



Registration of a Charge

Company Name: **VIRGIN ATLANTIC AIRWAYS LIMITED**

Company Number: **01600117**



Received for filing in Electronic Format on the: **11/07/2023**

XC7KB4YO

Details of Charge

Date of creation: **10/07/2023**

Charge code: **0160 0117 0216**

Persons entitled: **PK AIRFINANCE S.À R.L. WITH ITS REGISTERED OFFICE AT 3RD FLOOR,
LE DOME, 2 AVENUE CHARLES DE GAULLE, L-1653 LUXEMBOURG**

Brief description:

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: **JOSEPH DEFRIES**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 1600117

Charge code: 0160 0117 0216

The Registrar of Companies for England and Wales hereby certifies that a charge dated 10th July 2023 and created by VIRGIN ATLANTIC AIRWAYS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 11th July 2023 .

Given at Companies House, Cardiff on 12th July 2023

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

DATED 10 July 2023

VIRGIN ATLANTIC AIRWAYS LIMITED
AS ASSIGNOR

IN FAVOUR OF

PK AIRFINANCE S.À R.L.
AS SECURITY TRUSTEE

SECURITY ASSIGNMENT
IN RESPECT OF ONE (1) ROLLS-ROYCE TRENT
7000 ENGINE, MANUFACTURER'S SERIAL
NUMBER 75313

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THIS SECURITY ASSIGNMENT is made by way of deed on 10 July 2023:

BY:

- (1) **VIRGIN ATLANTIC AIRWAYS LIMITED**, a company incorporated and existing under the laws of England (Company No. 01600117) with its registered office at Company Secretariat - The Vhq, Fleming Way, Crawley, West Sussex, United Kingdom, RH10 9DF (the "**Assignor**"); in favour of
- (2) **PK AIRFINANCE S.À R.L.** as security trustee for each of the Secured Parties on the terms and conditions set out in the Proceeds Agreement (the "**Security Trustee**" which expression shall include any person for the time being appointed as security trustee or as an additional security trustee for the purpose of and in accordance with the Proceeds Agreement).

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Terms defined

In this Security Assignment:

"Administration Event" means:

- (a) the presentation of an application to the court for the making of an administration order in relation to the Assignor; or
- (b) the giving of written notice by any person (who is entitled to do so) of its intention to appoint an administrator of the Assignor or the filing of such a notice with the court.

"Assignable Warranty Property" means the Warranty Property, other than any part of the Warranty Property that under the terms of the relevant warranties the Assignor is prohibited from assigning pursuant to Clause 3.1 (*Assignment*).

"Assigned Insurances" means any and all contracts or policies of insurance and/or reinsurance (excluding any and all contracts or policies of public or third party liability insurance and/or reinsurance) maintained in relation to the Engine in accordance with the Transaction Documents.

"Assignment of Insurances" means any and all documents, agreements or instruments (howsoever described) that may from time to time be entered into between the Assignor and a Permitted Lessee or any Insurer, that create Security in favour of the Assignor in relation to any right, title or interest, present or future, of the Permitted Lessee or such Insurer, as the case may be, in:

- (a) the proceeds of any Assigned Insurances; and/or
- (b) in the case of any Permitted Lessee, any document, agreement or instrument (howsoever described) that creates Security in favour of such Permitted Lessee over the proceeds of any Assigned Insurances,

together, in each case, with all notices and acknowledgements given, or to be given, thereunder.

"Assigned Property" means:

- (c) any Assignable Warranty Property;
- (d) any Insurances Property; and
- (e) any Requisition Proceeds Property.

"Collateral Rights" means all rights, powers and remedies of the Security Trustee provided by or pursuant to this Security Assignment or by law.

"Engine" means:

- (a) one (1) Rolls-Royce Trent 7000 engine bearing manufacturer's serial number 75313; and
- (b) any Engine Documents and Records and all Parts incorporated or installed in or attached to the engine described in (a) on the Delivery Date or incorporated or installed in or attached to the engine described in (a) at any time subsequent to the Delivery Date or, so long as title thereto shall remain vested in the Borrower, after removal from the engine described in (a).

"Engine Warranties Agreement" means an engine warranties agreement entered into on or about the date hereof in respect of the Engine by, amongst others, the Engine Manufacturer, the Assignor and the Security Trustee, or such other form of engine warranties agreement as the Security Trustee may agree to, in its sole discretion.

"Insurances Property" means all of the right, title and interest, present and future, of the Assignor in, to and under:

- (a) any Assignment of Insurances (including, without limitation, the right to compel performance by the counterparty to such Assignment of Insurances of its obligations thereunder and all claims for damages in respect of any breach by the counterparty of such Assignment of Insurances of its obligations thereunder); and
- (b) any proceeds of the Assigned Insurances, including any right, title and interest that the Assignor may have under the Assigned Insurances pursuant to any Assignment of Insurances.

"Insurer" means any insurer (or reinsurer) in respect of any of the Assigned Insurances.

"Proceeds Agreement" means the proceeds agreement dated 30 June 2023 between, inter alios, the Assignor and the Security Trustee in respect of the Engine as amended, extended, varied, novated, supplemented, replaced or restated from time to time.

"Receiver" means a receiver, receiver and manager or, where permitted by law, an administrative receiver (as the Security Trustee may specify at any time in any relevant

appointment) and that term will include any appointee made under a joint or several appointment.

"Related Rights" means:

- (a) all rights, powers, benefits, claims, causes of action, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of or derived from any of the Assigned Property; and
- (b) any monies and proceeds paid or payable in respect of any of the Assigned Property.

"Requisition Proceeds" means any monies or other compensation receivable by Assignor from any Governmental Agency in relation to the Engine, in the event of its requisition for title, confiscation, restraint, detention, forfeiture or compulsory acquisition or seizure or requisition for hire by or under the order of any such Governmental Agency.

