



Registration of a Charge

Company name: **VIRGIN ATLANTIC INTERNATIONAL LIMITED**

Company number: **09539561**

Received for Electronic Filing: **04/09/2020**



Details of Charge

Date of creation: **04/09/2020**

Charge code: **0953 9561 0018**

Persons entitled: **INTERTRUST TRUSTEES LIMITED, AS SECURITY TRUSTEE**

Brief description:

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **I CERTIFY THAT THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **WATSON FARLEY & WILLIAMS LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 9539561

Charge code: 0953 9561 0018

The Registrar of Companies for England and Wales hereby certifies that a charge dated 4th September 2020 and created by VIRGIN ATLANTIC INTERNATIONAL LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 4th September 2020 .

Given at Companies House, Cardiff on 7th September 2020

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

Dated 4 September 2020

VIRGIN ATLANTIC INTERNATIONAL LIMITED
as Borrower

and

INTERTRUST TRUSTEES LIMITED
as Security Trustee

and

ELAVON FINANCIAL SERVICES DAC
as Cash Manager

and

ELAVON FINANCIAL SERVICES DAC
as Account Bank

BORROWER (SECOND) SECURITY DEED

We hereby certify this document to be a true
copy of the original.

Watson Farley & Williams LLP
Watson Farley & Williams LLP
15 Appold Street
London EC2A 2HB

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THIS DEED is made on 4 September 2020

PARTIES

- (1) **VIRGIN ATLANTIC INTERNATIONAL LIMITED**, a private company limited by shares, incorporated under the laws of England (under registered number 9539561) and having its registered office at The VHQ, Fleming Way, Crawley, RH10 9DF, England (the "**Borrower**")
- (2) **INTERTRUST TRUSTEES LIMITED (formerly known as SFM Trustees Limited)**, a private company limited by shares incorporated under the laws of England (under registered number 7359549) and having its registered office at 1 Bartholomew Lane, London, United Kingdom, EC2N 2AX (the "**Security Trustee**")
- (3) **ELAVON FINANCIAL SERVICES DAC**, a Designated Activity Company registered in Ireland with the Companies Registration Office under registered number 418442 and having its registered office at 2nd Floor, Block E, Cherrywood Science & Technology Park, Loughlinstown, Co. Dublin, Ireland and acting through its UK Branch from its establishment at 125 Old Broad Street, Fifth Floor, London EC2N 1AR (registered with the Registrar of Companies for England and Wales under Registration No. BR020005) under the trade name U.S. Bank Global Corporate Trust Services (the "**Cash Manager**")
- (4) **ELAVON FINANCIAL SERVICES DAC**, a Designated Activity Company registered in Ireland with the Companies Registration Office under registered number 418442 and having its registered office at 2nd Floor, Block E, Cherrywood Science & Technology Park, Loughlinstown, Co. Dublin, Ireland and acting through its UK Branch from its establishment at 125 Old Broad Street, Fifth Floor, London EC2N 1AR (registered with the Registrar of Companies for England and Wales under Registration No. BR020005) under the trade name U.S. Bank Global Corporate Trust Services (the "**Account Bank**")

BACKGROUND

- (A) This Deed is entered into in connection with the trust deed dated 9 December 2015 as supplemented by a first supplemental trust deed dated 9 January 2017, in each case, between, among others, the Issuer and the Security Trustee as amended and restated on the Restructuring Effective Date pursuant to the Fourth Global Amendment Deed (as defined below) and as otherwise amended, supplemented and/or amended and restated from time to time (the "**Trust Deed**").
- (B) Pursuant to the Trust Deed, the Security Trustee shall act as security trustee in relation to the security created pursuant to the Security Documents.
- (C) This Deed is supplemental to the Trust Deed and to the Borrower Security Deed dated 8 December 2015 entered into between, among others, the Borrower and the Security Trustee.
- (D) The Bondholders have approved the form of this Deed and have authorised and instructed the Security Trustee to enter into this Deed pursuant to a written resolution dated 4 September 2020.

OPERATIVE PROVISIONS

1 INTERPRETATION

1.1 Definitions

- (a) Unless otherwise defined in this Deed, terms defined in the Master Definitions Schedule shall have the same meaning when used herein.

(b) In this Deed:

"**Accession Undertaking**" means an accession undertaking substantially in the form set out in Schedule 1 (*Form of Accession Undertaking*).

"**Assigned Documents**" means:

- (a) the Framework Agreement;
- (b) the Cash Management Agreement;
- (c) the Joint Business Agreement;
- (d) JV Joint Operation Agreement;
- (e) the Borrower Charged Account Bank Agreement;
- (f) the LR Account Bank Agreement;
- (g) the Slot Trust Deed;
- (h) the Slot Transfer Event Agreement;
- (i) the Services Agreement;
- (j) the Intra-Group Loan Agreement; and
- (k) the 2020 Slots SPA.

"**Assigned Property**" means all of the Borrower's present and future rights, title and interest (whether contractual, proprietary or any other kind and including the right to sue for damages) under or in connection with:

- (a) the Assigned Documents; and
- (b) the Borrower Charged Accounts including, without limitation, the right to receive the Credit Balance of the Borrower Charged Accounts and the rights of the Borrower to instruct, enforce and/or compel performance of any and all provisions of any mandates and/or agreements relating to the Borrower Charged Accounts between the Account Bank or the LR Account Bank (as applicable) and the Borrower,

and, in each case, including the Borrower's right to exercise all claims, rights and remedies thereunder and to give and receive, notices, reports, requests and consents, to make demands, to exercise discretions, options and elections thereunder and to take any other action in relation to the Assigned Documents or the Borrower Charged Accounts, as the case may be.

"**Credit Balance**" means, in relation to each of the Borrower Charged Accounts:

- (a) the amount for the time being and from time to time standing to the credit of any Borrower Charged Account;
- (b) any amount received by or for the account of the Account Bank or the LR Account Bank which, under the terms of the Transaction Documents, the Borrower is required to deposit and/or the Account Bank or the LR Account Bank is required to credit to any Borrower Charged Account but which the Account Bank or the LR Account Bank (as applicable) has not yet credited to such Borrower Charged Account; and

- (c) any interest accrued or accruing on any amount referred to in paragraph (a) or (b) above, whether or not the interest has been credited to the relevant Borrower Charged Account.

