



Registration of a Charge

Company Name: **BRITISH AIRWAYS PLC**

Company Number: **01777777**



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Details of Charge

Date of creation: **15/12/2022**

Charge code: **0177 7777 0861**

Persons entitled: **NEW AIRWAYS PENSION SCHEME TRUSTEE LIMITED**

Brief description: **THE CORE ASSET (BEING THE PARTS OF THE MORTGAGED PROPERTY SHADED GREY (OF ANY SHADE) IN THE PLAN CONTAINED IN SCHEDULE 3 OF THE SECURITY AGREEMENT). THE NON-CORE ASSET (BEING THE PARTS OF THE MORTGAGED PROPERTY SHADED BLUE IN THE PLAN CONTAINED IN SCHEDULE 3 OF THE SECURITY AGREEMENT). IN THIS DOCUMENT THE TERM MORTGAGED PROPERTY MEANS ALL OF THE LEASEHOLD PROPERTY REGISTERED AT HM LAND REGISTRY UNDER TITLE NUMBER AGL46412 KNOWN AS EAST AND WEST MAINTENANCE BASES, HEATHROW AIRPORT, HOUNSLOW. FOR MORE INFORMATION PLEASE REFER TO THE INSTRUMENT.**

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:

CMS CAMERON MCKENNA NABARRO OLSWANG LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 1777777

Charge code: 0177 7777 0861

The Registrar of Companies for England and Wales hereby certifies that a charge dated 15th December 2022 and created by BRITISH AIRWAYS PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 20th December 2022 .

Given at Companies House, Cardiff on 22nd December 2022

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**

DATE: 15 December 2022

SECURITY AGREEMENT

Between

BRITISH AIRWAYS PLC
(as Chargor)

and

NEW AIRWAYS PENSION SCHEME TRUSTEE LIMITED
(as Secured Party)

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THIS AGREEMENT is made on 15th day of December 2022 between

- (1) **BRITISH AIRWAYS PLC**, (a company incorporated and registered in England and Wales under company registration number 01777777), the registered office of which is located at Waterside, PO Box 365, Harmondsworth, UB7 0GB (the “**Chargor**”); and
- (2) **NEW AIRWAYS PENSION SCHEME TRUSTEE LIMITED**, (a company incorporated and registered in England and Wales under company registration number 10299954), the registered office of which is at Waterside, Haa 1, Harmondsworth, England, UB7 0GB, acting in its capacity as the trustee of the New Airways Pension Scheme (the “**Secured Party**”).

RECITALS

- (A) The Chargor enters into this Deed in connection with the agreement reached with the Secured Party in relation to the actuarial valuation of the New Airways Pension Scheme as at 31 March 2021.
- (B) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.
- (C) The Board of Directors of the Chargor is satisfied that the giving of the security contained or provided for in this Deed is in the interests of the Chargor.

OPERATIVE PROVISIONS

1. DEFINITIONS AND INTERPRETATION

Definitions

1.1 In this Deed:

“**Act**” means the Law of Property Act 1925;

“**Affiliate**” means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company;

“**Airport**” has the meaning given to that term in the Lease;

“**Authorisation**” means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration;

“**Business Day**” means a day (other than a Saturday or Sunday) on which banks are open for general business in London;

“**Calendar Quarter Date**” means each 1 January, 1 April, 1 July or 1 October (as the case may be);

“**Cessation Event**” has the meaning given to it in the Scheme Funding Agreement.

“**Certificate of Title**” means the certificate of title (based on the City of London Law Society Certificate of Title (7th Edition)) in relation to the Lease dated 19 February 2021 over which the Secured Party was granted reliance on 15 December 2022;

“**Core Asset**” means any part or parts of the Mortgaged Property, as shaded grey (of any shade) in the plan contained Schedule 3 (*Plan of the Mortgaged Property*);

“**Deemed Section 75 Debt**” means, where a Section 75 Debt is not payable on or triggered by any relevant Enforcement Event, an amount equal to the Section 75 Debt which would be payable had any such Enforcement Event triggered such a Section 75 Debt;

“Delegate” means any person appointed by the Secured Party or any Receiver pursuant to clause 16 (*Delegation*) and any person appointed as attorney of the Secured Party and/or any Receiver or Delegate;

“Enforcement and Preservation Costs” means any amount payable by the Chargor under the terms of Clause 14 (*Expenses and indemnity*) of this Deed;

“Enforcement Event” means any of the following events or circumstances:

- (a) the occurrence of an Insolvency Event;
- (b) the Chargor enters into any assignment (including an assignment by way of surrender of part of the Lease) of all or any part of the Core Asset except as otherwise agreed by the Secured Party;
- (c) the Chargor exercises any statutory or other power of leasing or letting, grants any other proprietary or other rights or interest (or enters into any agreements to do the same) or lets any person into occupation of or shares occupation in respect of the Core Assets which:
 - (i) does not satisfy the conditions in Clause 7.3 unless permitted under Clause 7.5 or as otherwise agreed by the Secured Party; and
 - (ii) either:
 - (A) has a term of more than two years and cannot be terminated on six months’ or less notice; or
 - (B) (where the transaction is one to which the security of tenure provisions of the Landlord and Tenant Act 1954 would apply) is not a transaction which is an Enforcement Event under paragraph (c)(ii)(A) but is not lawfully excluded from the security of tenure provisions of the Landlord and Tenant Act 1954;
- (d) the Chargor or the Secured Party receives a notice of intent to re-enter the Mortgaged Property from the landlord under the Lease and the breach complained of in such proceedings is not remedied or waived within 6 weeks following the date on which that notice is served; and
- (e) the Lease is forfeited, subject to the right of the Chargor to seek relief from forfeiture;

“Entry Requirements” means:

- (a) compliance with all regulations, bye-laws, notices, directions and requirements made by the Landlord (or such body or persons which from time to time is responsible for the management and/or security of the Airport) and/or the Chargor relating to the safety and security of the Airport and/or the Mortgaged Property; and
- (b) acceptance that the Secured Party (and its representatives) must be accompanied by an employee or representative of the Chargor at all times when visiting the Mortgaged Property and that some areas of the Mortgaged Property may be restricted from access due to Airport security, regulatory or safety requirements;

“Excluded Equipment” means any equipment that is located on the Mortgaged Property from time to time, that is not permanently attached to the Mortgaged Property and that is not associated with the operation of the Mortgaged Property including (without limitation):

- (a) **Hangars/Engineering workshops** – aircraft support equipment, docking equipment and aircraft parts including (without limitation) aircraft engines, tools, engineering consumable items and storage racking;
- (b) **Training Areas** – flight simulators, aircraft mock-ups, emergency procedure training equipment, tools and simulator spare parts;
- (c) **Data Centre** – information technology equipment including (without limitation) all servers and network switches within the data halls, spare parts and consumable items; and
- (d) all moveable equipment and fittings of any nature including (without limitation) information technology equipment, audio visual equipment, vending machines, canteen equipment, uniforms, personal protection equipment and artwork;

“Group” means the Chargor and any Affiliate of the Chargor for the time being;

“Holding Company” means, in relation to a person, any other person in respect of which it is a Subsidiary;

“Insolvency Event” means an event or circumstance where the Chargor:

- (a) is dissolved (other than pursuant to a solvent consolidation, amalgamation or merger);
- (b) becomes insolvent or is or is deemed by a court unable to pay its debts or fails generally (or admits in writing its inability generally) to pay its debts as they become due;
- (c) obtains a moratorium or a moratorium is declared in respect of its indebtedness, suspends making payments of all or any class of its debts or announces an intention to do so, or makes (or makes a formal written proposal to its creditors for) or makes a general assignment, compromise, arrangement, scheme of arrangement of its affairs or composition with or for the benefit of its creditors (or any class of them);
- (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation or a liquidator is appointed, and, in the case of any such proceeding or petition instituted or presented against it other than by the Chargor, its directors or shareholders, such proceeding or petition:
 - (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or
 - (ii) is not dismissed, discharged, stayed or restrained in each case within 25 days of the institution or presentation thereof;
- (e) has a resolution passed for its winding-up, official management or liquidation or convenes a meeting of its shareholders for the purposes of considering its voluntary liquidation (other than pursuant to a solvent consolidation, amalgamation or merger);
- (f)

- (i) seeks, including by filing a notice of intention to appoint, (or its directors or shareholders seek) or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; or
 - (ii) has instituted against it a proceeding, including the filing of a notice of intention to appoint, seeking such an appointment of an administrator for it or for all or substantially all of its assets by a person other than the Chargor or its directors or shareholders which is not dismissed, discharged, stayed or restrained within 25 days of the institution thereof;
- (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 25 days thereafter;
- (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (g) (inclusive); or
- (i) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts;

“Insurance Rights” has the meaning given to that term in clause 2.5.2 (*Contracts*).

“Landlord” means Heathrow Airport Limited;

“Lease” means the lease dated 1 April 1995 made between (1) the Landlord and (2) the Chargor and British Airways Associated Companies Limited;

“Mortgaged Property” means all of the leasehold property registered at HM Land Registry under title number AGL46412 known as East and West Maintenance Bases, Heathrow Airport, Hounslow, as more particularly described in the Lease;

“Non-Core Asset” means any part or parts of the proportion of the Mortgaged Property, as shaded blue in the plan contained Schedule 3 (*Plan of the Mortgaged Property*);

“Party” means a party to this Deed;

“Permitted Security” means any Security over all or any part of the Mortgaged Property other than the Security created by this Deed which is subject to the terms of an intercreditor agreement in form and substance satisfactory to the Secured Party which, without prejudice to the foregoing:

- (a) makes such Security second ranking to the Security created by this Deed to the full extent of the Secured Liabilities; and
- (b) prohibits the taking of any steps in relation to the enforcement of such second ranking Security prior to the Release Date;

“Premises and Fixtures” has the meaning given to that term in clause 2.4.1 (*Land*);

“Receiver” means a receiver appointed under this Deed;

“Release Date” means the earlier to occur of (i) 30 September 2028 and (ii) the date on which a Cessation Event occurs, or such other date as may be agreed expressly by the Parties in writing

provided that if an Enforcement Event is continuing on the Release Date, the Security created by this Deed will only be released on the date on which either:

- (a) if the Secured Party has, in accordance with clause 10.4 (*Enforcement of Security*), rectified a relevant act, omission, event or circumstance triggering an Enforcement Event under paragraph (c) or (d) of that defined term, it has been reimbursed for all sums payable under this Deed in relation to Enforcement and Preservation Costs; or
- (b) if the Secured Party is not able to rectify the relevant act, omission, event or circumstance or the Secured Party has concluded that it is not appropriate to exercise the relevant step-in rights, in each case as contemplated by clause 10.4 (*Enforcement of Security*), or an Enforcement Event other than under paragraph (c) or (d) of that defined term applies, any amount recoverable by the Secured Party through enforcement of the Security created by this Deed has been received by the Secured Party;

“Scheme” means the New Airways Pension Scheme;

“Scheme Funding Agreement” means the Scheme Funding Agreement entered into by the Parties in respect of the actuarial valuation of the Scheme as at 31 March 2021 and dated on or about the date of this Deed and any replacement or subsequent scheme funding agreement in respect of the 31 March 2021 or subsequent actuarial valuation of the Scheme designated as a “Scheme Funding Agreement” for the purposes of this Deed from to time during the Security Period);

“Section 75 Debt” means a debt under section 75 to 75A of the Pensions Act 1995;

“Secured Liabilities” means all obligations and liabilities of the Chargor to pay any amount payable by the Chargor from time to time in each case whether present or future, actual or contingent and whether owed as principal or surety and/or in any other capacity whatsoever under or in respect of:

- (a) any Section 75 Debt or Deemed Section 75 Debt which may become or has become due and payable from the Chargor to the Secured Party (whether or not such debt has been calculated and certified by the relevant actuary);
- (b) any Enforcement and Preservation Costs; and
- (c) any amount which has become due under clause 8 (*Indemnity*) of this Deed;

“Security” means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

“Security Asset” means any asset of the Chargor which is, or is expressed to be, subject to any Security created by this Deed;

“Security Period” the period beginning on the date of this Deed and ending on the Release Date;

“Subsidiary” means a subsidiary as defined by section 1159 of the Companies Act 2006 or a subsidiary undertaking as defined by section 1162 of the Companies Act 2006;

“Tenancy Documents” means any leases or licences to occupy granted by the Chargor in respect of any part of the Mortgaged Property;

“Title Documents” has the meaning given to that term in clause 4.5 (*Holding and deposit of title deeds*);

“VAT” means:

- (a) any value added tax imposed by the Value Added Tax Act 1994; and
- (b) any other tax imposed in England and Wales or in another jurisdiction by reference to value added or sales.

Construction

- 1.2 Unless a contrary indication appears, a reference in this Deed to:
 - 1.2.1 a clause is a reference to a clause of this Deed;
 - 1.2.2 a provision of law is a reference to that provision of law as amended or re-enacted;
 - 1.2.3 the Lease or any other agreement or instrument is a reference to the Lease or that other agreement or instrument as amended, novated, supplemented, extended or restated;
 - 1.2.4 any rights in respect of an asset includes:
 - (a) all amounts and proceeds paid or payable;
 - (b) all rights to make any demand or claim; and
 - (c) all powers, remedies, causes of action, security, guarantees and indemnities, in each case in respect of or derived from that asset;
 - 1.2.5 an Enforcement Event is “continuing” if it has not been waived;
 - 1.2.6 the term this Security means any Security created by this Deed.
- 1.3 Any covenant of the Chargor under this Deed (other than a payment obligation which has been discharged) remains in force during the Security Period.
- 1.4 The terms of any agreement or instrument between any Parties are incorporated in this Deed to the extent required to ensure that any purported disposition, or any agreement for the disposition, of any leasehold property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- 1.5 If the Secured Party considers that an amount paid to the Secured Party in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of the Chargor or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.
- 1.6 Unless the context otherwise requires, a reference to a Security Asset includes the proceeds of any disposal of that Security Asset.

Third party rights

- 1.7 Unless expressly provided to the contrary in this Deed, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed.
- 1.8 Notwithstanding any term of this Deed, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.
- 1.9 Any Receiver may enforce and enjoy the benefit of any clause which expressly confers rights on it, subject to clauses 1.7 to 1.9 and the provisions of the Contracts (Rights of Third Parties) Act 1999.