"Requisition Proceeds Property" means all the Assignor's right, title and interest, present and future in and to any Requisition Proceeds in respect of the Engine.

"Warranty Property" means all of the right, title and interest, present and future, of the Assignor in, to and under all warranties relating to the Engine (or part thereof) that are in existence from time to time, including any warranties or undertakings in respect of any maintenance performed on the Engine (or part thereof).

1.2 Terms defined in the Proceeds Agreement

Unless defined in this Security Assignment, or the context otherwise requires, a term defined in paragraph 1.1 (*Definitions*) of schedule 2 (*Master Definitions Schedule*) of the Proceeds Agreement has the same meaning in this Security Assignment, or any notice given under or in connection with this Security Assignment.

1.3 Construction

The rules of construction and interpretation set out in paragraph 1.2 (*Construction*) of schedule 2 (*Master Definitions Schedule*) of the Proceeds Agreement will apply to this Security Assignment, and to any notice given under or in connection with this Security Assignment.

1.4 Application of provisions in Facility Agreement

Clauses 1.2 (*Third party rights*), 17 (*Costs and expenses*), 29 (*Notices*), 30 (*Calculations and Certificates*), 31 (*Partial invalidity*), 32 (*Remedies and Waivers*) and 33 (*Amendments and Waivers*) of the Facility Agreement are deemed to form part of this Security Assignment as if expressly incorporated into it and as if all references in those clauses to the Facility Agreement were references to this Security Assignment.

1.5 Present and future property

- (a) A reference in this Security Assignment to any Assigned Property includes, unless the contrary intention appears, any and all present and future Assigned Property.
- (b) The absence of or incomplete details of any Assigned Property shall not affect the validity or enforceability of any Security created or intended to be created in respect of the Assigned Property by or pursuant to this Security Assignment.

1.6 Clawback

Notwithstanding Clause 17 (*Release of Security*), if the Security Trustee considers that any amount paid or credited to any Finance Party is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws, the liability of the Assignor under this Security Assignment and the other Transaction Documents and the Security constituted by this Security Assignment will continue and such amount will not be considered to have been irrevocably discharged.

1.7 Separate Security

Clause 3 (*Assignment*) shall be construed as creating a separate and distinct assignment over each part of the Assigned Property and the failure to create an effective assignment (whether arising out of this Security Assignment or any act or omission by any party) over any part of the Assigned Property shall not affect the nature or validity of the assignment imposed on any other part of the Assigned Property.

1.8 Security Trustee assumes no obligations

The Security Trustee shall not be under any obligation in relation to the Assigned Property as a consequence of this Security Assignment and the Assignor shall at all times remain liable to perform all obligations in respect of the Assigned Property.

2. COVENANT TO PAY

The Assignor covenants with the Security Trustee to pay, discharge and satisfy the Secured Obligations in full in accordance with their respective terms and to indemnify each of the Finance Parties against any Losses arising from any breach or failure to pay, discharge and satisfy any of the Secured Obligations in accordance with their respective terms.

3. ASSIGNMENT AND CHARGE

3.1 Assignment

The Assignor assigns and agrees to assign absolutely to the Security Trustee with full title guarantee, all of its rights, claim, title and interest from time to time in and to the Assigned Property and all Related Rights as continuing Security for the payment and discharge in full of the Secured Obligations.

3.2 Fixed Charges

To the extent that the Assigned Property is not capable of assignment pursuant to Clause 3.1 (*Assignment*) (and notwithstanding the provisions of Clause 3.1 (*Assignment*)), the Borrower charges with full title guarantee in favour of the Security Trustee (as security trustee for the Secured Parties) (to the extent not validly and effectively assigned pursuant to Clause 3.1 (*Assignment*)) as security for the payment and discharge of the Secured Obligations, by way of first fixed charge, all of its right, title and interest, present and future, in and to the Assigned Property.

4. PROVISIONS AS TO SECURITY AND PERFECTION

4.1 Negative pledge and restriction on dealings

The Assignor will not at any time during the Security Period create or permit to subsist any Security (other than any Security created in favour of the Security Trustee under or pursuant to the Security Documents or any other Permitted Security Interests) over all or any part of the Assigned Property or otherwise assign, transfer or dispose of (or authorise any assignment, transfer or disposition of) any part of the Assigned Property.

4.2 Implied covenants for title

- (a) The covenants set out in sections 3(1), 3(2) and 6(2) of the Law of Property (Miscellaneous Provisions) Act 1994 will not extend to Clause 3 (*Assignment*).
- (b) It shall be implied in respect of Clause 3 (*Assignment*) that the Assignor is disposing of the Assigned Property free from all Security, other than any Permitted Security Interests.

4.3 Notice of Security: Warranty Property

- (a) On or before the later of the date of this Security Assignment and the Utilisation Date, the Assignor will procure that in respect of the Engine, the Security Trustee has received each executed counterpart of an Engine Warranties Agreement in respect of the Warranty Property for the Engine which is still in full force and effect as at such date.
- (b) Further, if at any time the Assignor is or becomes aware that it holds the right, title, benefit or interest in or to any further Warranty Property beyond that described in Clause 4.3(a), then the Assignor will promptly notify the Security Trustee and, at the request of the Security Trustee:
 - (i) Will obtain any consents necessary to allow such Warranty Property to be assigned and to remove any restrictions on assignment that would prohibit such Warranty Property from being assigned, in each case to the Security Trustee pursuant to Clause 3.1 (*Assignment*); and
 - (ii) to the extent such Warranty Property constitutes Assignable Warranty Property (including as a result of any consent to assignment having been obtained or any restriction on assignment having been removed pursuant to Clause 4.3(b)(i)), will execute and deliver a notice of assignment and charge in respect of such Assignable Warranty Property to the relevant

manufacturer or service performer against which a claim under such Assignable Warranty Property may be made and will procure that the relevant manufacturer or service performer executes an acknowledgement to such notice, in each case in a form and substance that is satisfactory to the Security Trustee.