"**Crystallisation Event**" means the issue by the Bond Trustee of a Preliminary Enforcement Notice or an Enforcement Notice.

"**Fourth Global Amendment Deed**" means the fourth global amendment deed dated 4 September 2020 entered into between the Issuer, the Borrower, VAIL, VAA, the Equity Loan Stockholder, the Original Equity Loan Stockholder, HoldCo 1, HoldCo 2, the Account Bank, the Principal Paying Agent, the Cash Manager, the Bond Trustee, the Security Trustee, the Registrar, the ACL Confirmation Agent, the LR Account Bank, the Corporate Servicer and the Share Trustee.

"**Framework Agreement**" means the framework agreement dated 30 October 2015 as amended on 27 November 2015, 7 December 2015, 8 December 2015, 9 December 2015, 22 December 2016, 9 November 2017 and as amended and restated on the Restructuring Effective Date pursuant to the Fourth Global Amendment Deed or as otherwise amended, supplemented and/or amended and restated from time to time, each entered into between the Issuer, the Borrower, VAA, the Original Equity Loan Stockholder, HoldCo 1, HoldCo 2, the Account Bank, the Principal Paying Agent, the Cash Manager, the Bond Trustee, the Security Trustee, the Registrar and the ACL Confirmation Agent for the purpose of recording the participation of those parties in the Transaction.

"**Master Definitions Schedule**" means schedule 1 (*Master Definitions Schedule*) to the Framework Agreement.

"**Relevant Counterparties**" means, together, the Issuer, VAA, the Equity Loan Stockholder, HoldCo 1, HoldCo 2, the Account Bank, the LR Account Bank, the Principal Paying Agent, the Cash Manager, the Bond Trustee, the Registrar and the ACL Confirmation Agent.

"**Restructuring Effective Date**" has the meaning given to it in the Fourth Global Amendment Deed.

1.2 Construction

In this Deed, the provisions of clause 1.2 (*Interpretation*) of the Master Definitions Schedule will be deemed to be set out herein in their entirety but as if each reference to "this Agreement" were a reference instead to this Deed (and not to the Framework Agreement).

2 THE BORROWER'S UNDERTAKING TO PAY

The Borrower undertakes to the Security Trustee (for its own account and as trustee for the Issuer) that it shall duly, unconditionally and punctually pay and discharge to each of the Borrower Secured Creditors when due and payable all moneys and liabilities and obligations whatsoever constituting the Borrower Secured Obligations in accordance with the terms of the Transaction Documents.

3 CREATION OF FIXED SECURITY

As continuing security for the payment and discharge of the Borrower Secured Obligations, the Borrower with full title guarantee and as beneficial owner hereby:

- (a) assigns by way of first ranking security the Assigned Property; and
- (b) charges by way of first fixed charge the Credit Balance of each Borrower Charged Account,

in each case, in favour of the Security Trustee (for the Security Trustee itself and on trust for the other Borrower Secured Creditors).

4 CREATION OF FLOATING CHARGE

4.1 Floating Charge

As continuing security for the payment or discharge of the Borrower Secured Obligations, the Borrower with full title guarantee and as beneficial owner also hereby charges, in favour of the Security Trustee (for the Security Trustee itself and on trust for the other Borrower Secured Creditors), by way of first floating charge the whole of its undertaking and all its property, assets and rights whatsoever and wheresoever present and future including, without limitation, its uncalled capital, the Borrower Transaction Account, and its interest in the Transaction Slots (but excluding its issued share capital) and any property or assets from time to time or for the time being effectively charged by way of fixed charge or assigned by way of fixed security as provided in Clause 3 (*Creation of Fixed Security*).

4.2 Qualifying floating charge

The floating charge created under Clause 4.1 (*Floating Charge*) shall:

- (a) constitute a "qualifying floating charge" for the purposes of paragraph 14 of Schedule B1 to the Insolvency Act; and
- (b) form part of a "capital markets arrangement" for the purposes of section 72B of the Insolvency Act,

and, accordingly, the Security Trustee may appoint an administrator or an administrative receiver to the Borrower pursuant to the terms of this Deed.

4.3 Automatic conversion

Without prejudice to automatic conversion as a matter of law, the floating charge created under this Deed shall immediately convert into a fixed charge upon the occurrence of a Crystallisation Event, provided that the Security Trustee shall only be entitled to appoint an Administrative Receiver to the Borrower if the Crystallisation Event occurs as a result of the occurrence of (i) an Unresolved Trigger Event arising from an Insolvency Trigger Event; or (ii) an Enforcement Event.

4.4 Subsequent notices and rights

The issue of any Preliminary Enforcement Notice or Enforcement Notice in relation to any of the Borrower's assets shall not be construed as a waiver or abandonment of the Security Trustee's right to give (or procure the giving of) similar notices in respect of any other of the Borrower's assets nor of any of the Borrower's Secured Creditors rights under this Deed.

4.5 Assets acquired after crystallisation

Any asset acquired by the Borrower after any crystallisation of any floating charge created under this Deed which, but for such crystallisation would be subject to a floating charge shall (unless the Security Trustee confirms in writing to the contrary) be charged to the Security Trustee by way of first fixed charge.

5 EXISTING SECURITY

5.1 Supplement, not replacement

This Deed is supplemental to the Borrower Security Deed but shall not merge with or replace the Borrower Security Deed, which shall continue in full force and effect.

5.2 Further effects

- (a) Where this Deed purports to create a first ranking Security Interest, that Security Interest will be a second ranking Security Interest ranking subject to the equivalent Security Interest created by the Borrower Security Deed until such time as the Security Interest created by the Borrower Security Deed ceases to have effect.
- (b) Where a right or asset has been assigned (subject to a proviso for reassignment on redemption) under the Borrower Security Deed and the same right or asset is expressed to be assigned again under this Deed, that second assignment will take effect as a fixed charge over the right or asset and will only take effect as an assignment if the relevant Security created by the Borrower Security Deed ceases to have effect at a time when this Deed still has effect.