2. CREATION OF SECURITY

General

- 2.1 The Chargor must pay or discharge the Secured Liabilities in accordance with their terms which, in the case of the Deemed Section 75 Debt means, subject to clause 10.4 (*Enforcement of Security*), on demand following the occurrence of an Enforcement Event.
- 2.2 All the security created under this Deed:
- 2.2.1 is created in favour of the Secured Party;
 - 2.2.2 is security for the payment of all the Secured Liabilities;
 - 2.2.3 is created over present and future Security Assets of the Chargor; and
 - 2.2.4 is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

Land

- 2.3 The Chargor charges:
- 2.3.1 by way of a first legal mortgage all estates and interests in the Core Asset;
 - 2.3.2 by way of first legal mortgage all estates and interests in the Non-Core Asset;
 - 2.3.3 to the extent that the Core Asset is not the subject of an effective mortgage under clause 2.3.1, by way of first fixed charge all estates or interests in the Core Asset; and
 - 2.3.4 to the extent that the Non-Core Asset is not the subject of an effective mortgage under clause 2.3.2, by way of first fixed charge all estates or interest in the Non-Core Asset.
- 2.4 A reference in these clauses 2.3 to 2.4 to a mortgage or charge of the Core Asset or the Non-Core Asset:
- 2.4.1 includes all buildings ("**Premises**"), fixtures, fittings and fixed plant and machinery ("**Fixtures**", together with the Premises the "**Premises and Fixtures**") on the Core Asset or the Non-Core Asset (as applicable) but excludes the Excluded Equipment which does not form part of the Core Asset or the Non-Core Asset and is not a Security Asset pursuant to this Security; and
 - 2.4.2 includes the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor in respect of that property or any moneys paid or payable in respect of those covenants.

Contracts

- 2.5 The Chargor charges by way of a first fixed charge:
- 2.5.1 all its rights under the Lease;
 - 2.5.2 all its rights under any contract or policy of insurance relating to the:
 - (a) Core Asset taken out by it or on its behalf or in which it has an interest; and
 - (b) Non-Core Asset taken out by it or on its behalf or in which it has an interest (together with the rights described in paragraph (a), the "**Insurance Rights**").

Miscellaneous

- 2.6 The Chargor charges by way of first fixed charge:
- 2.6.1 the benefit of any Authorisation (statutory or otherwise) held in connection with its use of any Security Asset; and
 - 2.6.2 the right to recover and receive compensation which may be payable to it in respect of any Authorisation referred to in clause 2.6.
- 2.7 Whilst it is the intention and expectation of the Parties that the Security granted by this Deed is fixed (and not floating) in nature, to the extent any such Security is in fact or is deemed to be floating (and not fixed) in nature, the Secured Party may convert such floating security into a fixed charge as regards any of the Chargor's assets specified in that notice if this Security has become enforceable. Any such floating security may not be converted into a fixed charge solely by reason of the obtaining of a moratorium or anything done with a view to obtaining a moratorium, under Part A1 of the Insolvency Act 1986.

3. RESTRICTIONS ON DEALINGS

Security

- 3.1 The Chargor must not, without the prior written consent of the Secured Party, create or permit to subsist any Security on any Security Asset other than this Security and any Permitted Security.

Disposals

- 3.2 The Chargor must not, other than with the prior written consent of the Secured Party or as permitted by the terms of this Deed (including, without prejudice, the dispositions which are permitted under clause 7 (*Property undertakings*)), enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to dispose of all or any part of any Security Asset.

3.3 Other dealings

Except as expressly restricted pursuant to clause 3.1 (Security) and clause 3.2 (Disposals) or any other term of this Deed or as otherwise agreed between the Chargor and the Secured Party from time to time, the Chargor does not require the consent of the Secured Party to enter into any other transaction in respect of all or any part of any Security Asset.

4. NOTICES, RESTRICTIONS AND FILINGS

Notice to Landlord

- 4.1 The Chargor must:
- 4.1.1 serve a notice, substantially in the form of Schedule 1 (*Form of Letter to Landlord*), on the Landlord, such notice to be served within three Business Days of the date of this Deed; and
 - 4.1.2 use all reasonable endeavours to ensure that the Landlord acknowledges that notice, substantially in the form of the acknowledgment attached to that notice as soon as reasonably practicable following the date of this Deed.

Insurances

- 4.2 The Chargor must:
- 4.2.1 promptly following the date of this Deed, serve a notice, substantially in the form of Schedule 2 (*Form of Notice to Insurer*), on each counterparty to an Insurance Right; and
 - 4.2.2 use reasonable endeavours to ensure that each such counterparty acknowledges that notice, substantially in the form of the acknowledgement attached to that notice.

HM Land Registry

- 4.3 The Chargor consents to a restriction in the following terms being entered into on the Register of Title relating to the Mortgaged Property at HM Land Registry:
- “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 [●] 2022 in favour of New Airways Pension Scheme Trustee Limited referred to in the charges register or their conveyancer. (Standard Form P)”.
- 4.4 The Secured Party shall at the request of the Chargor provide certificates of consent to the dispositions which are permitted under Clause 7 (*Property undertakings*) of this Deed where such certificates are required to register such dispositions at HM Land Registry.

Holding and deposit of title deeds

- 4.5 The Chargor shall, within five Business Days of written request to do so by the Secured Party, deposit the deeds and documents which relate to its title to the Mortgaged Property and which are in its possession (the “**Title Documents**”) with the Secured Party or procure that all such Title Documents are held to the order of the Secured Party.

Filings

- 4.6 The Chargor shall make a filing (and the Secured Party may make such a filing on the Chargor’s behalf) in respect of this Deed with Companies House in accordance with section 859A of the Companies Act 2006.
- 4.7 On or prior to the date of this Deed, the Chargor shall provide to the Secured Party:
- 4.7.1 the results of HM Land Registry searches in favour of the Secured Party against registered title number AGL46412 and:
 - (a) giving not less than 20 Business Days’ priority beyond the date of this Deed; and
 - (b) showing no adverse entries; and
 - 4.7.2 all necessary HM Land Registry application forms in relation to the charging of the Mortgaged Property in favour of the Secured Party (including a form to note the obligation to make further advances, a form to register the restriction contained in this Deed), duly completed, accompanied by payment of the applicable HM Land Registry fees or an undertaking from a firm of solicitors regulated by the Solicitors Regulation Authority and approved for this purpose by the Secured Party and in form and substance satisfactory to the Secured Party in relation to the same.