4.4 Notice of Security: Insurances Property

(a) On or before the later of the date of this Security Assignment and the Utilisation Date, the Assignor will execute and deliver a notice of assignment and charge substantially in the form set out in Schedule 1 (*Notice of Assignment and Charge of Assignment of Insurances*), or in such other form as the Security Trustee may agree to in its sole discretion, to each broker through whom the Assigned Insurances are placed as at such date (on behalf of the relevant interested underwriters), with a copy of such notice also delivered to the counterparty to each Assignment of Insurances that is in full force and effect as at such date, and shall provide evidence to the Security Trustee that such notice has been served on the relevant person(s).

(b) If:

(i) the broker through whom any Assigned Insurances are placed should at any time change; or

(ii) the Assignor enters into any Assignment of Insurances,

in each case after the date on which notice is given by the Assignor in accordance with Clause 4.4(a), then on such date, the Assignor will execute and deliver a further notice of assignment and charge substantially in the form set out in Schedule 1 (*Notice of Assignment and Charge of Assignment of Insurances*) or in such other form as the Security Trustee may agree to in its sole discretion, to each broker through whom such Assigned Insurances are placed as at such date (on behalf of the relevant interested underwriters) and will (solely in the circumstances described in Clause 4.4(b)(ii)) also deliver a copy of such notice to the counterparty to such Assignment of Insurances, and shall provide evidence to the Security Trustee that each such notice has been served on the relevant person(s).

4.5 Notice of Security: Requisition Proceeds Property

If the Assignor becomes aware of any requisition for title, confiscation, restraint, detention, forfeiture or compulsory acquisition or seizure or requisition for hire by or under the order of any Governmental Agency in relation to the Engine, it will execute and deliver to such Governmental Agency a notice of assignment and charge in the form set out in Schedule 2 (*Notice of Assignment and Charge of Requisition Proceeds*) in respect of any Requisition Proceeds that are payable by such Governmental Agency in connection with the same and will use reasonable efforts to procure that such Governmental Agency executes an acknowledgement in the form set out in Schedule 3 (*Acknowledgement of Assignment and Charge of Requisition Proceeds*), or in each case in such other form as the Security Trustee may agree to in its sole discretion.

4.6 Turnover

If, in breach of any payment instructions given under any notice of assignment and charge given pursuant to any of Clauses 4.4 (*Notice of Security: Insurances Property*) to 4.5 (*Notice of Security: Requisition Proceeds Property*), the Assignor receives any payment under or in respect of the Assigned Property, it shall hold that payment on trust for the Finance Parties and shall promptly pay or transfer the same to the Security Trustee or as the Security Trustee may direct.

5. FURTHER ASSURANCE

- (a) The covenant set out in Section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to include the obligations set out in Clause 5(b).
- (b) The Assignor shall promptly, at its own cost, take all such acts (including making all filings, registrations and notarisations) and execute all such documents (including assignments, transfers, mortgages, charges, notarisations, registrations, notices and instructions) as the Security Trustee may specify (and in such form as the Security Trustee may require) in favour of the Security Trustee or its nominee(s):
 - (i) to create, perfect, protect and/or maintain the Security created or intended to be created over or in respect of the Assigned Property (which may include the execution by the Assignor of a mortgage, charge or assignment over all or any of the assets constituting, or intended to constitute, the Assigned Property) or for the exercise of the Collateral Rights;
 - (ii) to confer on the Security Trustee Security over any asset or undertaking constituting or intended to constitute a part of the Assigned Property and that is located or situated, or deemed to be located or situated, in any jurisdiction outside England and Wales that is equivalent or similar to the Security intended to be conferred on it by or pursuant to this Security Assignment; and/or
 - (iii) upon or at any time after the Security created by or pursuant to this Security Assignment has become enforceable in accordance with Clause 6.1 (*Enforcement*) to facilitate enforcement against and/or the realisation of the Assigned Property.

6. ENFORCEMENT OF SECURITY

6.1 Enforcement

Upon or at any time after the occurrence of an Enforcement Event the Security created by or pursuant to this Security Assignment are immediately enforceable and the Security Trustee shall be entitled, without any requirement to give notice to the Assignor or to obtain prior authorisation from any court, in its absolute discretion to:

- (a) secure and perfect its title to all or any part of the Assigned Property (including transferring the same into the name of the Security Trustee or its nominee(s)) or

otherwise exercise in relation to the Assigned Property all the rights of an absolute owner;

- (b) enforce all or any part of such Security at the times, in the manner and on the terms it thinks fit and take possession or control of and hold, deal with, realise or dispose of all or any part of the Assigned Property (and any assets of the Assignor which, when got in, would be part of the Assigned Property) at the times, in the manner and on the terms it thinks fit (including, without limitation, whether for cash or non-cash consideration);
- (c) whether or not it has appointed a Receiver, exercise all or any of the rights, powers, authorities and discretions conferred by the Law of Property Act 1925 (as varied or extended by this Security Assignment) on mortgagees and by this Security Assignment on any Receiver or otherwise conferred by law on mortgagees or Receivers; and
- (d) without limiting, and in addition to, the powers conferred upon the Security Trustee by this Security Assignment, exercise in respect of the Assigned Property or any part thereof any and all rights, powers, remedies, privileges or discretions conferred from time to time by the laws of England and Wales, any jurisdiction where the Assigned Property or any part thereof is located or situated, or deemed to be located or situated, or any other applicable jurisdiction upon mortgagees or holders of security in respect of property such as the Assigned Property or any part thereof.