6 FINANCIAL COLLATERAL

To the extent that the Borrower Collateral constitutes "financial collateral" and this Deed and the obligations of the Borrower under this Deed constitute a "security financial collateral arrangement" (in each case for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226)) (the "**Financial Collateral Regulations**"), at any time on or after the Borrower Transaction Security becomes enforceable in accordance with Clause 11.1 (*Scope of Enforcement*), the Security Trustee shall have the right to appropriate all or any part of such financial collateral (as defined in the Financial Collateral Regulations) in or towards the satisfaction of the Borrower Secured Obligations subject to and in accordance with the terms of this Deed, and the Security Trustee shall notify the Borrower to the extent practicable of the exercise of such right of appropriation in relation to such financial collateral. For this purpose, the value of such financial collateral (as defined in the Financial Collateral Regulations) so appropriated shall be the market value of such financial collateral (as defined in the Financial Collateral Regulations) as the Security Trustee so determines having taken into account advice obtained from an independent investment or accountancy firm of national standing selected by it. The Borrower agrees that the method of valuation provided for in this Clause 6 (*Financial Collateral*) is a commercially reasonable method of valuation for the purposes of the Financial Collateral Regulations.

7 NOTICE AND PERFECTION OF SECURITY

7.1 Borrower's Notices

- (a) The Borrower shall, promptly upon execution of this Deed, give written notice of the creation of the Borrower Transaction Security to each of the Relevant Counterparties in the form set out in schedule 11 (*Form of Global Notification and Acknowledgement*) of the Fourth Global Amendment Deed.
- (b) The Borrower shall promptly upon entry into the Tripartite Joint Operation Agreement give written notice to Delta of the assignment of its rights under the Tripartite Joint Operation Agreement created pursuant to this Deed in such form as may be agreed between the Borrower and the Security Trustee at the relevant time.

7.2 Acknowledgements of Notices

- (a) The Borrower shall procure that each of the Relevant Counterparties, having received a notice pursuant to paragraph (a) of Clause 7.1 (*Borrower's Notices*), acknowledges receipt of such notice in the form required by such notice of assignment.
- (b) Each of the Cash Manager, and the Account Bank, undertakes to acknowledge receipt of a notice received pursuant to paragraph (a) of Clause 7.1 (*Borrower's Notices*) in the form required by such notice of assignment.
- (c) The Borrower shall promptly after having sent the notice to Delta pursuant to paragraph (b) of Clause 7.1 (*Borrower's Notices*), send one further follow up correspondence to Delta requesting that they duly acknowledge such notice in the form as may be agreed between the Borrower, Delta and the Security Trustee at the relevant time.

8 REDEMPTION AND RELEASE

8.1 Release on payment or discharge

Upon proof being given to the satisfaction of the Security Trustee as to the irrevocable and unconditional payment or discharge of the Borrower Secured Obligations, the Security Trustee shall, at the request and cost of the Borrower, release, discharge or reassign (as applicable) the Borrower Collateral to the Borrower.

8.2 No avoidance

No assurance, security or payment which is avoided under any enactment relating to bankruptcy or under Sections 238 to 245 or Section 423 of the Insolvency Act or any equivalent provision of common law and no release, settlement or discharge given or made by the Security Trustee in reliance on any such assurance, security or payment shall prejudice or affect the right of the Security Trustee to enforce the Borrower Transaction Security to the full extent of the Borrower Secured Obligations. The Borrower agrees that, notwithstanding any such avoidance, release, settlement or discharge, the Borrower Transaction Security shall be deemed always to have been and to have remained held by the Security Trustee as and by way of security for the payment to or to the order of the Security Trustee towards satisfaction of the Borrower Secured Obligations. In particular, any payment so avoided or otherwise set aside shall not be considered to have been irrevocably paid for the purposes of this Deed.

8.3 Deemed Release

For the avoidance of doubt, there shall be deemed to be released from the Security Interests constituted by this Deed all amounts which the Cash Manager is permitted to withdraw from the Borrower Charged Accounts pursuant to Clause 10 (*Application of Proceeds*), or otherwise as expressly provided in the Transaction Documents, any such release to take effect immediately upon the relevant withdrawal being made and with respect to the payment of any such amounts to the Issuer Transaction Account, such amounts will, thereupon become subject to the Security Interests over the Issuer Transaction Account constituted by the Issuer Security Deed.

9 CONTINUANCE OF BORROWER TRANSACTION SECURITY

9.1 Continuing Security

The Borrower Transaction Security shall be a continuing security, notwithstanding any intermediate payment or satisfaction of any part of the Borrower Secured Obligations or any settlement of account or any other act, event or matter whatsoever, and shall secure the ultimate balance of the Borrower Secured Obligations.

9.2 The Borrower's Liability

The Borrower's liability to the Security Trustee and the covenants, undertakings and provisions related thereto contained in this Deed or in any other Transaction Document shall not be discharged, impaired or otherwise affected by reason of any of the following events or circumstances (regardless of whether any such events or circumstances occur with or without the Borrower's knowledge or consent):

