

DATED 18 AUGUST 2008

**THE PARTIES LISTED IN SCHEDULE 1**  
as Original Obligors

**DEUTSCHE TRUSTEE COMPANY LIMITED**  
as Borrower Security Trustee

**BAA FUNDING LIMITED**  
as Issuer

and

**DEUTSCHE TRUSTEE COMPANY LIMITED**  
as Bond Trustee

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**OBLIGOR FLOATING CHARGE AGREEMENT**

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**THIS OBLIGOR FLOATING CHARGE AGREEMENT** is made as a DEED on  
18 August 2008

**BETWEEN**

- (1) **THE PARTIES LISTED IN SCHEDULE 1** (each an "**Obligor**" and together the "**Obligors**");
- (2) **DEUTSCHE TRUSTEE COMPANY LIMITED** in its capacity as borrower security trustee for the Borrower Secured Creditors (the "**Borrower Security Trustee**" which expression shall include all persons for the time being the security trustee or security trustees pursuant to the STID);
- (3) **BAA FUNDING LIMITED** a limited company incorporated in Jersey with limited liability under registered number 99529 (the "**Issuer**"); and
- (4) **DEUTSCHE TRUSTEE COMPANY LIMITED** in its capacity as trustee for the Bondholders and for the Issuer Secured Creditors (the "**Bond Trustee**" which expression shall include all persons for the time being the trustee or trustees of the Bond Trust Deed and the Issuer Deed of Charge).

**INTRODUCTION**

- (A) The Issuer proposes to issue Bonds on the Initial Issue Date and may issue further Bonds pursuant to the Programme.
- (B) By a loan agreement dated the date hereof (the "**Borrower Loan Agreement**") between, *inter alios*, the Borrowers and the Issuer, Loans are to be made available to the Borrowers on the terms set out therein, to the extent of the issue proceeds of the initial Bonds referred to in Recital (A) above.
- (C) The proceeds raised by the Issuer through further issues of Bonds may be on-lent by the Issuer to the Borrowers by way of future Borrower Loan Agreements, the terms of which will be agreed at such time.
- (D) The Obligors have agreed to secure the Borrowers' obligations in respect of the Borrower Loans and any obligations owed to the Issuer under any back-to-back hedging arrangements in place from time to time in accordance with the Hedging Policy by granting security in favour of the Issuer under this Agreement. The Issuer shall assign the benefit of such security to the Bond Trustee pursuant to the Issuer Deed of Charge.
- (E) The Issuer has agreed to make deferred loans to all Obligors (other than the Borrowers) in consideration of such Obligors executing or acceding to this Agreement.
- (F) The Obligors (other than the Borrowers) shall, in addition to securing sums owing in respect of the Borrower Loans, secure their own obligations in respect of the loans referred to in Recital (E) above, by executing or acceding to this Agreement.

(G) It is intended by the parties hereto that this Agreement takes effect as a deed.

**THIS DEED WITNESSES** as follows:

1. **DEFINITIONS AND INTERPRETATION**

Unless otherwise defined in this Agreement or the context requires otherwise, words and expressions used in this Agreement have the meanings and construction ascribed to them in the master definitions agreement dated on or about the date of this Agreement between, inter alios, the Issuer and the Bond Trustee (the "**Master Definitions Agreement**") provided that, in the event of any inconsistency between this Agreement and the Master Definitions Agreement, this Agreement shall prevail. In addition:

"**OFCA Deed of Accession**" means a deed substantially in the form of Schedule 2 (*Form of OFCA Deed of Accession*) executed, or to be executed, by, among others, the Issuer, the Obligors and any other company required to execute the same pursuant to Clause 26 (*Accession*).

2. **LOAN AND COVENANTS TO PAY**

2.1 **Loan**

On the date any Obligor (other than a Borrower) executes this Agreement or an OFCA Deed of Accession, the Issuer shall lend to such Obligor the sum of £1,000 in consideration of such execution or accession (and such Obligor will acknowledge receipt of such sum by signing a receipt substantially in the form of Schedule 3 (*Receipt*)). The loan so made shall not bear interest and shall be deferred as to its repayment until such Obligor is under no actual or contingent liability under its Guarantee and this Agreement (other than the repayment of such loan).

2.2 **Obligors Covenant to Pay**

Each Obligor hereby, as primary obligor and not merely as surety, covenants with the Issuer that it shall duly, unconditionally and punctually pay and discharge to the Issuer when due all monies and liabilities constituting the OFCA Secured Liabilities in the manner provided in the relevant Finance Document **provided that** neither such covenant nor the security created under this Agreement will extend to or include any liability or sum which would, but for this proviso, cause such covenant or security to be unlawful or prohibited by any applicable law. Any amount not paid hereunder when due shall bear interest (after as well as before judgment and payable on demand) at the Default Rate from time to time from the due date until the date such amount is unconditionally and irrevocably paid and discharged in full, save to the extent that default interest on such amount for such period is charged pursuant to the relevant Finance Document and itself constitutes an OFCA Secured Liability.

3. **OFCA FLOATING SECURITY**

3.1 **Charge**

Subject to the Existing Security Agreements, each Obligor charges with full title guarantee in favour of the Issuer by way of a first floating charge all present and future

assets and undertaking of such Obligor as security for the payment and discharge of the OFCA Secured Liabilities.

**3.2 Points of priority for OFCA Floating Security and Security Agreement Floating Security**

3.2.1 The OFCA Floating Security created by Clause 3.1 (*Charge*) shall rank equally in point of priority with the Security Agreement Floating Security and neither of them shall have priority over the other.