5. REPRESENTATIONS AND WARRANTIES

- 5.1 The Chargor represents and warrants to the Secured Party on the date of this Deed (which representations and warranties shall thereafter be deemed to be repeated by the Chargor on the last Business Day of each calendar month during the Security Period (in each case by reference to the facts and circumstances then existing)) that:
- 5.1.1 it is a limited liability company, duly incorporated and validly existing under the law of its jurisdiction of incorporation and it has the power to own its assets and carry on its business as it is being conducted;
 - 5.1.2 the obligations expressed to be assumed by it in this Deed are (subject to any general principles of law applying to companies generally) legal, valid, binding and enforceable obligations and (without limiting the generality of the foregoing) this Deed creates the security which it purports to create;
 - 5.1.3 it has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of this Deed and the transactions contemplated by this Deed;
 - 5.1.4 the entry into and performance by it of, and the transactions contemplated by, this Deed and the granting of the security under this Deed do not and will not conflict with:
 - (a) any law or regulation applicable to it;
 - (b) its constitutional documents; or
 - (c) any agreement or instrument binding upon it or any of its assets in any material respect or constitute a default or termination event (however described) under any such agreement or instrument,nor (except as provided in this Deed) result in the existence or imposition of, or oblige it to create, any Security in favour of any person over all or any of its assets;
 - 5.1.5 under the law of its jurisdiction of incorporation it is not necessary that this Deed be filed, recorded or enrolled with any court or other authority in that jurisdiction, except:
 - (a) registration of a certified copy of this Deed at Companies House under Section 859A of the Companies Act 2006 and payment of associated fees; and
 - (b) registration of this Deed at HM Land Registry or Land Charges Registry in England and Wales and payment of associated fees,which registrations, filings and fees will be made and paid within any time-periods required by law or within any applicable original priority period after the date of this Deed;
 - 5.1.6 its payment obligations under this Deed rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally;
 - 5.1.7 all written and factual information provided by the Chargor or on its behalf to DLA Piper UK LLP for the purposes of the Certificate of Title is true and accurate in all material respects as at the date of the Certificate of Title or (if appropriate) as at the date at which it was stated to be given; and

- 5.1.8 save as otherwise disclosed in the Certificate of Title, it has good and marketable title to the Security Assets subject to the rights of the tenants and licensees pursuant to the Tenancy Documents.

6. GENERAL UNDERTAKINGS

- 6.1 The undertakings in this clause 6 remain in force during the Security Period.

Rights of access

- 6.2 Subject to compliance with the Entry Requirements, the Chargor shall permit the Secured Party and any other person acting in a professional capacity on behalf of the Secured Party at all reasonable times and on reasonable notice to enter upon and/or view the state and condition of the Mortgaged Property (without, in any case, becoming liable to account as mortgagee in possession).

Insurance

- 6.3 The Chargor shall procure that the Secured Party is named as co-insured under any contract or policy of insurance taken out by the Chargor to insure the Mortgaged Property.
- 6.4 The Chargor shall, following written demand by the Secured Party, produce to the Secured Party one or more letters from the Chargor's insurance or re-insurance brokers (in the form or forms agreed between the Chargor and the Secured Party for this purpose) confirming the terms of any contract or policy of insurance or re-insurance that is taken out by the Chargor or on its behalf pursuant to clause 6.3.

Authorisations

- 6.5 The Chargor shall promptly obtain, comply with and do all that is necessary to maintain in full force and effect, any Authorisation required under any law or regulation of its jurisdiction of incorporation to enable it to perform its obligations under this Deed and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of this Deed.

Compliance with laws

- 6.6 The Chargor shall comply in all respects with all laws and regulations to which it or the Mortgaged Property may be subject, if failure so to comply would materially impair its ability to perform its obligations under this Deed.

Provision of information

- 6.7 The Chargor shall promptly supply to the Secured Party such information as the Secured Party may reasonably require about the Mortgaged Property and its compliance with the terms of this Deed as the Secured Party may reasonably request.
- 6.8 The Chargor shall promptly notify the Secured Party in writing of any material action, claim or demand made by or against it in connection with all or any part of the Mortgaged Property together with the Chargor's proposals for settling, liquidating, compounding or contesting the same.
- 6.9 The Chargor shall, within 14 days after the receipt by it of any application, requirement, order or notice served or given by any public or local or any other authority with respect to the whole or any material part of the Mortgaged Property:
- 6.9.1 deliver a copy to the Secured Party;

- 6.9.2 inform the Secured Party of the steps taken or proposed to be taken by it to comply with the relevant application, requirement, order or notice; and
- 6.9.3 take such action as is reasonably necessary to preserve or protect the Mortgaged Property or the security constituted or intended to be constituted by this Deed.

No prejudicial conduct

- 6.10 Other than as permitted by this Deed, the Chargor shall not do or cause or permit to be done anything which might reasonably be expected to depreciate the value of the Mortgaged Property in any material respect or to prejudice the security constituted or intended to be constituted by this Deed.

7. PROPERTY UNDERTAKINGS

- 7.1 The undertakings in this clause 7 remain in force during the Security Period.

Disposal and grant of rights in respect of the Non-Core Asset

- 7.2 In respect of the Non-Core Asset, the Chargor may without the consent of the Secured Party:
 - 7.2.1 enter into any assignment (including an assignment by way of surrender of part of the Lease) of all or any part of the Non-Core Asset;
 - 7.2.2 exercise any statutory or other power of leasing or letting, or accept or agree to accept surrenders of any Tenancy Documents, or enter into any agreement for lease or letting, in respect of all or any part of the Non-Core Asset; and
 - 7.2.3 create any licence in respect of all or any part of the Non-Core Asset, let any person into occupation of, or share occupation of, all or any part of the Non-Core Asset or grant any other proprietary or other right or interest in all or any part of the Non-Core Asset,provided that:
 - (a) no such transaction shall be entered in to whilst an Enforcement Event has occurred and is continuing; and
 - (b) each such transaction shall be entered into on arm's length commercial terms;

Grant of rights in respect of the Core Asset

- 7.3 In respect of the Core Assets, the Chargor may without the consent of the Secured Party:
 - 7.3.1 exercise any statutory or other power of leasing or letting, or accept or agree to accept surrenders of any Tenancy Documents, or enter into any agreement for lease or letting, in respect of all or any part of the Core Asset; and
 - 7.3.2 create any licence in respect of all or any part of the Core Asset, let any person into occupation of, or share occupation of, all or any part of the Core Asset or grant any other proprietary or other right or interest in all or any part of the Core Asset,provided that:
 - (a) no such transaction shall be entered in to whilst an Enforcement Event has occurred and is continuing;
 - (b) any such transaction shall be entered into at market rents or rates and on arm's length commercial terms without the payment of any fine or premium; and

- (c) any transaction under clause 7.3.1 or clause 7.3.2 which is entered into with a member of the Group must be on terms that the Chargor (as the landlord or licensor from time to time) may terminate such lease or licence at any time on six months' or less notice and, in the case of a lease entered into with a member of the Group, is lawfully excluded from the security of tenure provisions of the Landlord and Tenant Act 1954.

Information on disposals and grant of rights in respect of the Non-Core Assets and grant of rights in respect of the Core Assets

- 7.4 As soon as practicable after each Calendar Quarter Date, the Chargor shall confirm to the Secured Party in writing (in form and substance satisfactory to the Secured Party) the matters described in clauses 7.2 and 7.3 which have occurred in respect of the Core Asset and the Non-Core Asset which relate to:

- 7.4.1 the assignment (including an assignment by way of surrender of part of the Lease) of all or part of the Mortgaged Property; and/or
- 7.4.2 any lease, agreement for lease or any other grant of any other proprietary or other right or interest granted by the Chargor for a term exceeding two years or for a term of two years or less but on terms which require the payment of any fine or premium.

Saving provision in respect of the grant of rights

- 7.5 Nothing in clauses 7.2 or 7.3 shall prevent the Chargor entering into (i) any licence to occupy part of the Mortgaged Property that is personal to the licensor and licensee, such licensee supplying services to the Chargor in respect of the business carried on by the Chargor, and/or (ii) any wayleave in relation to or that assists the business carried on from the Mortgaged Property by the Chargor.