- (a) any time, forbearance or other indulgence given or agreed by the Security Trustee, or any Secured Creditor to or with any Obligor or any other person in respect of any of their respective obligations hereunder and/or under any of the other Transaction Documents; or
- (b) any legal limitation, disability or incapacity relating to the Borrower or any other person; or
- (c) any invalidity, irregularity, unenforceability, imperfection or avoidance of or any defect in any security granted by, or the obligations of any Obligor or any other person hereunder and/or under any of the Transaction Documents and/or any amendment to or variation thereof or of any other document or security comprised therein; or
- (d) any change in the name, constitution or otherwise of any Obligor or any other person or the merger of any Obligor or any other person by or with any other corporate entity; or
- (e) the liquidation, bankruptcy or dissolution (or proceedings analogous thereto) of any Obligor or any other person or the appointment of a receiver or administrative receiver or administrator or trustee or similar officer in respect of any of the assets of any Obligor or any other person or the occurrence of any circumstances whatsoever affecting any Obligor or any other person's liability to discharge its respective obligations under any of the Transaction Documents; or
- (f) any release, renewal, exchange or realisation of any security or obligation provided under or by virtue of any of the Transaction Documents (other than as provided in this Deed) or the provision to the Security Trustee or any Secured Creditor at any time of any further security for the obligations of any Obligor or any other person under any of the Transaction Documents; or
- (g) any failure on the part of the Security Trustee or any Secured Creditor to take or perfect any security agreed to be taken under or in relation to any of the Transaction Documents; or
- (h) any other act, matter or thing (other than the discharge in full of the Borrower Secured Obligations and the obligations of the Borrower hereunder) which might otherwise constitute a legal or equitable discharge of any of the obligations of the Borrower under this Deed.

9.3 Immediate Recourse

The Borrower waives any right it may have to require the Security Trustee to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing any Security Interest created under this Deed against the Borrower or the Borrower Collateral.

9.4 Remedies cumulative

The security created by this Deed, and the powers and remedies of the Security Trustee under this Deed, shall be in addition to and not in substitution or derogation of, and shall not in any way be prejudiced or affected by, any collateral or other security or powers or remedies now or hereafter held by the Security Trustee for all or any part of the Secured Obligations. The Security Trustee shall be entitled at any time and as often as it may deem expedient to delegate all or any of the powers, rights and remedies vested in it by or in connection with this Deed in

such manner, upon such terms as and to such person as the Security Trustee in its absolute discretion may think fit.

10 APPLICATION OF PROCEEDS

10.1 Application of proceeds

Following the delivery of an Enforcement Notice to the Borrower, all moneys received by the Borrower and all moneys or proceeds of any Transaction Security received or recovered by the Borrower or the Security Trustee (or, following the appointment of any Receiver, any Receiver) for the benefit of the Borrower Secured Creditors or standing to the credit of any Borrower Charged Account or the Borrower Transaction Account, shall promptly be transferred to the credit of the Issuer Transaction Account by the Cash Manager in or towards the satisfaction of the Borrower Secured Obligations and shall be applied in accordance with paragraph 1.1 (*Payments Priorities*) of schedule 17 (*Application of Proceeds*) of the Framework Agreement.

10.2 Withdrawals from the Borrower Charged Accounts

The Borrower shall not be permitted to and shall not make any withdrawals from the Borrower Charged Accounts. Any withdrawals from the Borrower Charged Accounts, if and when required to be made, shall be made by the Cash Manager.

11 SECURITY ENFORCEABLE

11.1 Scope of Enforcement

The Borrower Transaction Security shall not become enforceable:

- (a) before an Enforcement Notice has been delivered to the Borrower, unless a Preliminary Enforcement Notice has been delivered to the Borrower, whereupon the Security Trustee shall be entitled to enforce the Borrower Transaction Security but only to the extent required to implement the Preservation Steps (including, without limitation, following the occurrence of an Unresolved Trigger Event arising from an Insolvency Trigger Event, to appoint an Administrative Receiver); and
- (b) in all other circumstances, unless an Enforcement Notice has been delivered to the Borrower, whereupon the Security Trustee shall be entitled to enforce the Borrower Transaction Security to the fullest extent available under applicable law and realise the value of the Transaction Slots in accordance with the provisions of the Framework Agreement.

11.2 Trust Deed and Framework Agreement

Each of the parties hereto other than the Security Trustee:

- (a) confirms its awareness of all of the terms of the Trust Deed and the Framework Agreement; and
- (b) acknowledges and agrees that:
 - (i) any exercise by the Security Trustee of the rights and powers granted to it under this Deed shall be in accordance with the terms of the Trust Deed and the Framework Agreement;
 - (ii) in connection with this Deed the Security Trustee shall have the benefit of all rights given to it under or in connection with the Trust Deed and the Framework Agreement and all rights and protections incorporated into the Trust Deed and the Framework Agreement and which govern the exercise or performance of duties, discretions and obligations of the Security Trustee under this Deed and all such priorities as set out in

the Trust Deed and the Framework Agreement shall be deemed to be incorporated in this Deed; and

- (iii) in connection with this Deed, the Security Trustee shall act subject to and in accordance with the terms of the Trust Deed and the Framework Agreement.

12 EXTENSION AND VARIATION OF THE LPA

12.1 Extension of Powers

From the date of this Deed but subject to Clause 11.1 (*Scope of Enforcement*) and Clause 12.2 (*Powers exercised on the occurrence of certain events*), the provisions of the LPA relating to the power of sale and the other powers conferred by Sections 101(1) and (2) of the LPA, are extended to authorise the Security Trustee upon such terms as the Security Trustee may think fit:

- (a) to sell, exchange, licence or otherwise dispose of or otherwise deal with the Borrower Collateral or any interest in the same, and to do so for shares, debentures or any other securities whatsoever, or in consideration of an agreement to pay all or part of the purchase price at a later date or dates, or an agreement to make periodical payments, whether or not the agreement is secured by a Security Interest or a guarantee, or for such other consideration (if any) and upon such terms whatsoever as the Security Trustee may think fit, and also to grant any option to purchase;
- (b) with a view to, or in connection with, the management or disposal of the Borrower Collateral to carry out any transaction, scheme or arrangement which the Security Trustee may in its absolute discretion consider appropriate;
- (c) to take possession of, get in and collect the Borrower Collateral;
- (d) to carry on and/or manage and/or concur in managing the business of the Borrower as it thinks fit and to demand, sue for and collect and get in all monies due to the Borrower as it thinks fit;
- (e) to appoint and engage, managers, agents and advisers upon such terms as to remuneration and otherwise and for such periods as it may determine, and to dismiss them;
- (f) to bring, defend, submit to arbitration, negotiate, compromise, abandon and settle any claims and proceedings concerning Borrower Collateral;
- (g) to transfer all or any of the Borrower Collateral and/or any of the liabilities of the Borrower to any other company or body corporate whether or not formed or acquired for the purpose and whether or not an affiliate of the Security Trustee or the Borrower;
- (h) to call up all or any portion of the uncalled capital (if any) of the Borrower;
- (i) generally to carry out, or cause or authorise to be carried out, any transaction, scheme or arrangement whatsoever, whether or not similar to any of the foregoing, in relation to the Borrower Collateral which it may consider expedient as effectually as if it were the absolute, sole legal and beneficial owner of the Borrower Collateral, subject to any restrictions in the Borrower Transaction Documents;
- (j) to pay and discharge, out of the profits and income of the Borrower Collateral and the moneys to be made by it in carrying on the business of the Borrower, the expenses incurred in and about the carrying on and management of any such business or in the exercise of any of the powers conferred by this Clause 12.1 (*Extension of Powers*) or otherwise in respect of the Borrower Collateral and all outgoings which it shall think fit and to pay and apply the residue of such profits and income in accordance with the Payments Priorities;