3.2.2 The OFCA Floating Security created by Clause 3.1 (*Charge*) above shall be deferred in point of priority to all Borrower Fixed Security validly and effectively created by the Obligors under the Security Documents in favour of the Borrower Security Trustee (as trustee for the Borrower Secured Creditors) as security for the Borrower Secured Liabilities and in favour of the Subordinated Security Trustee (as trustee for the Subordinated Secured Creditors) as security for the Subordinated Liabilities.

3.2.3 Each party to this Agreement acknowledges that (i) the OFCA Floating Security is created simultaneously and ranks equally with the Security Agreement Floating Security; and (ii) proceeds from the enforcement of the OFCA Floating Security are applied (for so long as any amounts are outstanding under the Subordinated Facility Agreement) in accordance with the terms of the Senior/Subordinated Intercreditor Agreement and (following the repayment in full of amounts outstanding under the Subordinated Facility Agreement) towards the Borrower Post-Enforcement (Pre-Acceleration) Revenue Priority of Payments or the Borrower Post-Enforcement (Post-Acceleration) Priority of Payments, as the case may be, pursuant to Clause 13 (*Application of Enforcement Proceeds*) of this Agreement.

**3.3 OFCA Floating Security - Insolvency Act**

Paragraph 14 of Schedule B1 of the Insolvency Act applies to the floating charge created pursuant to Clause 3.1 (*Charge*).

**4. ACKNOWLEDGEMENT IN FAVOUR OF THE BOND TRUSTEE**

Each of the Obligors and the Borrower Security Trustee acknowledges that under the terms of the Issuer Deed of Charge the Issuer has assigned (by way of security, subject to reassignment on redemption) all its rights, title and interest that it has in this Agreement and the OFCA Floating Security to the Bond Trustee to hold on trust and as security for itself and the Issuer Secured Creditors. Each of the Issuer and the Bond Trustee hereby gives notice to each of the Obligors and the Borrower Security Trustee of the assignment to the Bond Trustee of all of the rights, title and interest of the Issuer (including any beneficial interest) under this Agreement and the OFCA Floating Security. Each of the Obligors and the Borrower Security Trustee acknowledges that it has notice that the Issuer has assigned all its rights, title and interest (including any beneficial interest) under this Agreement and the OFCA Floating Security to the Bond Trustee.

## 5. FURTHER ASSURANCE

### 5.1 Further Assurance: General

Each Obligor shall (at its own expense) promptly do all such acts or execute all such documents (including assignments, assignations, transfers, mortgages, charges, securities, standard securities, notices and instructions) as the Bond Trustee acting reasonably may specify and in such form as the Bond Trustee may require in favour of the Issuer, the Bond Trustee or any of their nominee(s):

5.1.1 to perfect, protect or maintain the security created or intended to be created by or pursuant to the terms of this Agreement (which may include the execution by such Obligor of a mortgage, charge, security, standard security, assignment or assignation over all or any of the assets constituting, or intended to constitute, Charged Property); and/or

5.1.2 to confer on the Issuer and/or the Bond Trustee, over any property and assets of such Obligor located in any jurisdiction outside England and Wales (if any), security equivalent or similar to the security intended to be conferred by or pursuant to this Agreement; and/or

5.1.3 to facilitate, if and when the security conferred by or pursuant to this Agreement becomes enforceable, the realisation of the Charged Property.

### 5.2 Necessary Action and Consents

Each Obligor shall do all acts (including making all filings and registrations and promptly obtaining (in form and content satisfactory to the Issuer and the Bond Trustee) all authorisations, approvals, licences, consents and exemptions required under or by any applicable law or regulation) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any security conferred or intended to be conferred on the Issuer by or pursuant to this Agreement and, immediately upon obtaining any such authorisation, approval, licence, consent and/or exemption, the asset concerned shall (to the extent it is not already so subject) become subject to such security and the relevant Obligor shall promptly deliver a copy of each authorisation, approval, licence, consent and/or exemption to the Issuer and the Bond Trustee.

### 5.3 Implied Covenants for Title

5.3.1 The covenant set out in Section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to include the obligations set out in Clause 5.1 (*Further Assurance: General*) above.

5.3.2 The covenants set out in Sections 3(1), 3(2) and 6(2) of the Law of Property (Miscellaneous Provisions) Act 1994 will not extend to Clause 3.1 (*Charge*).

5.3.3 It shall be implied in respect of Clause 3 (*OFCA Floating Security*) that each Obligor is disposing of the Charged Property free from all charges and encumbrances (whether monetary or not) and from all other rights exercisable

by third parties (including liabilities imposed and rights conferred by or under any enactment).

**6. UNDERTAKING**

Each Obligor undertakes to the Issuer and the Bond Trustee to file with the Registrar of Companies in England and Wales:

- (a) duly completed Forms M395 together with an executed original of this Agreement within 21 days of the creation of the security pursuant to this Agreement; and
- (b) duly completed Forms M395 together with an executed original of each Accession Memorandum within 21 days of the creation of the security pursuant to such Accession Memorandum.

**7. RELEASE OF SECURITY**

**7.1 Upon Full Discharge**

Upon written confirmation from the Issuer that the OFCA Secured Liabilities have been discharged in full and the Issuer not being under any further actual or contingent obligation to make advances or provide other financial accommodation to any Obligor or any other person under any of the Issuer Transaction Documents, the Issuer shall following approval by the Bond Trustee, at the request and cost of the Obligors, as soon as reasonably practicable following such a request, release the OFCA Floating Security, subject to Clause 7.3 (*Avoidance of Payments*) below and without recourse to or warranty by the Issuer, the Bond Trustee or any of its nominees.