Observance of covenants

- 7.6 The Chargor shall:

- 7.6.1 observe and perform all restrictive and other covenants, stipulations and obligations now or at any time affecting the Mortgaged Property or the mode of use or the enjoyment of the same and shall not enter into any onerous or restrictive obligations affecting the Mortgaged Property; and
- 7.6.2 diligently enforce all restrictive and other covenants, stipulations and obligations benefiting the Mortgaged Property and shall not (and shall not agree to) waive, release or vary any of the same,

in each case where failure to do so might reasonably be expected to have a material adverse effect on the Mortgaged Property or on its ability to comply with its obligations under this Deed.

- 7.7 The Chargor shall promptly give notice to the Secured Party in the event of the whole or any material part of the Property being damaged or destroyed.

- 7.8 Without prejudice to the generality of clause 7.6, the Chargor shall, in relation to the Lease:

- 7.8.1 observe and perform all covenants, stipulations and obligations of the Chargor, and diligently enforce the performance and observance of the covenants and obligations of the Landlord, contained in the Lease (in each case where failure to do so might reasonably be expected to have a material adverse effect on the Chargor's rights in

relation to the Mortgaged Property or on its ability to comply with its obligations under this Deed);

- 7.8.2 not agree to any increase in the rent payable under the Lease (save as required pursuant to the review of rent in accordance with terms of the Lease) without the prior written consent of the Secured Party (such consent not to be unreasonably withheld or delayed);
 - 7.8.3 not do any act or thing whereby the Lease may become subject to determination or any right of re-entry or forfeiture prior to the expiration of its term;
 - 7.8.4 promptly notify the Secured Party of any notice received from the Landlord claiming breach of the terms of the Lease and if the breach has occurred take all such action as the Secured Party may reasonably request to remedy the breach that has led to the notice; and
 - 7.8.5 immediately provide the Secured Party with a copy of any notice of forfeiture or notice of intent to re-enter the Mortgaged Property received from the Landlord pursuant to the terms of the Lease and take all such action as the Secured Party may reasonably request to remedy the breach that has led to the forfeiture proceedings being commenced or notice being issued. The Chargor may also bring a claim for relief from forfeiture of the Lease and shall keep the Secured Party regularly informed as to the progress of such claim.
- 7.9 In case of any default by the Chargor in performing or complying with its obligations under this clauses 7.6 to 7.10, the Chargor shall permit the Secured Party, its agents and their respective officers, agents and employees to:
- 7.9.1 subject to the Entry Requirements enter on the Mortgaged Property;
 - 7.9.2 comply with or object to any notice served on it in respect of the Mortgaged Property; and
 - 7.9.3 take any action as the Secured Party may reasonably consider necessary or desirable to prevent or remedy any breach of any such obligation or to comply with or object to any such notice.
- 7.10 Prior to taking any steps referred to in clause 7.9 at a time before this Security has become enforceable, the Secured Party shall consult with the Chargor on the nature and timing of any proposed steps, the persons which are to undertake any proposed steps and the estimated costs of undertaking any proposed steps and, in each case, take into account any comments of the Chargor in relation to the same. All moneys expended by the Secured Party in taking any steps referred to in clause 7.9 (following, where relevant, such consultation) shall be reimbursed by the Chargor to the Secured Party promptly following demand.

8. INDEMNITY

If the right of the Secured Party to demand payment of the liabilities described at paragraph (a) of the definition of Secured Liabilities becomes unenforceable, invalid or illegal, the Chargor shall, as an independent and primary obligation, indemnify the Secured Party against any cost, loss or liability incurred by the Secured Party as a result of the Secured Party's inability to demand an amount which would, but for such unenforceability, invalidity or illegality, have been able to be demanded by the Secured Party and as a result payable by the Chargor on the date it would have been due. The amount payable by the Chargor under this indemnity will not exceed the amount that the Chargor would have had to pay if the amount claimed had been demanded by the

Secured Party under the documents and laws which create the liabilities described at paragraph (a) of the definition of Secured Liabilities and the right to make such demand was not or had not become unenforceable, invalid or illegal.

9. WHEN SECURITY BECOMES ENFORCEABLE

Enforcement Event

- 9.1 This Security will become immediately enforceable if an Enforcement Event occurs and is continuing.

Discretion

- 9.2 After this Security has become enforceable, the Secured Party may enforce all or any part of this Security in any manner it sees fit.

Statutory powers

- 9.3 The power of sale and other powers conferred by section 101 of the Act, as amended by this Deed, will be immediately exercisable at any time after this Security has become enforceable.

10. ENFORCEMENT OF SECURITY

General

- 10.1 For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this Deed.
- 10.2 Section 103 of the Act (restricting the power of sale) and section 93 of the Act (restricting the right of consolidation) do not apply to this Security.
- 10.3 The statutory powers of leasing conferred on the Secured Party are extended so that, at any time after this Security has become enforceable, the Secured Party is authorised to lease, make agreements for leases, accept surrenders of leases and grant options as the Secured Party may think fit and without the need to comply with any provision of section 99 or section 100 of the Act.
- 10.4 In respect of the Enforcement Events set out in paragraphs (c) and (d) of that defined term, prior to the Secured Party enforcing the security constituted by this Deed, the Secured Party shall give reasonable consideration to first exercising all available and relevant step-in rights to seek to rectify the act, omission, event or circumstance triggering such Enforcement Events. The Secured Party may only enforce the Security created by this Deed in reliance of such Enforcement Events if it has either (A) been unable, having used all commercially reasonable endeavours, to so rectify that act, omission, event or circumstance, or (B) concluded (acting reasonably) that it is not appropriate for it to exercise those step-in rights.

No liability as mortgagee in possession

- 10.5 Neither the Secured Party nor any Receiver will be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

Privileges

- 10.6 The Secured Party and each Receiver is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers duly appointed under the Act, except that section 103 of the Act does not apply.

Protection of third parties

- 10.7 No person (including a purchaser) dealing with the Secured Party or a Receiver or its or his/her agents will be concerned to enquire:
- 10.7.1 whether the Secured Liabilities have become payable;
 - 10.7.2 whether any power which the Secured Party or a Receiver is purporting to exercise has become exercisable or is being properly exercised;
 - 10.7.3 whether the Secured Liabilities remain due; or
 - 10.7.4 how any money paid to the Secured Party or to that Receiver is to be applied.

Redemption of prior mortgages

- 10.8 At any time after this Security has become enforceable, the Secured Party may:
- 10.8.1 redeem any prior Security against any Security Asset; and/or
 - 10.8.2 procure the transfer of that Security to itself; and/or
 - 10.8.3 settle and pass the accounts of the prior mortgagee, chargee or encumbrancer.
- 10.9 Any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on the Chargor.
- 10.10 The Chargor must pay to the Secured Party, promptly on demand, the costs and expenses reasonably incurred by the Secured Party in connection with any such redemption and/or transfer, including the payment of any principal or interest.
- 10.11 If this Security is enforced at a time when no amount of the Secured Liabilities is due but at a time when any such amount may or will become due, the Secured Party (or a Receiver) may pay the proceeds of any recoveries effected by it into a suspense account or other account selected by it.