6.2 Effect of moratorium

The Security Trustee shall not be entitled to exercise its rights under Clause 6.1 (*Enforcement*) where the right arises as a result of an Event of Default or an Enforcement Event occurring due to any person obtaining, or taking steps to obtain, a moratorium pursuant to Schedule A1 of the Insolvency Act 1986.

7. EXTENSION OF POWERS AND RIGHT OF APPROPRIATION

7.1 Extension of power of sale

The power of sale or other disposal conferred on the Security Trustee and on any Receiver by this Security Assignment shall operate as a variation and extension of the statutory power of sale under section 101 of the Law of Property Act 1925 and such power shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on the date of this Security Assignment.

7.2 Restrictions

The restrictions contained in Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Security Assignment or to the exercise by the Security Trustee of its right to consolidate all or any of the Security created by or pursuant to this Security Assignment with any other Security in existence at any time or to its power of sale (or to any other equivalent power), which powers may be exercised by the Security Trustee without notice to the Assignor on or at any time after the Security created by or pursuant

to this Security Assignment have become enforceable in accordance with Clause 6 (*Enforcement of Security*).

7.3 **Right of appropriation**

After the Security created by or pursuant to this Security Assignment have become enforceable in accordance with Clause 6 (*Enforcement of Security*), to the extent that the provisions of the Financial Collateral Arrangements (No. 2) Regulations 2003, as amended (the "**Regulations**") apply to all or any part of the Assigned Property, the Security Trustee shall have the right to appropriate the relevant Assigned Property in or towards the payment or discharge of the Secured Obligations and may exercise such right to appropriate upon giving written notice to the Assignor. For this purpose, the parties agree that the value of the Assigned Property so appropriated shall be the amount standing to the credit of any account (at the time the right of appropriation is exercised) which represents any sums paid to the Assignor under or pursuant to the Assigned Property. The parties further agree that the method of valuation provided for in this Security Assignment shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

7.4 **Statutory powers**

The powers conferred by this Security Assignment on the Security Trustee are in addition to and not in substitution for the powers conferred on mortgagees and mortgagees in possession under the Law of Property Act 1925, the Insolvency Act 1986 or otherwise by law (as extended by this Security Assignment) and such powers shall remain exercisable from time to time by the Security Trustee in respect of any part of the Assigned Property. In the case of any conflict between the powers contained in either the Law of Property Act 1925 or the Insolvency Act 1986 and those conferred by this Security Assignment, the terms of this Security Assignment shall prevail.

8. **APPOINTMENT OF RECEIVER**

8.1 **Appointment and removal**

Upon or at any time after the Security created by or pursuant to this Security Assignment has become enforceable in accordance with Clause 6.1 (*Enforcement*), the Security Trustee may by deed or otherwise (acting through an authorised officer of the Security Trustee), without prior notice to the Assignor or any other person:

- (a) appoint one or more persons to be a Receiver of the whole or any part of the Assigned Property; or
- (b) appoint two or more Receivers of separate parts of the Assigned Property; or
- (c) remove (so far as it is lawfully able) any Receiver so appointed;
- (d) appoint another person(s) as an additional or replacement Receiver(s); or
- (e) appoint one or more persons to be an administrator of the Assignor.

8.2 Capacity of Receivers

Each person appointed to be a Receiver pursuant to Clause 8.1 (*Appointment and removal*) shall be:

- (a) entitled to act individually or together with any other person appointed or substituted as Receiver;
- (b) for all purposes the agent of the Assignor and the Assignor shall be solely liable and responsible for any Receiver's acts, omissions, defaults and liabilities and for the payment of his remuneration, costs, charges and expenses and no Receiver shall at any time act as agent for the Security Trustee and the Security Trustee shall not be liable or responsible for any Receiver's acts, omissions, defaults or liabilities or for the payment of his remuneration, costs, charges or expenses or otherwise;
- (c) entitled to remuneration for his services at a rate to be fixed by the Security Trustee from time to time (without being limited to the maximum rate specified by the Law of Property Act 1925) and such remuneration shall be payable by the Assignor, the amount of which may be debited by the Security Trustee to any account of the Assignor but shall be, in any event, secured on the Assigned Property under this Security Assignment;
- (d) solely for the purpose of and in the proper exercise of his powers, entitled to make any payment and incur any expenditure which the Security Trustee is by this Security Assignment expressly or impliedly authorised to make or incur and any expenses incurred by any Receiver in the proper exercise of any of his powers may be paid or retained by him out of any moneys coming into his hands as receiver or may be paid by the Security Trustee, in which case they shall be treated as expenses properly incurred by the Security Trustee; and
- (e) in the exercise of his powers, authorities and discretions, required to conform with the directions from time to time made and given by the Security Trustee and, without limiting the foregoing, the Security Trustee may from time to time determine what funds any Receiver shall be at liberty to keep in hand with a view to the performance of his duties as receiver and may at any time require security to be given for the due performance of the Receiver's duties as receiver, at the cost of the Assignor.

8.3 Statutory powers of appointment

The powers of appointment of a Receiver shall be in addition to all statutory and other powers of appointment of the Security Trustee under the Law of Property Act 1925 (as extended by this Security Assignment) or otherwise and such powers shall remain exercisable from time to time by the Security Trustee in respect of all or any part of the Assigned Property.