**7.2 Confirmation of non-crystallisation of OFCA Floating Security**

Prior to the delivery of a Loan Enforcement Notice, in respect of any Charged Property, an Obligor may request, and the Bond Trustee shall, upon such request, at the cost of such Obligor, and without recourse or warranty, promptly give a confirmation that the OFCA Floating Security has not been crystallised by the Bond Trustee.

**7.3 Avoidance of Payments**

If the Issuer or the Bond Trustee considers in its sole discretion that any amount paid or credited to it is likely to be avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws, the liability of each Obligor under this Agreement and the security constituted by this Agreement shall continue and such amount shall not be considered to have been irrevocably paid.

**8. MODIFICATION, WAIVER AND CONSENT**

Each party to this Agreement hereby agrees it shall not agree to any amendment, supplement or novation of, give any consent under, or give any waiver in respect of, this Agreement except in accordance with the Common Terms Agreement and the STID and the Bond Trust Deed.

9. **CRYSTALLISATION OF OFCA FLOATING SECURITY**

9.1 **Crystallisation: By Notice**

Subject to Clause 10 (*Enforceability of Security*) below, the Bond Trustee may at any time by notice in writing to the Obligors (a "**Security Protection Notice**") convert the OFCA Floating Security with immediate effect into fixed charges as regards all the assets subject to the OFCA Floating Security if:

- 9.1.1 a Loan Event of Default has occurred and is continuing; or
- 9.1.2 the Bond Trustee acting reasonably considers that the Charged Property or any part thereof is in danger of being seized or sold under any form of distress, diligence or execution levied; or
- 9.1.3 the Borrower Security Trustee acting reasonably considers it desirable in order to protect the priority of the Borrower Security,

and, to effect the conversion thereof, the relevant Obligor shall forthwith on demand execute and deliver to the Issuer a first fixed charge or security over any such assets in such form as is satisfactory to the Bond Trustee.

9.2 **Withdrawal**

If a Security Protection Notice is delivered pursuant to Clause 9.1 (*Crystallisation: By Notice*), the Bond Trustee may (with no obligation to do so), during any time other than an Enforcement Period, by notice in writing to the Obligors, withdraw a Security Protection Notice, the effect of which is to confirm that the OFCA Floating Security has ceased to be crystallised.

9.3 **Crystallisation: Automatic**

Notwithstanding Clause 9.1 (*Crystallisation: By Notice*) above, and without prejudice to any law which may have a similar effect, the OFCA Floating Security will automatically be converted (without notice) with immediate effect into a fixed charge as regards all the assets subject to the OFCA Floating Security if:

- 9.3.1 any Obligor creates or attempts to create any Security Interest (other than a Permitted Security Interest) over any of the Charged Property;
- 9.3.2 a resolution is passed or an order is made for the winding-up, dissolution or reorganisation (whether by way of voluntary arrangement, scheme of arrangement or otherwise, other than a solvent reorganisation) of an Obligor;
- 9.3.3 any person (who is entitled to do so) presents an application for the appointment of an administrator of an Obligor, gives notice of its intention to appoint an administrator to an Obligor or files such a notice with the court or files a notice of appointment of an administrator of an Obligor with the court; or
- 9.3.4 if the Security Agreement Floating Security has crystallised for any reason or been enforced in any way,



and the relevant Obligor shall forthwith on demand, execute and deliver to the Issuer a first fixed charge or security over any such assets in such form as is satisfactory to the Bond Trustee.

**9.4 De-crystallisation**

Upon and following the date on which any Administrative Receiver appointed pursuant to the terms hereof has been removed, and for so long as (i) no Loan Enforcement Notice has been delivered and (ii) the circumstances giving rise to the crystallisation of the floating charge are waived or no longer outstanding, the Bond Trustee shall, upon receipt of a request in writing from any Obligor (for itself or on behalf of any other Obligor), provide to the relevant Obligor (or, at the request of the relevant Obligor, such other Obligor) a letter of non-crystallisation by the Bond Trustee in respect of the floating charge granted by the relevant Obligor or, as the case may be, such other Obligor, pursuant to the terms of this Agreement.

**9.5 Security Agreement Floating Security**

For the avoidance of doubt, the OFCA Floating Security will rank *pari passu* with the Security Agreement Floating Security regardless of the time of crystallisation of either the Security Agreement Floating Security or the OFCA Floating Security (whether such crystallisation is effected pursuant to Clause 9.1 (*Crystallisation: By Notice*), Clause 9.3 (*Crystallisation: Automatic*) or otherwise).

**10. ENFORCEABILITY OF SECURITY**

**10.1 Security Enforceable**

The OFCA Floating Security shall become enforceable:

10.1.1 following the delivery of a Loan Enforcement Notice; or

10.1.2 if the Bond Trustee has actual notice of an application for the appointment of an administrator in respect of an Obligor or has actual notice of the giving of a notice of intention to appoint an administrator in respect of an Obligor or has actual notice of the filing of a notice of appointment of an administrator of an Obligor with the court.