11. RECEIVER

Appointment of Receiver

- 11.1 Except as provided below, the Secured Party may appoint any one or more persons to be a Receiver of all or any part of the Security Assets if:
- 11.1.1 this Security has become enforceable; or
 - 11.1.2 the Chargor so requests to the Secured Party at any time.
- 11.2 Any appointment under clause 11.1 may be by deed, under seal or in writing under its hand.
- 11.3 Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the Act) does not apply to this Deed.

Removal

- 11.4 The Secured Party may by writing under its hand remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

Remuneration

- 11.5 The Secured Party may fix the remuneration of any Receiver appointed by it and the maximum rate specified in section 109(6) of the Act will not apply.

Agent of the Chargor

- 11.6 A Receiver will be deemed to be the agent of the Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. The Chargor alone is responsible for any contracts, engagements, acts, omissions, defaults and losses of a Receiver and for any liabilities incurred by a Receiver.
- 11.7 No Secured Party will incur any liability (either to the Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

Relationship with Secured Party

- 11.8 To the fullest extent allowed by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may after this Security becomes enforceable be exercised by the Secured Party in relation to any Security Asset without first appointing a Receiver and notwithstanding the appointment of a Receiver.

12. POWERS OF RECEIVER

General

- 12.1 A Receiver has all of the rights, powers and discretions set out below in this clause 12 in addition to those conferred on it by any law. This includes all the rights, powers and discretions conferred on a receiver under the Act and the Insolvency Act 1986.
- 12.2 If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him/her states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

Removal of Assets

- 12.3 With a view to exercising any of its statutory powers or any of the other powers conferred by this Deed, the Secured Party or any Receiver appointed by the Secured Party may, following the statutory power of sale becoming exercisable pursuant to clause 9.3 (*Statutory powers*), as agent for the Chargor and at the Chargor's expense (the costs of any of which may be deducted from any proceeds of sale) remove, store, sell or otherwise deal with any furniture or goods found upon the Mortgaged Property provided that (i) it shall have given the Chargor notice in writing to remove such furniture and goods and the Excluded Equipment and (ii) the Chargor has not removed such furniture and goods and the Excluded Equipment within a reasonable time given the nature and extent of such furniture, goods and Excluded Equipment. Neither the Secured Party nor the Receiver shall be liable for any loss or damage to the furniture and goods thus occasioned to the Chargor and they shall be indemnified by the Chargor against any claims by third parties in respect thereof. No Excluded Equipment may be sold pursuant to this clause unless the Chargor has not removed the Excluded Equipment within the said reasonable time for removing such equipment in which case the Secured Party may only sell any Excluded Equipment having also provided after such reasonable time for removal not less than five Business Days written notice to the Chargor providing details of which items of Excluded Equipment it intends to sell.

Possession

- 12.4 A Receiver may take immediate possession of, get in and realise any Security Asset.

Borrow money

- 12.5 A Receiver may raise and borrow money either unsecured or on the security of any Security Asset either in priority to this Security or otherwise and generally on any terms and for whatever purpose which he/she thinks fit.

Sale of assets

- 12.6 A Receiver may sell, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner and on any terms which he/she thinks fit.
- 12.7 The consideration for any such transaction may consist of cash or non-cash consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which he/she thinks fit.

Leases

- 12.8 A Receiver may let, licence or hire out any Security Asset for any term and at any rent (with or without a premium) which he/she thinks fit and may accept a surrender of any lease or tenancy of any Security Asset on any terms which he/she thinks fit (including the payment of money to a lessee or tenant on a surrender).

Compromise

- 12.9 A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of the Chargor or relating in any way to any Security Asset.

Legal actions

- 12.10 A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Security Asset which he/she thinks fit.

Receipts

- 12.11 A Receiver may give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Security Asset.

Delegation

- 12.12 A Receiver may delegate his/her powers in accordance with this Deed.

Lending

- 12.13 A Receiver may lend money or advance credit to any person.

Protection of assets

- 12.14 A Receiver may:
- 12.14.1 effect any repair or insurance and do any other act which the Chargor might do in the ordinary conduct of its business to protect or improve any Security Asset;
 - 12.14.2 commence and/or complete any building operation; and
 - 12.14.3 apply for and maintain any planning permission, building regulation approval or any other Authorisation,
- in each case as he/she thinks fit.

Other powers

12.15 A Receiver may:

- 12.15.1 do all other acts and things which he/she may consider necessary or desirable for realising any Security Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or law;
- 12.15.2 exercise in relation to any Security Asset all the powers, authorities and things which he/she would be capable of exercising if he/she were the absolute beneficial owner of that Security Asset; and
- 12.15.3 use the name of the Chargor for any of the above purposes.

13. APPLICATION OF PROCEEDS

13.1 All amounts from time to time received or recovered by the Secured Party or any Receiver pursuant to the terms of this Deed or in connection with the realisation or enforcement of all or part of this Security will, after payment of all amounts incurred by or owing to such Receiver or the Secured Party in connection with such realisation or enforcement, be held by the Secured Party and applied in the following order of priority:

- 13.1.1 in or towards the discharge of the Secured Liabilities;
- 13.1.2 in respect of any surplus following discharge of the Secured Liabilities in full, in payment or distribution to any person to whom the Secured Party or Receiver is obliged by law to pay or distribute in priority to the Chargor; and
- 13.1.3 the balance, if any, in payment or distribution to the Chargor.

13.2 This clause 13:

- 13.2.1 is subject to the payment of any claims having priority over this Security; and
- 13.2.2 does not prejudice the right of the Secured Party to recover any shortfall from the Chargor.

14. EXPENSES AND INDEMNITY

14.1 The Chargor must:

- 14.1.1 promptly following demand and in any event within five Business Days of demand pay to the Secured Party the amount of all costs and expenses (including legal fees) reasonably incurred by the Secured Party in connection with the enforcement of this Deed or the protection or preservation of any Security Asset (including any arising from any actual or alleged breach by any person of any law or regulation); and
- 14.1.2 keep the Secured Party indemnified against any failure or delay in paying those costs or expenses.

15. LIMITED RECOURSE

15.1 Notwithstanding any other provision of this Deed, it is expressly agreed and understood that if a Section 75 Debt is not payable on or triggered by any relevant Enforcement Event:

- 15.1.1 the sole recourse of the Secured Party to the Chargor under this Deed is to the Chargor's interest in the Security Assets;
- 15.1.2 the liability of the Chargor to the Secured Parties under this Deed shall be:

- (a) limited in aggregate to an amount equal to that recovered as a result of enforcement of the Transaction Security; and
- (b) satisfied only from the proceeds of sale or other disposal or realisation (including by appropriation or set-off) of the Security Assets pursuant to this Deed or any action taken in respect of the Security Assets by a liquidator, compulsory manager, receiver, administrator or similar officer; and

15.1.3 to the extent the Security Assets have been fully applied in enforcement against the Secured Liabilities, the Secured Party shall not otherwise sue or bring a claim or action against the Chargor whether in debt or otherwise under this Deed.

16. DELEGATION

Power of Attorney

16.1 The Secured Party or any Receiver may delegate by power of attorney or otherwise to any person for any period all or any right, power, authority or discretion exercisable by it under this Deed.