- (k) to exercise any of the powers and perform any of the duties conferred on the Borrower by or pursuant to any of the Borrower Transaction Documents or any statute, deed or contract;
- (l) to exercise, or permit any other person to exercise, any rights, powers or privileges of the Borrower in respect of the Borrower Collateral;
- (m) subject to clause 17 (*Operational Contracts*) of the Framework Agreement, to disclaim, discharge, abandon, disregard, alter or amend on behalf of the Borrower all or any outstanding contracts of the Borrower except where such amendment is proscribed by the terms of any Borrower Transaction Document or would otherwise cause a Borrower Event of Default and allow time for payment of any monies either with or without security;
- (n) to sanction or confirm anything suffered by the Borrower and concur with the Borrower in any dealing not specifically mentioned above;
- (o) in connection with the exercise of any of its powers, to execute or do, or cause or authorise to be executed or done, on behalf of or in the name of the Borrower or otherwise, as it may think fit, all documents, acts or things which it may consider appropriate or incidental or conducive to the exercise of any of the powers referred to above; and
- (p) to use the name of the Borrower for all or any of the foregoing purposes.

12.2 Powers Exercised on the occurrence of certain events

The statutory powers of sale and of appointing a Receiver (including, without limitation, an administrative receiver) which are conferred upon the Security Trustee, as varied and extended by this Deed, and all other powers shall, in favour of any purchaser, be deemed to arise and be exercisable immediately after the execution of this Deed but shall not be exercised except upon the delivery to the Borrower of (i) a Preliminary Enforcement Notice as a result of the occurrence of an Unresolved Trigger Event which is an Insolvency Trigger Event or (ii) an Enforcement Notice.

12.3 Restrictions

The restrictions contained in Section 93 and Section 103 of the LPA shall not apply to this Deed or to the exercise by the Security Trustee of its right to consolidate all or any of the Borrower Transaction Security with any other security in existence at any time or to its power of sale, which powers may be exercised by the Security Trustee without notice to the Borrower on or at any time after the delivery to the Borrower of an Enforcement Notice.

12.4 Borrowing Powers

Following the delivery to the Borrower of an Enforcement Notice, the Security Trustee may raise and borrow moneys on the security of the Borrower Collateral or any part thereof for the purpose of defraying any moneys, costs, charges, losses and expenses paid or incurred by it in relation to this Deed (including the costs of realisation of any or all of the Borrower Collateral and the remuneration of the Security Trustee). The Security Trustee may raise and borrow such moneys at such rate of interest and generally on such terms and conditions as it shall think fit and may secure the repayment of the moneys so raised or borrowed with interest on the same by mortgaging or otherwise charging the Borrower Collateral or any of it and either in priority to the Borrower Transaction Security or otherwise and generally in such manner as the Security Trustee shall think fit and for such purposes may execute and do all such assurances and things as it shall think fit.

12.5 Purchase of Currency

Following the delivery to the Borrower of an Enforcement Notice, the Security Trustee may apply any amount received by it from the Borrower or the proceeds of any Borrower Collateral pursuant to this Deed in or towards purchase of any amount of any currency to be so applied.

12.6 Powers Additional to LPA and Insolvency Act Powers

The powers conferred by this Deed in relation to the Borrower Transaction Security on the Security Trustee, any Appointee or on any Receiver of the Borrower Collateral or any part thereof shall be in addition to and not in substitution for the powers conferred on mortgagees or receivers under the LPA, and the Insolvency Act and, where there is any ambiguity or conflict between the powers contained in any of such Acts and those conferred by this Deed, the terms of this Deed shall prevail.

13 APPOINTMENT AND REMOVAL OF RECEIVER

13.1 Appointment of a Receiver

At any time after the delivery to the Borrower of (i) a Preliminary Enforcement Notice as a result of the occurrence of an Unresolved Trigger Event arising from an Insolvency Trigger Event; or (ii) an Enforcement Notice, the Security Trustee may appoint such person or persons (including an officer or officers of the Security Trustee) as it thinks fit to be a Receiver or Receivers to the Borrower to act jointly or jointly and severally as receiver, manager, receiver and manager or administrative receiver as the Security Trustee shall determine.

13.2 Waiver no prejudice to Future Appointment

No delay or waiver of the right to exercise the power to appoint a Receiver shall prejudice the future exercise of such power.

13.3 Insolvency Act Requirements

The Security Trustee shall comply with (a) any requirement under the Insolvency Act that the person appointed to be a Receiver be a licensed insolvency practitioner and (b), with respect to any administrative receiver, the applicable provisions of the Framework Agreement.

13.4 Removal of Receiver

The Security Trustee may (subject to Section 45 of the Insolvency Act) remove any Receiver whether or not appointing another in his place and the Security Trustee may also appoint another receiver if the Receiver resigns.

13.5 Exclusion of part of Borrower Collateral

The exclusion of any part of the Borrower Collateral from the appointment of any Receiver shall not preclude the Security Trustee from subsequently extending his appointment (or that of the Receiver replacing him) to that part.