**10.2 Consultation on dealings**

Any Administrative Receiver appointed pursuant to this Agreement, in respect of any assets over which it is so appointed, shall consult with the Borrower Security Trustee and (for as long as any amounts are outstanding under the Subordinated Facility Agreement) the Subordinated Security Trustee as holder of the Security Agreement Floating Security (being equal ranking floating charges over the same assets) and, if necessary, request the release of such assets from the Security Agreement Floating Security.

**10.3 No Liability as Mortgagee in Possession**

Without prejudice to indemnities given in favour of the Bond Trustee under the Issuer Transaction Documents, to the extent permitted by law, none of the Issuer, the Bond Trustee, nor any Administrative Receiver appointed pursuant hereto shall be liable to

account as a mortgagee in possession (or its equivalent in any other applicable jurisdiction) in respect of all or any part of the Charged Property or be liable for any loss upon realisation or for any neglect, default or omission in connection with the Charged Property to which a mortgagee in possession (or its equivalent in any other applicable jurisdiction) might otherwise be liable.

#### 10.4 **Indemnity required**

The Bond Trustee shall not be obliged to enforce the OFCA Floating Security unless it has been indemnified and/or secured to its satisfaction against all Liabilities to which it may become liable or which it may incur by the enforcement of the OFCA Floating Security, provided that the Bond Trustee agrees that, in respect of the appointment of an Administrative Receiver pursuant to Clause 11.2 (*Appointment – Administration*), it is adequately indemnified and secured to its satisfaction against all Liabilities in respect of such appointment pursuant to (i) its rights against the Issuer under clause 15 (*Remuneration and Indemnification of Bond Trustee*) of the Bond Trust Deed, and the security it has in respect of such rights (the amounts of such indemnity forming part of the Issuer Secured Liabilities in the Issuer Deed of Charge) and (ii) its rights against the Obligors under Clause 14.2 (*Indemnity*) of this Agreement, and the security it has in respect of such rights (the amount of such indemnity forming part of the Borrower Secured Liabilities).

### 11. **APPOINTMENT OF ADMINISTRATIVE RECEIVER**

#### 11.1 **Appointment following Loan Enforcement Notice**

At any time after the OFCA Floating Security becomes enforceable pursuant to Clause 10.1.1 the Bond Trustee (as the assignee by way of security of the OFCA Floating Security) may (as against the Obligors) and shall be obliged to (as against the Borrower Security Trustee, but subject to Clause 10.4 (*Indemnity Required*)) appoint such person or persons as it thinks fit to be an Administrative Receiver(s) of the Charged Property held by each Obligor.

#### 11.2 **Appointment – Administration**

If the OFCA Floating Security becomes enforceable against an Obligor pursuant to Clause 10.1.2, the Bond Trustee (as assignee by way of security of the OFCA Floating Security) shall be obliged (as against the Borrower Security Trustee) to appoint such person or persons as it thinks fit to be an Administrative Receiver(s) of the whole of such Obligor's property, such appointment to take effect upon the final day by which the appointment must be made in order to prevent an administration from proceeding or (where an Obligor or the directors of an Obligor have initiated the administration) not later than that final day.

#### 11.3 **Capacity of Receivers**

Each person appointed to be an Administrative Receiver pursuant to Clause 11.1 (*Appointment following Loan Event of Default*) or 11.2 (*Appointment - Administration*) above shall:

- 11.3.1 be entitled to act individually or together with any other person appointed or substituted as Administrative Receiver;
- 11.3.2 for all purposes be deemed to be the agent of the relevant Obligor which shall be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration and no Administrative Receiver shall at any time act as agent for the Bond Trustee; and
- 11.3.3 be entitled to remuneration for his services at a rate to be fixed by the Bond Trustee from time to time.

**11.4 LPA Restrictions Inapplicable**

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

**11.5 Insolvency Act Requirements**

The Bond Trustee shall comply with the requirement under the Insolvency Act that the person appointed to be an Administrative Receiver be a licensed insolvency practitioner.

**11.6 Removal of Receiver**

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

**11.7 Identity of Administrative Receiver and Receiver**

If at any time of appointment of an Administrative Receiver pursuant to Clause 11.1 or 11.2 above a Receiver has been appointed by the Borrower Security Trustee or the Subordinated Security Trustee pursuant to the Security Agreement, then the Bond Trustee shall appoint the same person to be the Administrative Receiver of the Charged Property. If, however, at any time a Receiver is to be appointed under the Security Agreement following the appointment of an Administrative Receiver pursuant to Clause 11.1 or 11.2 above, then the Borrower Security Trustee shall appoint the person appointed as Administrative Receiver to be the Receiver of the Charged Property under the Security Agreement.

**12. POWERS OF RECEIVER**

**12.1 Powers of Administrative Receiver over Charged Property**

Any Administrative Receiver shall (subject to any restrictions in the instrument appointing him but notwithstanding any winding-up or dissolution of the relevant Obligor) have and be entitled to exercise, in relation to the Charged Property (and any assets of such Obligor which, when got in, would be Charged Property) in respect of which he was appointed, and as varied and extended by the provisions of this Agreement, in the name of or on behalf of such relevant Obligor, or in his own name and, in each case, at the cost of such Obligor:

- 12.1.1 all the powers conferred by the LPA on mortgagors, mortgagees in possession and receivers;
- 12.1.2 all the powers of an Administrative Receiver set out in Schedule 1 to the Insolvency Act;
- 12.1.3 all powers, authorities and discretions conferred upon the Bond Trustee under this Agreement, subject to such restrictions as the Bond Trustee may think fit;
- 12.1.4 all powers and rights of an absolute owner and the power to do or omit to do anything which such Obligor itself could do or omit to do; and
- 12.1.5 power to do all things (including bringing or defending proceedings in the name or on behalf of such Obligor) which seem to the Receiver to be incidental or conducive to:
  - (a) any of the functions, powers, authorities or discretions conferred on or vested in him;
  - (b) the exercise of any or all of its rights under this Agreement; or
  - (c) the collection or getting in of the Charged Property;

provided that any Administrative Receiver appointed under this Agreement shall hand over to any Receiver appointed under the Security Agreement, the custody, management, control and realisation of any assets that are subject to the Borrower Fixed Security.