Terms

16.2 Any such delegation may be made upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions that the Secured Party or that Receiver (as the case may be) may, in its discretion, think fit in the interests of the Secured Party.

Liability

16.3 Neither the Secured Party nor any Receiver shall be bound to supervise, or be in any way responsible for any damages, costs or losses incurred by reason of any misconduct, omission or default on the part of, any such delegate or sub-delegate.

17. FURTHER ASSURANCES

17.1 The Chargor must promptly, at its own expense, take whatever action the Secured Party or a Receiver may reasonably require for:

- 17.1.1 creating, perfecting or protecting this Security; or
- 17.1.2 when an Enforcement Event is continuing, facilitating the realisation of any Security Asset, or the exercise of any right, power or discretion exercisable, by the Secured Party or any Receiver or any of their respective delegates or sub-delegates in respect of any Security Asset.

17.2 The action that may be required under clause 17.1 includes:

- 17.2.1 the execution of any mortgage, charge, transfer, conveyance or assurance of any Security Asset, whether to the Secured Party or to its nominees; or
- 17.2.2 the giving of any notice, order or direction and the making of any filing or registration, which, in any such case, the Secured Party may consider necessary to give effect to this Security.

18. POWER OF ATTORNEY

The Chargor, by way of security, irrevocably and severally appoints the Secured Party, each Receiver and any of their respective delegates or sub-delegates to be its attorney with the full power and authority of the Chargor to execute, deliver and perfect all deeds, instruments and other documents in its name and otherwise on its behalf and to do or cause to be done all acts and things,

in each case which may be required or which any attorney may in its absolute discretion deem necessary for carrying out any obligation of the Chargor under or pursuant to this Deed which the Chargor has failed to carry out following written demand of the Secured Party or when an Enforcement Event is continuing, generally for enabling the Secured Party or any Receiver to exercise the respective powers conferred on them under this Deed. The Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this clause 18.

19. MISCELLANEOUS

Continuing Security

- 19.1 This Security is a continuing security and will extend to the ultimate balance of the Secured Liabilities regardless of any intermediate payment or discharge in whole or in part.

Tacking

- 19.2 The Secured Party must perform its obligations under any agreement between the Chargor and the Secured Party (including any obligation to make further advances).

Chargor intent

- 19.3 The Chargor expressly confirms that it intends that this Security shall extend from time to time to any (however fundamental) variation, increase, extension, replacement or addition of the Secured Liabilities.

New accounts

- 19.4 If any subsequent charge or other interest affects any Security Asset, a Secured Party may open a new account with the Chargor.
- 19.5 If that Secured Party does not open a new account, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that charge or other interest.
- 19.6 As from that time all payments made to that Secured Party will be credited or be treated as having been credited to the new account and will not operate to reduce any Secured Liability.

20. RELEASE

- 20.1 At the end of the Security Period the Secured Party must, at the request and cost of the Chargor, promptly take whatever action is necessary to release the Security Assets from this Security.
- 20.2 If the Chargor notifies the Secured Party that it intends to make a disposal of Security Assets permitted under Clause 7 (*Property undertakings*) of this Deed, the Secured Party shall, at the request and cost of the Chargor, promptly take such action as is necessary to release the applicable Security Assets from this Security and to facilitate that disposal (including making any filings and registrations required to give effect to the release and disposition).

21. NOTICES

Receipt

- 21.1 All notices and communications under this Deed shall be in writing and in the English language and shall be deemed to have been received:
- 21.1.1 if posted, on the second Business Day, or in the case of airmail, on the fifth Business Day, following the day on which it was dispatched by first class mail postage prepaid or, as the case may be, airmail postage prepaid; or

21.1.2 if sent by email, when sent provided that the sender has not received a message that the email has not been received by the recipient; or

21.1.3 in the case of a written notice given by hand, on the day of actual delivery,

provided that a notice given in accordance with the above but received on a day which is not a Business Day or after normal business hours in the place of receipt shall only be deemed to have been received on the next Business Day.

Addresses

21.2 All notices or communications under this Deed shall be addressed as follows:

21.2.1 To the Chargor:

British Airways PLC

Attention: Company Secretary

Address: Waterside HDB3, PO Box 365, Harmondsworth, UB7 0GB

Email: [REDACTED]

21.2.2 To the Secured Party:

New Airways Pension Scheme Trustee Limited

Attention: Scheme Secretary to the Trustee of NAPS

Address: Waterside HAA1, Harmondsworth, UB7 0GB

Email: [REDACTED]

22. BINDING EFFECT AND TRANSFERS

Binding effect

22.1 This Deed shall be binding on and shall continue in full force for the benefit of any successor trustee from time to time of the Scheme.

Transfers

22.2 Subject to clause 22.1 (*Binding effect*) neither Party may, without the prior written consent of the other Party (such consent not to be unreasonably withheld or delayed) assign or transfer all or any part of its rights or obligations under this Deed and no such assignment or transfer shall be effective in the absence of such consent.

23. REMEDIES CUMULATIVE

The provisions of this Deed and the rights and remedies of the Parties under this Deed are cumulative and are without prejudice and in addition to any rights or remedies such Party may have at law or in equity; no exercise by a Party of any one right or remedy under this Deed, or at law or in equity, shall (save to the extent, if any, provided expressly in this Deed, or at law or in equity) operate so as to hinder or prevent the exercise by it of any other such right or remedy. Each and every right and remedy may be exercised from time to time as often and in such order as may be deemed expedient by the Secured Party.

24. WAIVER

The rights of each of the Parties shall not be prejudiced or restricted by any indulgence or forbearance extended to another Party and no waiver by either Party in respect of any breach shall operate as a waiver in respect of any subsequent breach.

25. COUNTERPARTS

This Deed may be executed in more than one counterpart, each of which shall be deemed to constitute an original.

26. VARIATION

This Deed may not be released, discharged, supplemented, amended, varied or modified in any manner except by an instrument in writing signed by a duly authorised officer or representative of each of the Parties.

27. FORBEARANCE

No failure or delay by the Secured Party in exercising any right or remedy shall operate as a waiver thereof nor shall any single or partial exercise or waiver of any right or remedy prevent its further exercise or the exercise of any other right or remedy.

28. WHOLE AGREEMENT

This Deed supersedes all prior representations, arrangements, understandings and agreements between the Parties relating to the subject matter hereof and sets forth the entire complete and exclusive agreement and understanding between the Parties relating to the subject matter hereof; no Party has relied on any representation, arrangement, understanding or agreement (whether written or oral) not expressly set out or referred to in this Deed.

29. SEVERABILITY

If any term or provision in this Deed shall be held to be illegal or unenforceable, in whole or in part, such term or provision or part shall to that extent be deemed not to form part of this Deed and the enforceability of the remainder of this Deed shall not be affected.

30. GOVERNING LAW

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

THIS DEED has been executed and delivered as a deed on the date stated at the beginning of this Deed.

**SCHEDULE 1
FORM OF LETTER TO LANDLORD**

To: Heathrow Airport Limited

Copy: New Airways Pension Scheme Trustee Limited (as Secured Party as defined below)

[Date]

Dear Sirs,

**Security Agreement dated [●] 2022 between British Airways plc
and New Airways Pension Scheme Trustee Limited (the "Security Agreement")**

We refer to the lease dated 1 April 1995 made between Heathrow Airport Limited, British Airways plc and British Airways Associated Companies Limited (the "Lease").