13.6 Statutory Powers of Appointment

The power of appointing a Receiver shall be in addition to all statutory and other powers of appointment of the Security Trustee under the LPA (as extended by this Deed), or otherwise and such powers shall remain exercisable from time to time by the Security Trustee in respect of any of the Borrower Collateral.

14 PROVISIONS RELATING TO RECEIVER

14.1 Receiver Agent of the Borrower

Any Receiver shall, so far as the law permits, be the agent of the Borrower and (subject to Applicable Law) the Borrower shall be solely responsible for any Receiver's acts and defaults and liable on any contracts or engagements made or entered into by any Receiver; and in no circumstances shall the Security Trustee or the other Borrower Secured Creditors be in any way responsible for any breach of duty or default by any Receiver.

14.2 Remuneration of Receiver

The remuneration of any Receiver may be fixed by the Security Trustee (and may be or include a commission calculated by reference to the gross amount of all moneys received or otherwise) but such remuneration shall be payable by the Borrower alone and the amount of such remuneration shall form part of the Borrower Secured Obligations, shall be secured on the Borrower Collateral and paid in accordance with the Payments Priorities.

14.3 Receiver and Security Trustee's Directions

Each Receiver shall in the exercise of his powers, authorities and discretions conform to the regulations and directions from time to time made and given by the Security Trustee.

14.4 Security from Receiver

The Security Trustee may from time to time and at any time require any Receiver to give security for the due performance of his duties as Receiver and may fix the nature and amount of the security to be so given but the Security Trustee shall not be bound in any case to require any such security.

14.5 Money Payable to Security Trustee

Except as otherwise directed by the Security Trustee or as otherwise required by law, all monies from time to time received by any Receiver shall be paid over to the Security Trustee to be applied by it in accordance with the Payments Priorities.

14.6 Payments by Security Trustee to Receiver

The Security Trustee may pay over to any Receiver any monies constituting part of the Borrower Collateral so that such monies may be applied for the purposes of this Deed by such Receiver and 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.

14.7 Sections 109(6) and (8) of LPA

Sections 109(6) and (8) of the LPA (relating to the application of monies received by a receiver) and shall not apply in relation to any Receiver.

14.8 LPA Restrictions Inapplicable

None of the restrictions imposed by the LPA in relation to appointment of receivers or as to the giving of notice or otherwise shall apply to this Deed.

15 POWERS OF A RECEIVER

15.1 Powers of a Receiver

Every Receiver shall (subject to any restriction in the instrument appointing him) have and be entitled to exercise in relation to the Borrower Collateral in respect of which he is appointed, and as varied and extended by the provisions of this Deed (in the name of or on behalf of the Borrower or in his own name and, in each case, at the cost of the Borrower):

- (a) all the powers conferred by the LPA on mortgagees and on mortgagees in possession and on receivers;
- (b) all powers of an administrative receiver set out in Schedule 1 of the Insolvency Act (whether or not the Receiver is an administrative receiver);
- (c) all powers and rights of an absolute owner and power to do or omit to do anything which the Borrower itself could do or omit to do;
- (d) all the powers and rights in its favour expressed in the Transaction Documents; and
- (e) power to do all things (including bringing or defending proceedings in the name or on behalf of the Borrower) which seem to the Receiver to be incidental or conducive to:
 - (i) any of the functions, powers, authorities or discretions conferred on or vested in him;
 - (ii) the exercise of any or all of his rights under this Deed; or
 - (iii) the collection or getting in of the Borrower Collateral.

15.2 Receiver and Borrower Transaction Documents

No Receiver shall have any power to take any action in relation to the Borrower Collateral which the Receiver and/or Security Trustee is expressed to be prohibited from taking by the terms of any Borrower Transaction Document.

16 PROTECTION OF THIRD PARTIES

16.1 Protection of third parties

No purchaser from, or other person dealing with, the Security Trustee and/or any Receiver and/or any Appointee shall be concerned to enquire:

- (a) whether any of the powers which they have exercised or purported to exercise has arisen or become exercisable; or
 - (b) whether the Borrower Secured Obligations remain outstanding; or
 - (c) whether any event has occurred to authorise the Security Trustee and/or any Receiver and/or any Appointee to act; or
 - (d) as to the propriety or validity of the exercise or purported exercise of any such powers,
- and the title of such a purchaser and the position of such other person shall not be impeachable by reference to any of those matters.

16.2 Receipt absolute discharge

The receipt of moneys by the Security Trustee, the Receiver or the Appointee shall be an absolute and conclusive discharge to a purchaser or other such person as is referred to in Clause 16.1 (*Protection of third parties*) and shall relieve such purchaser or other person of any obligation to see to the application of any monies paid to or by the direction of the Security Trustee, the Receiver or the Appointee.

16.3 Purchaser Defined

In Clauses 16.1 (*Protection of third parties*) and 16.2 (*Receipt absolute discharge*) "**purchaser**" includes any person acquiring in good faith, for money or money's worth, the benefit of any Security Interest over, or any other interest or right whatsoever in relation to, the Borrower Collateral.

17 PROTECTION OF SECURITY TRUSTEE, RECEIVER AND APPOINTEE

17.1 Protection of Security Trustee, Receiver and Appointee

The Security Trustee shall not nor shall any Receiver, Appointee, attorney or agent of the Security Trustee by reason of taking possession of the Borrower Collateral or any part thereof or for any other reason whatsoever and whether as mortgagee in possession or on any other basis whatsoever:

- (a) be liable to account to the Borrower or any other person whatsoever for anything except actual receipts; or
- (b) be liable to the Borrower or any other person whatsoever for any loss or damage arising from realisation of the Borrower Collateral or any part thereof or from any act, default or omission in relation to the Borrower Collateral or any part thereof or from any exercise or non-exercise by it of any power, authority or discretion conferred upon it in relation to the Borrower Transaction Security or any part thereof or otherwise,

unless such loss or damage shall be caused by its own fraud, gross negligence or wilful default.

17.2 Entry into possession

Without prejudice to the generality of Clause 17.1 (*Protection of Security Trustee, Receiver and Appointee*), entry into possession of the Borrower Collateral or any part thereof shall not render the Security Trustee, the Receiver or the Appointee liable to account as mortgagee in possession or liable for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

17.3 Going out of possession

If and whenever the Security Trustee, the Receiver or the Appointee enters into possession of the Borrower Collateral, it shall be entitled at any time at its discretion to give up such possession.

17.4 Exclusion of liability

Notwithstanding the provisions of this Deed, where the Security Trustee is required pursuant to the terms of any Transaction Document to act only upon the instructions (whether written or otherwise) of the Instructing Party (or any other party) in relation to the enforcement of the Security (whether pre or post enforcement), the Security Trustee shall have no responsibility for taking or not taking any action (or for the time taken in relation to the taking or not taking of any such action) and shall incur no liability to any Transaction Secured Creditor for taking or not taking any action.

18 APPOINTMENT OF AN ADMINISTRATOR OR ADMINISTRATIVE RECEIVER

18.1 Appointment of an administrator or administrative receiver

The Security Trustee may, following the occurrence of an Unresolved Trigger Event arising from an Insolvency Trigger Event or an Enforcement Event, without notice to the Borrower, appoint one or more persons to be an administrator or administrative receiver to the Borrower pursuant to paragraph 14 of Schedule B1 of the Insolvency Act.

18.2 Terms of Appointment

Any appointment under this Clause 18 (*Appointment of an Administrator or Administrative Receiver*) shall:

- (a) be in writing by a duly authorised signatory of the Security Trustee; and
- (b) take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act, when the requirements of Clause 18.1 (*Appointment of an Administrator or Administrative Receiver*) and paragraph 18 of Schedule B1 of the Insolvency Act are satisfied.

18.3 Replacement

The Security Trustee may (subject to any necessary approval from the court) end the appointment of an administrator or Administrative Receiver by notice in writing in accordance with this Clause 18 (*Appointment of an Administrator or Administrative Receiver*) and appoint a replacement for any administrator or Administrative Receiver whose appointment ends for any reason.

19 CHANGE OF PARTY

19.1 Change of Cash Manager, Account Bank

Any person who replaces the Cash Manager or the Account Bank in accordance with the terms of the Cash Management Agreement or the Account Bank Agreement (as the case may be) shall at the same time accede to this Deed by executing and delivering to the Security Trustee, an Accession Undertaking.

19.2 Accession Undertaking

With effect from the date of acceptance by the Security Trustee of an Accession Undertaking (which shall in each case be accepted as soon as reasonably practicable after receipt by it of an Accession Undertaking which, in the Security Trustee's opinion, appears on its face to be authentic, complete and duly executed) as specified in that Accession Undertaking:

- (a) any Party ceasing entirely to be the Cash Manager or the Account Bank (as the case may be) shall be discharged from further obligations towards the other Parties under this Deed and their respective rights against one another shall be cancelled (except in each case for those rights which arose prior to that date); and
- (b) as from that date, any replacement Cash Manager or any replacement Account Bank (as the case may be) shall assume the same obligations, and become entitled to the same rights, that it is expressed to have under this Deed as if it had been an original Party to this Deed.

19.3 Additional Parties

Each of the Parties appoints the Security Trustee to receive on its behalf each Accession Undertaking delivered to the Security Trustee and to accept and sign it if, in the Security

Trustee's opinion, it appears on its face to be authentic, complete and duly executed and until accepted and signed by the Security Trustee that document shall not be effective.

19.4 Further Notices

If the Cash Manager, the Account Bank or the LR Account Bank is replaced in accordance with the terms of the Cash Management Agreement, the Account Bank Agreement or the LR Account Bank Agreement, the Borrower shall give notice of the relevant Borrower Transaction Security to the replacement Cash Manager, the replacement Account Bank or the replacement LR Account Bank (as the case may be), substantially in the form set out in Schedule 3 (*Form of Notice to Cash Manager*) of the Borrower Security Deed, Schedule 4 (*Form of Notice to Account Bank*) of the Borrower Security Deed or Schedule 5 (*Form of Notice to LR Account Bank*) of the Borrower Security Deed (as applicable) and use reasonable endeavours to procure that such replacement Cash Manager, replacement Account Bank or replacement LR Account Bank (as the case may be) acknowledges the relevant notice in the form required by such notice.

20 ATTORNEY

20.1 Security Trustee as attorney

The Borrower hereby by way of security for the full and punctual payment, performance and discharge of the Borrower Secured Obligations irrevocably appoints the Security Trustee and any Receiver to be its attorney (with full power of substitution and delegation) for and on its behalf and in its name or in the name of the Security Trustee or such Receiver, and as its act and deed or otherwise, to execute, seal and deliver and otherwise perfect and do all such deeds, assurances, agreements, instruments, acts and things which may be required for the full exercise of all or any of the rights, powers or remedies hereby conferred. The Borrower hereby ratifies and confirms and agrees to ratify and confirm, any deed, assurance, agreement, instrument, act or thing which the Security Trustee or any Receiver or any substitute or delegate may lawfully execute or do pursuant to this power of attorney.

20.2 No enquiry

The exercise of the powers granted under this Clause 20 (*Attorney*) shall not put any person dealing with the same upon any enquiry as to whether the security created by this Deed has become enforceable, nor shall any person dealing with the same be in any way affected by notice that the security so created has not become so enforceable, and the exercise by the Security Trustee or any Receiver or any substitute or delegate of any such power shall be conclusive evidence in favour of such person of its or his or her right to exercise the same.

20.3 General power of attorney

The power of attorney constituted by this Clause 20 (*Attorney*) shall be a general power of attorney for the purpose of section 10 of the Powers of Attorney Act 1971.

21 OTHER SECURITY

The Borrower Transaction Security is in addition to, and shall neither be merged in, nor in any way exclude or prejudice or be affected by, any other Security Interest, right or recourse or other right whatsoever which the Security Trustee may now or at any time after the date of this Deed hold or have (or would apart from the provisions of this Deed hold or have) as regards the Borrower or any other person in respect of the Borrower Secured Obligations.

22 FURTHER ASSURANCE

The Borrower covenants with the Security Trustee that it shall from time to time and at all times, whether before or after the security constituted by this Deed shall have become enforceable, make all necessary filings and registrations (including, without limitation, with respect to perfection of the security constituted by this Deed at Companies House, if applicable), and, at the request of the Security Trustee, take such actions and execute such additional documents as the Security Trustee may reasonably require to perfect or give full effect to this Deed or securing to the Security Trustee the full benefit of the rights, powers and remedies conferred upon the Security Trustee in this Deed.

23 BORROWER INTENT

The Borrower expressly confirms that, without prejudice to the generality of the definition of "Borrower Secured Obligations", it intends that the Security Interests created by or pursuant to this Deed shall extend to the whole of the Borrower Secured Obligations from time to time notwithstanding 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 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.

24 APPLICATION TO COURT

The Security Trustee may at any time apply to any court of competent jurisdiction for an order that the terms of this Deed be carried into execution under the direction of the court and for the appointment of a Receiver of the Borrower Collateral and for any other order in relation to the administration of the terms of this Deed as the Security Trustee shall deem fit and the Security Trustee may assent to or approve any application made to the relevant court by the Borrower Secured Creditors and shall be indemnified by the Borrower against all costs, charges and expenses incurred by it in relation to any such application or proceedings.

25 GOVERNING LAW

This Deed and any non-contractual obligations in connection with the same shall be governed by English law.

26 DISPUTE RESOLUTION

The provisions of clause 31 (*Jurisdiction*) of the Framework Agreement shall apply in relation to any dispute between any of the Parties to this Deed as if set out in this Deed, *mutatis mutandis* and any reference to the parties therein are to parties to this Deed.

27 MISCELLANEOUS

27.1 Incorporation by reference

The provisions of clauses 25 (*Notices*), 26 (*Confidentiality*), 27 (*Common Terms*), 29 (*Miscellaneous*) and 32 (*Waiver of Immunity*) of, and schedule 9 (*Common Terms*) to, the Framework Agreement shall apply as if set out in this Deed, *mutatis mutandis*.

27.2 Conflict with Common Terms

Without prejudice to Clause 27.1 (*Incorporation by reference*), in the event of any conflict between any provision of the Common Terms and any provision of this Deed, the provisions of this Deed shall prevail.

This Deed has been entered into as a deed and has been delivered on the date stated at the beginning of this Deed.

SCHEDULE 1

FORM OF ACCESSION UNDERTAKING

To: *[Insert full name of current Security Trustee]*, for itself and each of the other Borrower Transaction Parties to the Borrower (Second) Security Deed referred to below.

THIS UNDERTAKING is made on [date] by [Account Bank] [Cash Manager] [(the "**Acceding Account Bank**") [(the "**Acceding Cash Manager**")]] in relation to the security deed dated [●] 2020 between Virgin Atlantic International Limited as Borrower, Intertrust Trustees Limited as the Security Trustee and Elavon Financial Services DAC as Account Bank and Cash Manager, (the "**Borrower (Second) Security Deed**"). Terms defined in the Borrower (Second) Security Deed shall bear the same meanings when used in this Undertaking.

In consideration of the [Acceding Account Bank] [Acceding Cash Manager] being accepted as the [Account Bank] [Cash Manager] for the purposes of the Borrower (Second) Security Deed, the [Acceding Account Bank] [Acceding Cash Manager] hereby confirms that, as from [date], it shall be a party to the Borrower (Second) Security Deed as the [Cash Manager] [Account Bank], undertakes to perform all the obligations expressed in the Borrower (Second) Security Deed to be assumed by the [Cash Manager] [Account Bank], and agrees that it shall be bound by all the provisions of the Borrower (Second) Security Deed, as if it had been an original Party to the Borrower (Second) Security Deed.

This Undertaking (including any non-contractual obligations arising out of or in connection with the same) shall be governed by and construed in accordance with English law.

THIS UNDERTAKING has been entered into as a deed on the date stated above.

EXECUTED AS A DEED BY)
[insert full name of Acceding Party])
acting by:)
in the presence of:)

Name:

Title:

Notice Details

Address:

Fax:

Attention:

Deed witnessed by:

Signature:

Name:

Accepted by the Security Trustee

(on behalf of itself and each of the other Borrower
Transaction Parties to the Borrower (Second) Security Deed)

[•]

By:

Title:

Date:

EXECUTION PAGES

BORROWER

EXECUTED as a DEED by
VIRGIN ATLANTIC INTERNATIONAL
LIMITED

acting by two directors ~~or one director~~
~~and the Company Secretary~~

)
)
)
)
) Director
)
) T. Markay
)
Director/ ~~Company Secretary~~

SECURITY TRUSTEE

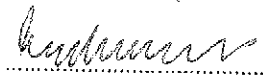
EXECUTED as a **DEED**

by:

as attorney for

INTERTRUST TRUSTEES LIMITED

in the presence of:

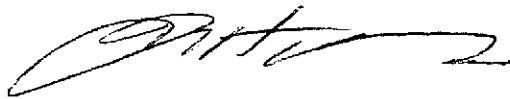

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LYDIA JONES
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15. MARSH ST, ECLA 211B
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Solicitor
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(Attorney) Ian Hancock

Signature of witness

Name of witness

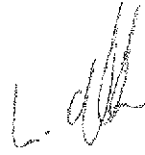
Address of witness

Occupation of witness

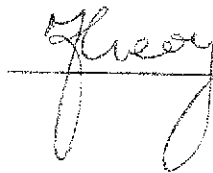

CASH MANAGER

EXECUTED as a DEED
by:

as attorneys for
ELAVON FINANCIAL SERVICES DAC



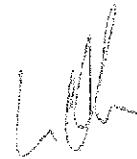
LAURENCE GRIFFITHS
Authorised Signatory

ACCOUNT BANK

EXECUTED as a DEED
by:

as attorneys for
ELAVON FINANCIAL SERVICES DAC



LAURENCE GRIFFITHS
Authorised Signatory