**12.2 Power is not to extend beyond that of the Bond Trustee**

No Receiver shall have any power to take any action in relation to the Charged Property which the Bond Trustee is prohibited from taking by the terms of any Transaction Document.

**13. APPLICATION OF ENFORCEMENT PROCEEDS**

Each party to this Agreement agrees that the proceeds of enforcement of the OFCA Floating Security received by the Bond Trustee (as assignee of the Issuer under the Issuer Deed of Charge or any Administrative Receiver appointed by it) (the "**OFCA Proceeds**") will:

- (a) (for so long as any amounts are outstanding under the Subordinated Facility Agreement) be paid to the Borrower Security Trustee (in its capacity as senior security trustee under the Senior/Subordinated Intercreditor Agreement) and applied by the Borrower Security Trustee (acting in such capacity) in accordance with the terms of the Senior/Subordinated Intercreditor Agreement; and
- (b) (following the repayment in full of the Subordinated Facility Agreement) be paid to the Borrower Security Trustee and applied by the Borrower Security Trustee, together with any proceeds of enforcement of the other Borrower

Security received by the Borrower Security Trustee (or any Receiver appointed by it), in accordance with the Borrower Post-Enforcement (Pre-Acceleration) Revenue Priority of Payments or the Borrower Post-Enforcement (Post-Acceleration) Priority of Payments, as the case may be.

#### 14. COSTS AND INDEMNITY

##### 14.1 Costs and Charges

The Obligors shall pay all costs, charges and expenses including legal fees, travelling expenses, any stamp duty and other similar taxes and duties or duties which the Bond Trustee may properly incur in relation to the exercise, preservation and/or enforcement of, and/or any proceedings instituted by or against the Bond Trustee as a consequence of taking or holding the security or enforcing, any of the rights, powers and remedies of the Bond Trustee provided by or pursuant to this Agreement, or by law, and the exercise of powers or the performance of its duties under, and in any other manner in relation to or under this Agreement.

##### 14.2 Indemnity

Without prejudice to any indemnity contained in any other Transaction Document, the Obligors shall, jointly and severally, indemnify the Bond Trustee, its agents, attorneys and any Administrative Receiver:

14.2.1 against any Liability which it may sustain as a consequence of any breach by an Obligor of the provisions of this Agreement, or the exercise or purported exercise of any of the rights and powers conferred on them by this Agreement (including the appointment by the Bond Trustee of any Administrative Receiver pursuant to Clause 11.2 (*Appointment - Administration*)), save where the same arises as the result of the fraud, negligence or wilful default of such person; and

14.2.2 against all Liabilities in respect of any matter or thing done or omitted in any way in relation to this Agreement save where the same arises as a result of the fraud, negligence or wilful default of such person.

##### 14.3 VAT

Clause 12 (*VAT*) of the Common Terms Agreement shall apply to this Agreement, where applicable, and shall be binding on the parties to this Agreement as if set out in full in this Agreement. If a provision of this Agreement relating to VAT is inconsistent with the provisions of Clause 12 (*VAT*) of the Common Terms Agreement, the provisions of Clause 12 (*VAT*) of the Common Terms Agreement shall prevail.

##### 14.4 Payment

All sums payable under Clauses 14.1 (*Costs and Charges*) and 14.2 (*Indemnity*) above shall be payable within thirty days of written demand therefor. All sums payable by the Obligors under this Clause 14 (*Costs and Indemnity*) shall carry interest except as otherwise provided for under the relevant Transaction Document at a rate equal to the Default Rate, from the date thirty days after the date on which the same become due or

where a demand by the Bond Trustee specifies that payment to the Bond Trustee has been or will be made on an earlier date from such earlier date.

**14.5 Continuing Obligations**

Unless otherwise specifically stated in any discharge of this Agreement, the provisions of this Clause 14 shall continue in full force and effect notwithstanding such discharge.

**14.6 Waiver of claims**

Each Obligor agrees that, in the event the Bond Trustee appoints an Administrative Receiver pursuant to Clause 11.2 (*Appointment - Administrator*), each Obligor shall waive any claims in respect of Liabilities that it may have against the Bond Trustee in respect of such appointment, save where the same arises as a result of the fraud, negligence or wilful default of the Bond Trustee.

**15. INFORMATION AND ACCESS**

Clause 30 (*Information and Access*) of the STID shall apply to this Agreement and shall be binding on the parties hereto as if set out in full in this Agreement and as if references therein to "this Deed" were references to this Agreement. If Clause 30 (*Information and Access*) of the STID is inconsistent with any provision of this Agreement, the STID shall prevail.

**16. SUCCESSORS**

This Agreement shall be binding on and inure to the benefit of each party hereto and its successors in title.