This letter constitutes notice to you that under the Security Agreement we have charged by way of a first fixed charge in favour of New Airways Pension Scheme Trustee Limited (the "Secured Party") all our rights under the Lease.

We confirm that:

- (a) we will remain liable under the Lease to perform all the obligations assumed by us under the Lease; and
- (b) none of the Secured Party, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Lease.

We will also remain entitled to exercise all our rights, powers and discretions under the Lease, and you should continue to give notices under the Lease to us, unless and until you receive notice from the Secured Party to the contrary stating that the security under the Security Agreement has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and all notices must be given to, the Secured Party or as it directs.

The instructions in this letter apply until you receive notice from the Secured Party to the contrary and notwithstanding any previous instructions given by us.

The instructions in this letter may not be revoked or amended without the prior written consent of the Secured Party.

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

Please confirm your agreement to the above by signing the attached acknowledgement and returning it to the Secured Party at [●] with a copy to us.

Yours faithfully,

.....

(Authorised Signatory)

British Airways plc

ACKNOWLEDGEMENT OF LANDLORD

To: New Airways Pension Scheme Trustee Limited (as Secured Party)
Attention: [●]

[Date]

Dear Sirs,

**Security Agreement dated [●] 2022 between British Airways plc
and New Airways Pension Scheme Trustee Limited (the “Security Agreement”)**

We confirm receipt from British Airways plc (the “Chargor”) of a notice dated [●] (the “Notice”) in relation to the Lease (as defined in the Notice).

We confirm that we:

- (a) accept the instructions contained in the Notice and agree to comply with the Notice; and
- (b) have not received any notice of any prior security over the Lease (other than in favour of New Airways Pension Scheme Trustee Limited) or that any third party has or will have any right or interest in, or has made or will be making any claim or demand or taking any action in respect of, the rights of the Chargor under or in respect of the Lease.

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

Yours faithfully,

.....

For
Heathrow Airport Limited

SCHEDULE 2
FORM OF NOTICE TO INSURER

To: [Insurer]

Copy: New Airways Pension Scheme Trustee Limited

[Date]

Dear Sirs,

**Security Agreement dated [●] 2022 between British Airways plc
and New Airways Pension Scheme Trustee Limited (the “Security Agreement”)**

This letter constitutes notice to you that under the Security Agreement we have charged by way of first fixed charge in favour of New Airways Pension Scheme Trustee Limited (the “Secured Party”) all our rights in respect of the East & West Maintenance Bases, Heathrow Airport, Hounslow under policy number [insert policy number] (the “Insurance”).

We confirm that:

- (a) we will remain liable under the Insurance to perform all the obligations assumed by us under the Insurance; and
- (b) none of the Secured Party, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Insurance (unless, and to the extent, otherwise expressly provided for in the Insurance).

We will also remain entitled to exercise all our rights, powers and discretions under the Insurance, and you should continue to give notices and make payments under the Insurance to us (unless, and to the extent, otherwise expressly provided for in the Insurance or in any insurer letter you may have issued to the Secured Party in respect of the Insurance), unless and until you receive notice from the Secured Party to the contrary stating that the security under the Security Agreement has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and notices must be given and payments must be made to, the Secured Party or as it directs (unless, and to the extent, otherwise expressly provided for in the Insurance or in any insurer letter you may have issued to the Secured Party in respect of the Insurance).

We irrevocably instruct and authorise you to disclose to the Secured Party any information relating to the Insurance requested from you by the Secured Party.

The instructions in this letter may not be revoked or amended without the prior written consent of the Secured Party.

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

Please acknowledge receipt of this letter by sending the attached acknowledgement to the Secured Party at [address] with a copy to us.

Yours faithfully,

.....
(Authorised signatory)
British Airways plc

ACKNOWLEDGEMENT OF INSURER

To: New Airways Pension Scheme Trustee Limited

Copy: British Airways plc

[Date]

Dear Sirs,

**Security Agreement dated [●] 2022 between British Airways plc
and New Airways Pension Scheme Trustee Limited (the “Security Agreement”)**

We confirm receipt from British Airways plc (the “Chargor”) of a notice dated [●] (the “Notice”) of a first fixed charge on the terms of the Security Agreement of all the Chargor’s rights in respect of the East & West Maintenance Bases, Heathrow Airport, Hounslow under policy number [*insert policy number*] (the “Insurance”).

We confirm that we:

- (a) accept the instructions contained in the Notice and agree to comply with the Notice; and
- (b) will give notices and make payments under the Insurance as directed in the Notice.

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

Yours faithfully,

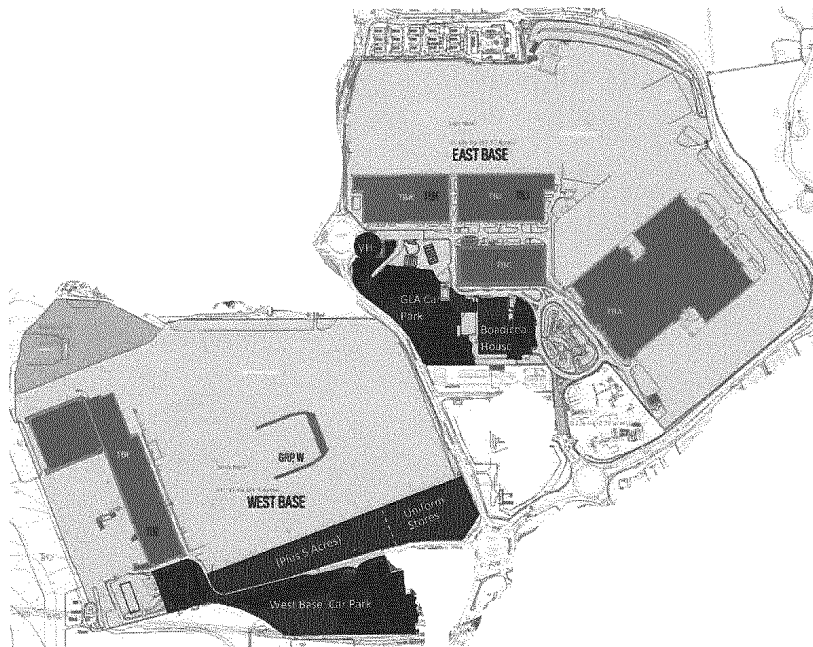
.....

(Authorised signatory)

[Insurer]

SCHEDULE 3
PLAN OF THE MORTGAGED PROPERTY

EAST/WEST BASE MAP



INFORMATION FOR BA INTERNAL USE ONLY

CMS-CMND

Executed as a deed by
BRITISH AIRWAYS PLC
acting by:

.....
and
two directors / a director and its secretary

)
) Director

)
) Director/Secretary

Executed as a deed by
**NEW AIRWAYS PENSION SCHEME
TRUSTEE LIMITED**
acting by:

.....
and
two directors / a director and its secretary

)
) Director

)
) Director/Secretary

CMS-CMND EXECUTED AS A
DEED BY AFFIXING
THE COMMON SEAL
OF BRITISH AIRWAYS
PLC IN THE PRESENCE
OF:

