 7.3 No delay or omission of the Security Agent in the exercise of any right or power vested in it hereunder shall impair such right or power or be construed as a waiver of or an acquiescence in any default by the Borrower.

8 Liability

Without prejudice to the Security Agent's duties at law, the Security Agent shall not be liable for any Losses arising in connection with the exercise of any of its rights, powers and discretions in good faith hereunder and, in particular (without limitation) the Security Agent in possession shall not be liable to account as Security Agent in possession or for anything except actual receipts.

9 Counterparts

This Security Agreement may be executed in counterparts.

10 Governing Law

This Security Agreement and any non-contractual obligations connected with it are governed by, and shall be construed in accordance with, English law.

11 Facility Agreement

The provisions of each of clauses 1.6 (*Finance Documents*), 1.7 (*Conflict of Documents*), 31 (*Notices*), 33 (*Partial Invalidity*), 34 (*Remedies and waivers*) and 41 (*Enforcement*) of the Facility Agreement apply to this Security Agreement as if references to "this Agreement" in those clauses included a reference to this Security Agreement.

This Security Agreement has been executed on the date stated at the beginning of this Security Agreement.

Schedule 1
Charged Assets

Qualifying Aircraft / Qualifying Engine	MSN / ESN	Manufacturer
787-9	37975	The Boeing Company Inc.
787-9	37981	The Boeing Company Inc.
Trent 1000	10277	Rolls-Royce plc
Trent 1000	10368	Rolls-Royce plc
Trent 1000	10369	Rolls-Royce plc
Trent 1000	10398	Rolls-Royce plc
Trent 1000	11070	Rolls-Royce plc
Trent 1000	11076	Rolls-Royce plc
Trent 700	41870	Rolls-Royce plc
Trent 700	42018	Rolls-Royce plc
Trent 700	42393	Rolls-Royce plc

Schedule 2

Form of CTSA Accession

SIDE LETTER TO THE CAPE TOWN SECURITY AGREEMENT with respect to certain aircraft and aircraft engines

_____ 201[●]

Between:

- (1) **VIRGIN ATLANTIC AIRWAYS LIMITED**, a company incorporated and existing under the laws of England whose registered office is at The VHQ, Fleming Way, Crawley, West Sussex RH10 9DF (the Borrower);
- (2) **[●]**, a company incorporated and existing under the laws of [●] whose registered office is at [●] (the Security Party)]¹ and
- (3) **LLOYDS BANK PLC**, a company incorporated and existing under the laws of England whose registered office is at 25 Gresham Street, London EC2V 7HN (the Security Agent which expression shall include its successors and assigns).

Dear Sirs,

- (A) Virgin Atlantic Airways Limited (the Borrower) and the Security Agent entered into a Cape Town Security Agreement dated [●] (the Cape Town Security Agreement) in respect of certain aircraft and aircraft engines (the Initial Charged Assets) described in Schedule 1 thereto, [as amended by the CTSA Accession(s) to the Cape Town Security Agreement dated [●]] [and/or the CTSA Release(s) in respect of the Cape Town Security Agreement dated [●]] by which the Borrower granted an international interest in respect of all its rights, title and interest, present and future in each of the Initial Charged Assets, in favour of the Security Agent.
- (B) The Borrower [, Security Party] and Security Agent have agreed to amend the Schedule to the Cape Town Security Agreement in order to include the [additional] / [substituted] [aircraft] / [aircraft engine(s)] described in the Schedule 1 to this Side Letter (the Replacement Charged Assets).

Now it is agreed as follows

¹ Note: To be executed by Security Party if the Replacement Charged Asset is not owned by VS

1 Definitions and Interpretation

1.1 Definitions

Words and expressions defined in the Cape Town Security Agreement shall, unless otherwise defined herein or unless the context otherwise requires, have the same meanings when used in this Side Letter.

1.2 Third Party Rights

Unless expressly provided to the contrary in this Side Letter and without prejudice to the interests of the Finance Parties in the Replacement Charged Assets, no person other than the Borrower, any Security Party and the Security Agent has any right under the Third Parties Act to enforce or to enjoy the benefit of any term of this Side Letter.

2 Amendment of Schedule and creation of International Interests

- 2.1 [The Security Party agrees to assume all rights, duties and liabilities and agrees to perform all obligations, duties and liabilities of the Borrower under the Cape Town Security Agreement (as amended and novated hereby) in each case arising from the date of this Side Letter and to the extent that they relate to the Replacement Charged Assets.
- 2.2 The Borrower and the Security Agent hereby accept the assumption by the Security Party of the rights, duties, obligations and liabilities of the Borrower under the Cape Town Security Agreement to the extent that they relate to the Replacement Charged Assets.
- 2.3 Each of the Borrower and the Security Agent agrees to perform its respective obligations, duties and liabilities under the Cape Town Security Agreement in favour of the Security Party, in each case, to the extent that they relate to the Replacement Charged Assets.]²
- 2.4 The Borrower, [the Security Party] and the Security Agent agree that Schedule 2 to this Side Letter shall replace Schedule 1 to the Cape Town Security Agreement and the Cape Town Security Agreement is hereby amended accordingly.
- 2.5 By way of security for the payment of the Secured Obligations, [the Borrower] / [the Security Party] hereby grants an International Interest in relation to each of the Replacement Charged Assets in favour of the Security Agent.
- 2.6 The International Interests granted in relation to the Replacement Charged Assets shall take effect on the date of this Side Letter.