**17. ASSIGNMENT**

Clause 32 (*Assignment*) of the STID shall apply to this Agreement and shall be binding on the parties hereto as if set out in full in this Agreement. If Clause 32 (*Assignment*) of the STID is inconsistent with any provision in this Agreement, the STID shall prevail.

**18. PROTECTION OF THIRD PARTIES**

**18.1 Obligations becoming due**

The OFCA Secured Liabilities shall become due for the purposes of section 101 of the LPA (so far as applicable to the Charged Property) and the statutory powers of sale and of appointing a receiver which are conferred upon the Issuer and the Bond Trustee as varied and extended by this Agreement and all other powers shall in favour of any purchaser be deemed to arise and be exercisable immediately after the execution of this Agreement but as between the Bond Trustee on the one hand and each other party to this Agreement on the other hand shall, to the extent permitted by any applicable law and in particular, the laws of England and Wales, only be exercised following the delivery of a Loan Enforcement Notice.

18.2 **Protection of third parties**

No purchaser, mortgagee or other person or company dealing with the Issuer, the Bond Trustee or the Receiver or its or his agents will be concerned to enquire whether the OFCA Secured Liabilities have become payable or whether any power which the Receiver is purporting to exercise has become exercisable or whether any money remains due under this Agreement or the Finance Documents or to see to the application of any money paid to the Bond Trustee or to such Receiver.

18.3 **Consideration**

The receipt of the Bond Trustee or any Administrative Receiver shall be absolute and conclusive discharge to a purchaser or such other person as is referred to in this Clause 18 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 Bond Trustee or any Administrative Receiver. In making any sale or disposal of any of the Charged Property or making any acquisition, the Bond Trustee or any Administrative Receiver may do so for such consideration, in such manner and on such terms as it thinks fit.

18.4 **Definition of Purchaser**

In this Clause 18, "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 Charged Property.

19. **POWER OF ATTORNEY**

19.1 **Appointment of attorney and purposes of appointment**

Each Obligor appoints the Bond Trustee and any Administrative Receiver severally to be its attorneys (the "**Attorneys**") for the following purposes in its name, on its behalf and as its act and deed at any time following the occurrence of a Loan Event of Default (other than in respect of the purpose described below in sub-clause 19.1.5 which applies at any time):

- 19.1.1 to exercise the rights, powers and discretions of each Obligor, in respect of the relevant Transaction Documents and each contract, agreement, deed and document, present and future, to which each Obligor is or may become a party;
- 19.1.2 to demand, sue for and receive all monies due or payable under or in respect of the relevant Transaction Documents and each contract, agreement, deed and document, present and future, to which each Obligor is or may become a party;
- 19.1.3 to do every act or thing which the Attorneys may deem to be necessary, proper and expedient for fully and effectually vesting, transferring or assigning the Charged Property or any part thereof and/or the estate, right, title, benefit and/or interest therein or thereto of each Obligor in or to the Attorneys and their successors in title or other person or persons entitled to the benefit thereof in the same manner and as fully and effectually in all respects as each Obligor could have done;

19.1.4 upon payment of such monies or any part thereof to give good receipt and discharge for the same and to execute such receipts, releases, discharges, surrenders, instruments and deeds as may be requisite or advisable; and

19.1.5 to execute, deliver and perfect all documents and do all things that the Attorneys may consider to be necessary for (a) carrying out any obligations imposed on each Obligor under this Agreement or (b) exercising any of the rights conferred on the Attorneys by this Agreement or by law including, after any part of the Charged Property has become enforceable, the exercise of any right of a legal or a beneficial owner of the Charged Property.

**19.2 Indemnity in favour of Attorneys**

Each Obligor irrevocably and unconditionally undertakes to indemnify the Attorneys and any substitute appointed from time to time by the Attorneys and their respective estates against all actions, proceedings, claims, costs, expenses and liabilities of every description arising from the proper exercise, or the proper purported exercise, of any of the powers conferred by the Power of Attorney created by this Clause 19 provided that each Obligor shall not be obliged to indemnify the Attorneys, or as the case may be, such substitute for any loss which arises as a result of the Attorneys or such substitute's gross negligence, fraud and wilful default.

**19.3 Substitution**

Each of the Attorneys may appoint one or more persons to act as substitute or substitutes in its place for all or any of the purposes referred to in the Power of Attorney created by this Clause 19 and may revoke any such appointment at any time.

**19.4 Delegation**

Each of the Attorneys may delegate to one or more person all or any of the powers referred to in Clause 19.1 (*Appointment of attorney and purposes of appointment*) on such terms as it thinks fit and may revoke any such delegation at any time.

**19.5 Ratification**

Each Obligor undertakes to ratify whatever the Attorneys or either of them may lawfully do or cause to be done under the authority or purported authority of the Power of Attorney created by this Clause 19.

**19.6 Security**

The Power of Attorney created by this Clause 19 is given irrevocably by way of security to secure the payment of the OFCA Secured Liabilities.

**19.7 No Revocation**

For so long as the OFCA Secured Liabilities remain undischarged, the Power of Attorney created by this Clause 19 shall not be revoked:

19.7.1 by any Obligor without the consent of each of the Attorneys; or

19.7.2 by the occurrence of an Insolvency Event in respect of the Obligor.



20. **EFFECTIVENESS OF SECURITY**

20.1 **Continuing Security**

The security created by or pursuant to this Agreement shall remain in full force and effect as a continuing security for the OFCA Secured Liabilities unless and until discharged by the Issuer (with the prior approval of the Bond Trustee).