9. POWERS OF RECEIVERS

Every Receiver shall (subject to any restrictions in the instrument appointing him but notwithstanding any winding-up or dissolution of the Assignor) have and be entitled to

exercise, in relation to all or any part of the Assigned Property (and any assets of the Assignor which, when got in, would be part of the Assigned Property) in respect of which he was appointed, and as varied and extended by the provisions of this Security Assignment (in the name of or on behalf of the Assignor or in his own name and, in each case, at the cost of the Assignor):

- (a) all the powers conferred by the Law of Property Act 1925 on mortgagors and on mortgagees in possession and on receivers appointed under that Act;
- (b) all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);
- (c) all the powers and rights of an absolute owner and power to do or omit to do anything which the Assignor itself could do or omit to do;
- (d) any or all of the rights, remedies, powers and discretions given to the Security Trustee under this Security Assignment or by law and generally shall be entitled to the same protections and to exercise the same rights, remedies, powers and discretions given to the Security Trustee under this Security Assignment or by laws;
- (e) the power to delegate (either generally or specifically) the powers, authorities and discretions conferred on him by this Security Assignment or any of the Transaction Documents (including the power of attorney) on such terms and conditions as he shall see fit, which delegation shall not preclude either the subsequent exercise, any subsequent delegation or any revocation of such power, authority or discretion by any Receiver himself; and
- (f) the power to do all acts and things (including bringing or defending proceedings in the name or on behalf of the Assignor) which seem to the Receiver to be incidental or conducive to:
 - (i) any of the functions, powers, rights, remedies, authorities or discretions conferred on or vested in him;
 - (ii) the exercise of the Collateral Rights (including realisation of all or any part of the assets in respect of which that Receiver was appointed); or
 - (iii) bringing to his hands any assets of the Assignor forming part of, or which when got in would be part of the Assigned Property.

10. APPLICATION OF PROCEEDS

All monies received or recovered and any non-cash recoveries made or received by the Security Trustee or any Receiver pursuant to this Security Assignment or the rights, powers, remedies and discretions conferred by it shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the Law of Property Act 1925) be applied first in the payment or other discharge of the costs, charges and expenses incurred and payments made by the Receiver, the payment or other discharge of his remuneration and of any liabilities incurred by the Receiver in, or incidental to, the exercise of any of his rights, powers, remedies and discretions, and thereafter shall be applied by the Security Trustee (notwithstanding any purported

appropriation by the Assignor) in accordance with clause 8 (*Application of Proceeds*) of the Proceeds Agreement.

11. PROTECTION OF PURCHASERS

11.1 Consideration

The receipt of the Security Trustee or any Receiver shall be conclusive discharge to a purchaser and, in making any sale, disposal or other disposition of any of the Assigned Property or in making any acquisition, the Security Trustee or any Receiver may do so for such consideration (whether cash or non-cash), in such manner and on such terms as it thinks fit.

11.2 Protection of purchasers

No purchaser or other person dealing with the Security Trustee or any Receiver shall be bound to inquire whether the right of the Security Trustee or such Receiver to exercise any of its powers has arisen or become exercisable or be concerned with the manner of application of any purchase moneys or with any propriety or regularity on the part of the Security Trustee or such Receiver in such dealings.

12. POWER OF ATTORNEY

12.1 Appointment and powers

The Assignor by way of security for the performance of its obligations under this Security Assignment, and the Transaction Documents and of the Secured Obligations irrevocably appoints the Security Trustee and any Receiver severally to be its attorney and, in its name, on its behalf and as its act and deed to execute, deliver and perfect all documents and do all things which the attorney may consider to be required or desirable for:

- (a) carrying out any obligation imposed on the Assignor by this Security Assignment or any other Transaction Documents or any other agreement binding on the Assignor (including the execution and delivery of any deeds, charges, assignments or other security and any transfers of the assets that form part of the Assigned Property and perfecting and/or releasing the Security created or intended to be created in respect of the Assigned Property); and
- (b) enabling the Security Trustee and any Receiver to exercise, or delegate the exercise of, all or any of the Collateral Rights (including, without limitation, the exercise of any right of a legal or beneficial owner of the Assigned Property);

provided that the Security Trustee and any Receiver shall not exercise the authority conferred on them under this Clause 12.1 unless the Security created by or pursuant to this Security Assignment have become enforceable in accordance with Clause 6.1 (*Enforcement*).

12.2 Ratification

The Assignor shall ratify and confirm all acts and things done and all documents executed by any attorney in the exercise or purported exercise of all or any of his powers

(including the exercise of any right of a legal or beneficial owner of the Assigned Property).

13. EFFECTIVENESS OF SECURITY

13.1 Continuing security

- (a) The Security created by or pursuant to this Security Assignment shall remain in full force and effect as a continuing security for the Secured Obligations unless and until discharged by the Security Trustee in writing.
- (b) No part of the Security from time to time intended to be created by this Security Assignment will be satisfied or discharged by any intermediate payment, discharge or satisfaction of the whole or any part of the Secured Obligations.

13.2 Cumulative rights

The Security created by or pursuant to this Security Assignment and the Collateral Rights, shall be cumulative, in addition to and independent of every other Security which the Security Trustee or any Finance Party may at any time hold for any of the Secured Obligations or any other obligations or any rights, powers, remedies and discretions provided by law and shall operate as independent Security notwithstanding any receipt, release or discharge endorsed on or given in respect of or under any such other Security. No prior Security held by the Security Trustee (whether in its capacity as security trustee or otherwise) or any of the other Finance Parties over the whole or any part of the Assigned Property shall merge into the Security created by this Security Assignment.

13.3 No prejudice

The Security created by or pursuant to this Security Assignment, and the Collateral Rights, shall not be prejudiced by any unenforceability or invalidity of any other agreement or document or by any time or indulgence granted to the Assignor or any other person, or the Security Trustee (whether in its capacity as trustee or otherwise) or any of the other Finance Parties or by any variation of the terms of the trust upon which the Security Trustee holds the Security or by any other thing which might otherwise prejudice that Security or any Collateral Right.