² Note To be included where the Replacement Charged Assets are not owned by VS

3 Counterparts

This Side Letter may be executed in counterparts.

4 Governing Law

This Side Letter and any non-contractual obligations connected with it are governed by, and shall be construed in accordance with, English law.

This Side Letter has been executed on the date stated at the beginning of this document.

Schedule 1

Replacement Charged Assets

Schedule 2

Replacement Schedule 1 to the Cape Town Security Agreement

**CTSA ACCESSION
EXECUTION PAGE**

SIGNED by)
Name) **Signature**
Title:)
duly authorised for and on behalf of)
VIRGIN ATLANTIC AIRWAYS)
LIMITED)

[SIGNED by)
Name) **Signature**
Title:)
duly authorised for and on behalf of)
[SECURITY PARTY])]

SIGNED by)
Name:) **Signature.**
Title:)
duly authorised for and on behalf of)
LLOYDS BANK PLC)

Schedule 3

Form CTSA Release

CAPE TOWN SECURITY AGREEMENT DEED OF RELEASE

_____ 201[●]

Between:

- (1) **VIRGIN ATLANTIC AIRWAYS LIMITED**, a company incorporated and existing under the laws of England whose registered office is at The VHQ, Fleming Way, Crawley, West Sussex RH10 9DF (the Borrower).
- (2) **[●]**, a company incorporated and existing under the laws of [●] whose registered office is at [●] (the Security Party))³ and
- (3) **LLOYDS BANK PLC**, a company incorporated and existing under the laws of England whose registered office is at 25 Gresham Street, London EC2V 7HN (the Security Agent which expression shall include its successors and assigns).

Dear Sirs,

- (A) Virgin Atlantic Airways Limited (the Borrower) and the Security Agent entered into a Cape Town Security Agreement dated [●] (the Cape Town Security Agreement) in respect of certain aircraft and aircraft engines (the Initial Charged Assets) described in Schedule 1 thereto, [as amended by the CTSA Accession(s) to the Cape Town Security Agreement dated [●]] by which [the Borrower] / [the Security Party] acceded to the Cape Town Security Agreement and] [and/or the CTSA Release(s) in respect of the Cape Town Security Agreement dated [●]], granted an international interest in respect of all its rights, title and interest, present and future in each of the Charged Assets, in favour of the Security Agent.
- (B) the Security Agent wishes to release the security and other undertakings, covenants and agreements given to it under the Cape Town Security Agreement in respect of the Charged Asset[s] set out in Schedule 1 to this Deed (the "Released Charged Assets").

³ Note: To be executed by Security Party if the Charged Asset to be released is not owned by VS

Now It is agreed as follows:

1 Definitions and Interpretation

1.1 Definitions

Words and expressions defined in the Cape Town Security Agreement shall, unless otherwise defined herein or unless the context otherwise requires, have the same meanings when used in this Deed.

1.2 Third Party Rights

Unless expressly provided to the contrary in this Side Letter, no person other than the Borrower, any Security Party and the Security Agent has any right under the Third Parties Act to enforce or to enjoy the benefit of any term of this Side Letter.

2 Release

1 The Security Agent:

- (a) releases all security granted by [the Borrower] / [the Security Party] to it under the Cape Town Security Agreement in respect of the Released Charged Assets;
- (b) releases the [the Borrower] / [the Security Party] from all undertakings, covenants and agreements given by [the Borrower] / [the Security Party] to the Security Agent under Cape Town Security Agreement to the extent they relate to the Released Charged Assets; and
- (c) at the cost and expense of [the Borrower] / [the Security Party], will do such further acts and things and execute all such further documents as may, in each case, be reasonable and necessary to give effect to the releases and discharges contained in this Deed, including (without limitation) discharging from the International Registry any international interests registered in respect of such Released Charged Assets.

2 The Borrower, [the Security Party] and the Security Agent agree that Schedule 2 to this Deed shall replace Schedule 1 to the Cape Town Security Agreement and the Cape Town Security Agreement is hereby amended accordingly.

3 This Deed and any non-contractual obligations connected with it are governed by English law and each of the Parties hereby submits to the jurisdiction of the English courts to settle any disputes arising in connection with the legal relationships established by this Deed or otherwise arising in connection with this Deed.

This Deed has been executed as a deed by the Security Agent, and it has been delivered on the date stated at the beginning of this Deed by the Security Agent, and has been signed by the Borrower [and the Security Party(ies)] or their authorised representatives.

Schedule 1

Released Charged Assets

Schedule 2

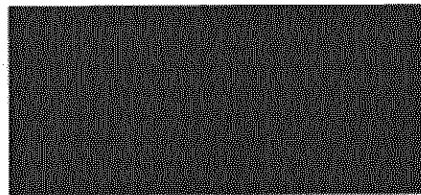
Replacement Schedule 1 to the Cape Town Security Agreement

CAPE TOWN SECURITY AGREEMENT

with respect to certain
aircraft and aircraft engines
EXECUTION PAGE

The Borrower

Signed for and on behalf of)
VIRGIN ATLANTIC AIRWAYS LIMITED)



The Security Agent

Signed for and on behalf of)
LLOYDS BANK PLC)

.....
By:

CAPE TOWN SECURITY AGREEMENT

with respect to certain
aircraft and aircraft engines

EXECUTION PAGE

The Borrower

Signed for and on behalf of)
VIRGIN ATLANTIC AIRWAYS LIMITED)

.....
By:

The Security Agent

Signed for and on behalf of)
LLOYDS BANK PLC)