20.2 **Cumulative Rights**

The security created by or pursuant to this Agreement shall be cumulative, in addition to and independent of every other security which the Issuer, the Bond Trustee or the Borrower Security Trustee may at any time hold for any obligation or any rights, powers and remedies provided by law. No prior security held by the Issuer, the Bond Trustee (whether in its capacity as trustee or otherwise), the Borrower Security Trustee (whether in its capacity as trustee or otherwise) or any of the other Borrower Secured Creditors over the whole or any part of the Charged Property shall merge into the security constituted by this Agreement.

20.3 **No Prejudice**

The security created by or pursuant to this Agreement shall not be prejudiced by any unenforceability or invalidity of any other agreement or document or by any time or indulgence granted to any Obligor or any other person or by any variation of the terms of the trust upon which the Bond Trustee or the Borrower Security Trustee holds the security or by any other thing which might otherwise prejudice such security.

20.4 **Remedies and Waivers**

No failure on the part of the Issuer or the Bond Trustee to exercise, or any delay on its part in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right preclude any further or other exercise of that or any other right.

20.5 **No Liability**

To the extent permitted by law, none of the Bond Trustee, its nominee(s) and any Administrative Receiver shall be liable by reason of:

20.5.1 taking any action permitted by this Agreement;

20.5.2 any neglect or default in connection with the Charged Property; or

20.5.3 taking possession of or realising all or any part of the Charged Property provided that it has acted in accordance with this Agreement,

except in the case of negligence, wilful misconduct or fraud upon its part.

20.6 **Partial Invalidity**

If, at any time, any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Agreement nor of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby and, if any part of the security intended to be created by or pursuant

to this Agreement is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the security.

21. **SUBSEQUENT SECURITY INTERESTS**

If the Issuer or the Bond Trustee (acting in its capacity as trustee or otherwise) or any of the other Borrower Secured Creditors at any time receives or is deemed to have received notice of any subsequent Security Interest affecting all or any part of the Charged Property or any assignment, assignation, conveyance or transfer of the Charged Property which is prohibited by the terms of this Agreement or any other Transaction Document, all payments thereafter by or on behalf of the relevant Obligor to the Issuer or the Bond Trustee (as its assignee) or any of the other Borrower Secured Creditors shall be treated as having been credited to a new account of such Obligor. If the Issuer or the Bond Trustee (as the case may be) does not open a new account it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice and, as from that time, all payments made to the Issuer or the Bond Trustee shall be credited or be treated as having been credited to the new account and not as having been applied in reduction of the OFCA Secured Liabilities as at the time when the Issuer or the Bond Trustee received such notice.

22. **STAMP DUTY**

The Obligors shall pay all stamp duty, registration taxes or any similar duties or taxes (including any interest and penalties on or in connection with any failure to pay or delay in paying such duties or taxes) required to be paid with respect to the execution of this Agreement or any document supplemental to this Agreement.

23. **THIRD PARTY RIGHTS**

A person who is not a party to this Agreement has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

24. **NOTICES**

Clause 17 (*Notices*) of the Common Terms Agreement shall apply to this Agreement and shall be binding on the parties hereto as if set out in full in this Agreement. If Clause 17 (*Notices*) of the Common Terms Agreement is inconsistent with any provision in this Agreement, the Common Terms Agreement shall prevail.

25. **COUNTERPARTS**

This Agreement may be executed in any number of counterparts, all of which when taken together will constitute a single deed.

26. **ACCESSION**

Any additional Obligor which accedes to the Common Terms Agreement and the STID, in accordance with the terms thereof, shall execute an OFCA Deed of Accession whereupon it shall become a party to this Agreement in its capacity as an Obligor.

27. **GOVERNING LAW AND JURISDICTION**

27.1 **Governing Law**

This Agreement and all matters arising from or connected with it shall be governed by English law.

27.2 **Jurisdiction**

Clause 20.1 (*Jurisdiction*) of the Common Terms Agreement shall apply to this Agreement and shall be binding on the parties to this Agreement as if set out in full in this Agreement.

27.3 **Process Agent**

The Issuer agrees that the documents which start any proceedings relating to a dispute ("**Proceedings**") and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to BAA Limited at 130 Wilton Road, London SW1V 1LQ or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with Part XXIII of the Companies Act 1985. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of the Bond Trustee, appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, the Bond Trustee shall be entitled to appoint such a person by written notice addressed to the Issuer. Nothing in this paragraph shall affect the right of the Bond Trustee or any other person to serve process in any other manner permitted by law. This clause applies to Proceedings in England and to Proceedings elsewhere.

**THIS AGREEMENT** has been executed as a deed by each of the Obligors and as an agreement by the Borrower Security Trustee and the Bond Trustee on the date specified above.

## SCHEDULE 1

### OBLIGORS

<b>Name</b>	<b>Jurisdiction</b>	<b>Company Number</b>
Heathrow Airport Limited	England and Wales	01991017
Gatwick Airport Limited	England and Wales	01991018
Stanstead Airport Limited	England and Wales	01990920
Heathrow Express Operating Company Limited	England and Wales	03145133
BAA (SP) Limited	England and Wales	06458621
BAA (AH) Limited	England and Wales	06458657

**SCHEDULE 2**  
**FORM OF OFCA DEED OF ACCESSION**

**THIS OFCA DEED OF ACCESSION** is made as a deed on [date]

**BETWEEN:**

- (1) [Name of New Obligor] (the "**Company**"), a company incorporated in [jurisdiction] with registered office at [address];
- (2) Each of the companies named as Obligors in the Obligor Floating Charge Agreement referred to below (the "**Obligors**");
- (3) **BAA FUNDING LIMITED** as the Issuer; and
- (4) **DEUTSCHE TRUSTEE COMPANY LIMITED** as the Bond Trustee and the Borrower Security Trustee.