13.4 Remedies and waivers

No failure on the part of the Security Trustee to exercise, nor any delay on its part in exercising, any Collateral Right, shall operate as a waiver of that Collateral Right or constitute an election to affirm this Security Assignment. No election to affirm this Security Assignment on the part of the Security Trustee shall be effective unless it is in writing. No single or partial exercise of any Collateral Right shall preclude any further or other exercise of that or any other Collateral Right.

13.5 No liability

None of the Security Trustee, its nominee(s) or any Receiver shall be liable:

- (a) to account as a mortgagee or mortgagee in possession; or

- (b) for any loss arising by reason of taking any action permitted by this Security Assignment or any realisation of any of the Assigned Property or any act, omission, neglect or default in connection with the Assigned Property or any part thereof or taking possession of or realising all or any part of the Assigned Property,

except in the case of gross negligence or wilful default upon its part.

13.6 Partial invalidity

If, at any time, any provision of this Security Assignment is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Security Assignment nor of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby and, if any part of the Security intended to be created by or pursuant to this Security Assignment is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of such Security.

13.7 Waiver of defences

The obligations assumed, and the Security created, by the Assignor under this Security Assignment, and the Collateral Rights, will not be affected by any act, omission, matter or thing which, but for this Clause 13.7, would reduce, release or prejudice any of its obligations under, or the Security created by, this Security Assignment (whether or not known to the Assignor or any Finance Party) including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any other person;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of, any Obligor or any other person;
- (e) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case however fundamental and of whatsoever nature, and whether or not more onerous) or replacement of a Transaction Document or any other document or security or any of the Secured Obligations (including, without limitation, any change in the purpose of, any extension of, or any variation or increase in any facility or amount made available under any facility or the addition of any new facility under any Transaction Document or other document and any amendment, variation, waiver or release of any of the Secured Obligations);

- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Transaction Document or any other document or Security or any of the Secured Obligations; and
- (g) any insolvency or similar proceedings.

13.8 Assignor intent

Without prejudice to the generality of Clause 13.7 (*Waiver of Defences*), the Assignor expressly confirms that it intends that the Security created under this Security Assignment, and the Collateral Rights, shall extend from time to time to any (however fundamental and of whatsoever nature, and whether or not more onerous) variation, increase, extension or addition of or to any of the Transaction Documents and/or any facility or amount made available under any of the Transaction Documents for the purposes of or in connection with any of the following: acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

13.9 Immediate recourse

The Assignor waives any right it may have of first requiring the Security Trustee or any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or Security or claim payment from any other person before claiming from the Assignor under this Security Assignment or enforcing the Security created by this Security Assignment. This waiver applies irrespective of any law or any provision of this Security Assignment or any other Transaction Document to the contrary.

13.10 Deferral of rights

Until the end of the Security Period, the Assignor will not exercise any rights which it may have by reason of performance by it of its obligations under this Security Assignment:

- (a) to be indemnified by an Obligor;
- (b) to claim any contribution from any guarantor of any Obligor's obligations under this Security Assignment or any other Transaction Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of any Finance Party under this Security Assignment or any other Transaction Documents or of any other guarantee or Security taken pursuant to, or in connection with, this Security Assignment or any other Transaction Documents by any Finance Party;
- (d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Obligor has given a guarantee, undertaking or indemnity under any Transaction Document;
- (e) to exercise any right of set-off against any Obligor; and/or

- (f) to claim or prove as a creditor of any Obligor in competition with any Finance Party,

and if the Assignor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to any Finance Party by the Assignor or any Obligor under or in connection with the Transaction Documents to be repaid in full on trust for the Finance Parties and shall promptly pay or transfer the same to the Security Trustee or as the Security Trustee may direct for application in accordance with Clause 10 (*Application of Proceeds*).

13.11 Additional Security

The Security created by the Assignor under this Security Assignment and the Collateral Rights are in addition to and are not in any way prejudiced by any other guarantee or Security now or subsequently held by any Finance Party.

14. PRIOR SECURITY

14.1 Redemption or transfer

In the event of any action, proceeding or step being taken to exercise any powers or remedies conferred by any prior ranking Security against any of the Assigned Property or in case of exercise by the Security Trustee or any Receiver of any power of sale or right of appropriation or application under this Security Assignment, the Security Trustee may redeem such prior Security or procure the transfer thereof to itself.

14.2 Accounts

The Security Trustee may settle and agree the accounts of the prior Security and any accounts so settled and agreed will be conclusive and binding on the Assignor.

14.3 Costs of redemption or transfer

All principal monies, interest, costs, charges and expenses of and incidental to any redemption or transfer will be paid by the Assignor to the Security Trustee on demand together with accrued interest thereon as well after as before judgment at the rate from time to time applicable to unpaid sums specified in the Facility Agreement from the time or respective times of the same having been paid or incurred until payment thereof (as well after as before judgment).

15. SUBSEQUENT SECURITY

If the Security Trustee (acting in its capacity as trustee or otherwise) or any of the other Finance Parties at any time receives or is deemed to have received notice of any subsequent Security, assignment or transfer affecting all or any part of the Assigned Property which is prohibited by the terms of any Transaction Document, all payments thereafter made by or on behalf of the Assignor to the Security Trustee (whether in its capacity as trustee or otherwise) or any of the other Finance Parties will (in the absence of any express contrary appropriation by the Assignor) be credited or treated as having been credited to a new account of the Assignor and not as having been applied in reduction of the Secured Obligations at the time that notice was received.

16. SUSPENSE ACCOUNTS

All monies received, recovered or realised by the Security Trustee under this Security Assignment (including the proceeds of any conversion of currency) may in the discretion of the Security Trustee be credited to any interest bearing suspense or impersonal account(s) maintained with a bank, building society, financial institution or other person as it considers appropriate (including itself) for so long as it may think fit (the interest being credited to the relevant account) pending their application from time to time at the Security Trustee's discretion, in or towards the discharge of any of the Secured Obligations and, save as provided herein, no party will be entitled to withdraw any amount at any time standing to the credit of any suspense or impersonal account referred to above.

17. RELEASE OF SECURITY

The terms of clause 7.2 (*Release of Collateral*) of the Proceeds Agreement will apply to this Agreement as if set out in full herein, *mutatis mutandis*.

18. SET-OFF

The Assignor authorises the Security Trustee (but the Security Trustee shall not be obliged to exercise such right), upon or at any time after the Security created by or pursuant to this Security Assignment have become enforceable in accordance with Clause 6.1 (*Enforcement*), to set off against the Secured Obligations any amount or other obligation (contingent or otherwise) owing by the Security Trustee or any Finance Party to the Assignor and apply any credit balance to which the Assignor is entitled on any account with the Security Trustee in accordance with Clause 10 (*Application of Proceeds*) (notwithstanding any specified maturity of any deposit standing to the credit of any such account).

19. ASSIGNMENT

19.1 No assignments or transfers by Assignor

The Assignor may not assign any of its rights or transfer any of its rights or obligations under this Security Assignment except as set out in clause 24 (*Changes to the Obligors*) of the Facility Agreement.

19.2 Assignments by the Security Trustee

The Security Trustee may assign all or any of its rights under this Security Assignment. The Security Trustee shall be entitled to disclose such information concerning the Assignor and this Security Assignment as the Security Trustee considers appropriate to any actual or proposed direct or indirect successor or to any person to whom information may be required to be disclosed by any applicable law.

19.3 Successors

This Security Assignment shall remain in effect despite any amalgamation or merger (however effected) relating to the Security Trustee. References to the Security Trustee shall include (i) any transferee assignee or successor in title of the Security Trustee, (ii) any entity into which the Security Trustee is merged or converted or with which it may

be consolidated, (iii) any legal entity resulting from any merger, conversion or consolidation to which such Security Trustee is a party and (iv) any other person who, under the laws of its jurisdiction of incorporation or domicile, has assumed the rights and obligations of the Security Trustee under this Security Assignment or to which, under such laws, those rights and obligations have been transferred (such person described in (i) to (iv) being a successor to the Security Trustee for all purposes under the Transaction Documents).

20. DISCRETION AND DELEGATION

20.1 Discretion

Any liberty or right, power, remedy or discretion which may be exercised or any determination which may be made under this Security Assignment by the Security Trustee or any Receiver may, subject to the terms and conditions of the Facility Agreement, be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

20.2 Delegation

Each of the Security Trustee and any Receiver shall have full power to delegate (either generally or specifically) the powers, authorities, rights, powers, remedies and discretions conferred on it by this Security Assignment (including the power of attorney) on such terms and conditions as it shall see fit which delegation shall not preclude either the subsequent exercise, any subsequent delegation or any revocation of such power, authority or discretion by the Security Trustee or the Receiver itself.

21. GOVERNING LAW

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

22. ENFORCEMENT

The provisions of clause 27 (*Enforcement*) of the Proceeds Agreement shall apply to this Agreement as if set out in full herein, but as if references therein to this "Agreement" instead referred to this Agreement.

23. COUNTERPARTS

23.1 This Security Assignment may be executed in any number of counterparts, whether under hand, electronically or otherwise, each of which is an original and all of which together evidence the same agreement.

23.2 This Security Assignment shall not come into effect until each party has executed at least one counterpart.

THIS SECURITY ASSIGNMENT has been signed by the Security Trustee and executed as a deed by the Assignor and is delivered by it as a deed.

SCHEDULE 1
NOTICE OF ASSIGNMENT AND CHARGE OF INSURANCES

To: [Insurance broker] (on behalf of the relevant interested underwriters under the Insurances)

[Reinsurance broker] (on behalf of the relevant interested underwriters under the Insurances)

[cc: [Insert relevant entity details]]

Dated: [•]

Dear Sirs

One (1) Rolls-Royce Trent 7000 Engine bearing Manufacturer's Serial Number 75313 (the "Engine")

1. We hereby give you notice (this "Notice") that by a security assignment (the "**Security Assignment**") dated as of [•] between the Borrower and Security Trustee as security trustee for and on behalf of itself and each of the other Secured Parties (as defined therein) (the "**Security Trustee**"), the Borrower has assigned absolutely by way of security in favour of the Security Trustee all its rights, title and interest in and to the proceeds of any and all policies and contracts of insurance and reinsurances (other than any public or third party liability insurances) taken out or in existence from time to time in respect of, or in relation to, the Engine or any part thereof (the "**Insurances**").
2. This Notice and the instructions contained herein cannot be amended or modified without the express written consent of the Security Trustee.
3. This Notice may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Notice
4. This Notice and all non-contractual obligations arising out of or in connection with it are governed by English law. The courts of England have exclusive jurisdiction to settle any dispute arising out of, or in connection with this Notice and any acknowledgement of this Notice (including a dispute relating to the existence, validity or termination of this Notice or any acknowledgement of this Notice or the consequences of its nullity or any non-contractual obligations arising out of or in connection with this Notice and any acknowledgement of this Notice).