**BACKGROUND:**

- (A) The Company is [describe relationship] of [name of Obligor].
- (B) The Obligors have entered into an obligor floating charge agreement dated [•] August 2008 (as supplemented and amended by OFCA Deeds of Accession or otherwise from time to time, the "**Obligor Floating Charge Agreement**") between the Obligors, the Issuer, the Bond Trustee and the Borrower Security Trustee.
- (C) The Company has at the request of the Obligors and in consideration of the Borrower Secured Creditors making or continuing to make facilities available to the Obligors or any other member of the Security Group and after giving due consideration to the terms and conditions of the Finance Documents and the Obligor Floating Charge Agreement and satisfying itself that there are reasonable grounds for believing that the entry into this Deed by it will be of benefit to it, decided in good faith and for the purpose of carrying on its business to enter into this Deed and thereby become an Obligor under the Obligor Floating Charge Agreement.

**NOW THIS DEED WITNESSES** as follows:

1. Terms defined in the Obligor Floating Charge Agreement shall have the same meaning in this Deed.
2. The Company hereby agrees to become a party to and to be bound by the terms of the Obligor Floating Charge Agreement as an Obligor with immediate effect and so that the Obligor Floating Charge Agreement shall be read and construed for all purposes as if the Company had been an original party thereto in the capacity of Obligor (but so that the security created consequent on such accession shall be created on the date hereof). The Company hereby undertakes to be bound by all the covenants and agreements in the Obligor Floating Charge Agreement which are expressed to be binding on an Obligor. In accordance with the foregoing, the Company now grants to

the Issuer the charge described in the Obligor Floating Charge Agreement as being granted, created or made by Obligors thereunder, to the intent that its charge shall be effective and binding upon it and its property and assets and shall not in any way be avoided, discharged or released or otherwise adversely affected by any ineffectiveness or invalidity of the Obligor Floating Charge Agreement or of any other party's execution thereof or any other OFCA Deed of Accession, or by any avoidance, invalidity, discharge or release of any guarantee, assignment or charge contained in the Obligor Floating Charge Agreement or in any other OFCA Deed of Accession. The Obligor Floating Charge Agreement and this Deed shall be read as one to this extent and so that references in the Obligor Floating Charge Agreement to "this Deed", "herein", and similar phrases shall be deemed to include this Deed.

3. The Obligors hereby agree to all matters provided for herein.
4. Without limiting the generality of the other provisions of this Deed and the Obligor Floating Charge Agreement, pursuant to the terms hereof and of the Obligor Floating Charge Agreement, the Company charges with full title guarantee in favour of the Issuer by way of a first floating charge all present and future assets and undertaking of the Company as security for the payment and discharge of the OFCA Secured Liabilities. The OFCA Floating Security created by this paragraph shall (a) rank equally in point of priority with the Security Agreement Floating Security and neither of them shall have priority over the other, and (b) be deferred in point of priority to all Borrower Fixed Security validly and effectively created by the Company under the Security Agreement in favour of the Borrower Security Trustee (as trustee for the Borrower Secured Creditors) as security for the Borrower Secured Liabilities and in favour of the Subordinated Security Trustee (as trustee for the Subordinated Secured Creditors) as security for the Subordinated Liabilities. Paragraph 14 of Schedule B1 of the Insolvency Act applies to the floating charge created pursuant to this paragraph.
5. This Deed shall be governed by and construed in accordance with English law and is delivered on the date written at the start of this Deed.

*The Company*

**EXECUTED** as a deed by

**[THE COMPANY]**

by:

Director

Secretary

*The Obligors*

[insert a signature block for each]

*The Issuer*

**EXECUTED** as a deed by  
**BAA FUNDING LIMITED**

by:

Director

Secretary

*The Bond Trustee*

The Common Seal of )  
**DEUTSCHE TRUSTEE COMPANY LIMITED** )  
was affixed to this Deed in the presence of: )

Associate Director

Associate Director

*The Borrower Security Trustee*

The Common Seal of )  
**DEUTSCHE TRUSTEE COMPANY LIMITED** )  
was affixed to this Deed in the presence of: )

Associate Director

Associate Director

### SCHEDULE 3

#### RECEIPT

From: [Heathrow Express Operating Company Limited ("**HEX Opco**")]  
[BAA (AH) Limited ("**Asset Holdco**")]  
[BAA (SP) Limited ("**Security Parent**")]

To: BAA Funding Limited (the "**Issuer**")

We refer to the obligor floating charge agreement dated [●] August 2008 (as supplemented and amended by OFCA Deeds of Accession or otherwise from time to time, the "**Obligor Floating Charge Agreement**") between, among others, HEX Opco, Asset Holdco, Security Parent and the Issuer. Terms defined in the Obligor Floating Charge Agreement shall have the same meaning herein.

Each of HEX Opco, Asset Holdco and Security Parent acknowledge receipt from the Issuer of the sum of £1,000 being the loan made pursuant to clause 2.1 (*Loan*) of the Obligor Floating Charge Agreement.

By:

for and on behalf of Heathrow Express Operating Company Limited

By:

for and on behalf of BAA (AH) Limited

By:

for and on behalf of BAA (SP) Limited