Yours faithfully

VIRGIN ATLANTIC AIRWAYS LIMITED

as Borrower

By: _____

Title: _____

PK AIRFINANCE S.À R.L.

as Security Trustee

By: _____

Title: _____

SCHEDULE 2
NOTICE OF ASSIGNMENT AND CHARGE OF REQUISITION PROCEEDS

To: [Governmental Agency]

Dated: [•]

Dear Sirs

One (1) Rolls-Royce Trent 7000 Engine bearing Manufacturer's Serial Number 75313 (the "Engine")

1. We hereby give you notice (this "**Notice**") that by a security assignment (the "**Security Assignment**") dated as of [•] between [•] (the "**Borrower**") and PK AirFinance S.à r.l. as Security Trustee for and on behalf of itself and each of the other Secured Parties (as defined therein) (the "**Security Trustee**"), the Borrower has assigned absolutely by way of security in favour of the Security Trustee all its rights, title and interest in and to any monies or other compensation that are receivable by Borrower from you in relation to the Engine, in the event of its requisition for title, confiscation, restraint, detention, forfeiture or compulsory acquisition or seizure or requisition for hire by you or under your order (the "**Requisition Proceeds**").
2. Subject to paragraph 3 the Borrower hereby gives you notice that with effect from the date of this Notice, all Requisition Proceeds that are due and payable to Borrower shall be paid to the Security Trustee or to its order as it may specify in writing from time to time.
3. The Security Trustee confirms the terms of the notices under paragraph 2 and instructs you that until you receive written notification from the Security Trustee to the contrary, all Requisition Proceeds that are due and payable to Borrower shall be paid to the Borrower's designated account at:

[Insert relevant Account Details]

or to such other account as the Security Trustee may notify you from time to time in writing.

4. This Notice and the instructions contained herein cannot be amended or modified without the express written consent of the Security Trustee.
5. This Notice may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Notice
6. This Notice and any acknowledgement of this Notice and all non-contractual obligations arising out of or in connection with them are governed by English law. The courts of England have exclusive jurisdiction to settle any dispute arising out of, or in connection with this Notice and any acknowledgement of this Notice (including a dispute relating to the existence, validity or termination of this Notice or any acknowledgement of this Notice or the consequences of its nullity or any non-contractual obligations arising out of or in connection with this Notice and any acknowledgement of this Notice).

7. Please acknowledge receipt of this Notice by signing the enclosed acknowledgement of assignment and charge.

Yours faithfully

VIRGIN ATLANTIC AIRWAYS LIMITED

as Borrower

By: _____

Title: _____

PK AIRFINANCE S.À R.L.

as Security Trustee

By: _____

Title: _____

SCHEDULE 3
ACKNOWLEDGEMENT OF ASSIGNMENT AND CHARGE OF REQUISITION
PROCEEDS

To: PK AirFinance S.à r.l. as security trustee for and on behalf of itself and each of the other Secured Parties (as defined in the Security Assignment) (the "**Security Trustee**")

cc: Virgin Atlantic Airways Limited as Borrower (the "**Borrower**")

Dated: [•]

Dear Sirs

One (1) Rolls-Royce Trent 7000 Engine bearing Manufacturer's Serial Number 75313 (the "Engine")

1. We acknowledge receipt of a notice (the "**Notice**") dated [] of security created by Borrower in favour of the Security Trustee over all of Borrower's rights, title and interest in and to any monies or other compensation that are receivable by Borrower from us in relation to the Engine, in the event of its requisition for title, confiscation, restraint, detention, forfeiture or compulsory acquisition or seizure or requisition for hire by us. Unless defined in this acknowledgment (this "**Acknowledgment**"), or the context otherwise requires, a term defined in the Notice has the same meaning in this Acknowledgment.
2. We confirm that:
 - (a) we will comply with the terms of the Notice and will perform our obligations in relation to the Requisition Proceeds in accordance with the terms of the Notice;
 - (b) we have not received notice of any prior security over, or the interest of any third party in, the Requisition Proceeds; and
 - (c) Borrower shall continue to be solely responsible for the performance of its obligations in respect of or in connection with the Engine and the Security Trustee is under no obligation of any kind whatsoever in respect of the Engine nor under any liability whatsoever in the event of any failure by Borrower to perform its obligations in respect of the Engine.
3. The Notice and this Acknowledgement and all non-contractual obligations arising out of or in connection with them are governed by English law. The courts of England have exclusive jurisdiction to settle any dispute arising out of, or in connection with this the Notice and this Acknowledgment (including a dispute relating to the existence, validity or termination of the Notice and this Acknowledgment or the consequences of its nullity or any non-contractual obligations arising out of or in connection with the Notice and this Acknowledgment).

Yours faithfully

[*GOVERNMENTAL AGENCY*]


By: _____

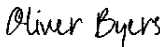
Title: _____

EXECUTION PAGE TO SECURITY ASSIGNMENT

The Assignor

EXECUTED and DELIVERED as a DEED)
by VIRGIN ATLANTIC AIRWAYS LIMITED)
acting by two directors ~~or~~)
~~a director and the Company Secretary~~)


.....
Director


.....
Director/Company Secretary

Security Trustee

SIGNED as a DEED for and on behalf of)
PK AIRFINANCE S.À R.L.)
acting by)
in the presence of:)

Signature of witness

Name of witness

Address of witness

EXECUTION PAGE TO SECURITY ASSIGNMENT

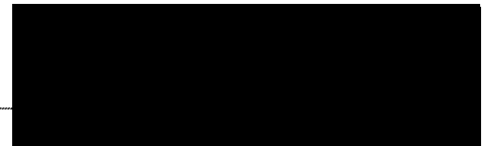
The Assignor

EXECUTED and DELIVERED as a DEED)
by VIRGIN ATLANTIC AIRWAYS LIMITED)
acting by two directors or) Director
a director and the Company Secretary)

.....
Director/Company Secretary

Security Trustee

SIGNED as a DEED for and on behalf of)
PK AIRFINANCE S.À R.L.)
acting by)
in the presence of:)



Signature of witness

Lara Attarzadeh
Attorney-in-fact

Henry You

Name of witness

10 Upper Bank Street

Address of witness

London E14 5JJ

United Kingdom