

**DATED** 14 May

**2024**

**AIR BALTIC CORPORATION AS**  
(as Issuer)

**U.S. BANK TRUSTEES LIMITED**  
(as Security Trustee)

**ELAVON FINANCIAL SERVICES DAC**  
(as Account Bank)

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**IRISH SECURITY DEED**

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**ARTHUR COX**

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**THIS IRISH SECURITY DEED** is made on 14 May 2024 between

- (1) **AIR BALTIC CORPORATION AS**, whose registered office is at Tehnikas iela 3, Lidosta Riga, Marupes novads, LV-1053, Latvia in its capacity as the “**Issuer**”;
- (2) **U.S. BANK TRUSTEES LIMITED**, a company incorporated in England and Wales with limited liability (registered number 2379632), and having its registered office at 5th Floor, 125 Old Broad Street, London EC2N 1AR, United Kingdom (as the “**Security Trustee**” under this Irish Security Deed); and
- (3) **ELAVON FINANCIAL SERVICES DAC**, a Designated Activity Company registered in Ireland with the Companies Registration Office, registered number 418442, with its registered office at Building 8, Cherrywood Business Park, Loughlinstown, Dublin 18, Ireland, D18 W319, (acting in its capacity as the “**Account Bank**”)

(each a “**Party**” and together the “**Parties**”).

**RECITALS:**

- (A) On or about the date hereof (the “**Closing Date**”), the Issuer issued the Notes and the Issuer and the other parties entered into the Transaction Documents in order to consummate the transactions described therein.
- (B) The Issuer has agreed to create an Irish law governed security interest over the Irish Security Accounts in the manner described in this Deed to secure the Secured Liabilities. The respective rights of the Bondholders in respect of payments to be made from the Irish Security Accounts are set out in the Trust Deed and the Account Bank Agreement and are subject to the terms of this Deed.
- (C) The Security Trustee has agreed to hold the benefit of this Deed and the Security on trust for the Secured Liabilities on the terms set out in the Trust Deed. This Deed is supplemental to the Trust Deed.
- (D) It is intended that this document takes effect as a deed notwithstanding the fact that a Party may only execute this document under hand.

**IT IS HEREBY AGREED** as follows:

**1. Definitions And Interpretation**

**1.1 Terms used in the Trust Deed**

Unless otherwise defined in this Deed or the context requires otherwise, words and expressions used in this Deed have the meanings and constructions ascribed to them in the Trust Deed. This Deed shall be construed in accordance with the principles of construction and interpretation set out in such Trust Deed.

**1.2 Interpretation and miscellaneous terms**

The provisions of clause 1 of the Trust Deed shall apply to this Deed as if set out in full herein, with such changes as are appropriate to fit this context. If there is any conflict between the provisions of the Trust Deed and the provisions of this Deed, the provisions of this Deed will prevail.

### 1.3 Certain defined terms

In this Deed, unless otherwise expressly defined herein or unless the context requires otherwise, the following terms have the following meanings:

- (a) “**2009 Act**” means the Land and Conveyancing Law Reform Act 2009.
- (b) “**Account Bank Agreement**” means the account bank agreement dated on or about the date hereof between the Parties.
- (c) “**Charged Property**” means the Issuer’s property and assets, both present and future, secured in favour of the Security Trustee by this Deed and any reference to “**Charged Property**” includes a reference to any part thereof.
- (d) “**Deed**” means this Irish security deed.
- (e) “**Delegate**” means any delegate, agent, manager, attorney or co-security trustee appointed by the Security Trustee or by a Receiver.
- (f) “**Enforcement Date**” means a date on which the security over the Accounts becomes enforceable in accordance with the terms of the Trust Deed.
- (g) “**Floating Charge**” means the floating charge created by Clause 3.2(a).
- (h) “**Floating Charge Property**” means the assets, rights, property and undertaking subject to the Floating Charge.
- (i) “**Irish Security Accounts**” means the accounts of the Issuer from time to time held with the Account Bank including those accounts listed in Schedule 1, any replacement account(s) from time to time for those accounts and any account designated by the Issuer and the Security Trustee as an “**Irish Security Account**” for the purposes of this Deed.
- (j) “**Irish Security Account Balances**” means the balances from time to time standing to the credit of the Irish Security Accounts.
- (k) “**Parties**” means the parties to this Deed and any reference to “**Party**” means any one of them.
- (l) “**Receiver**” means a receiver or receiver and manager of the whole or any part of the Charged Property.
- (m) “**Security**” means the security from time to time constituted, or intended to be constituted, by this Deed.
- (n) “**Security Interest**” means any mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.
- (o) “**Security Period**” means the period from the date of this Deed until the date upon which the Secured Liabilities have been paid and discharged in full.
- (p) “**Trust Deed**” means a trust deed dated on or about the date hereof between the Parties hereto (as the same may be amended, varied and supplemented from time to time).

## 2. **Covenant To Pay**

2.1 The Issuer will, on demand:

- (a) pay to the Security Trustee, perform or discharge the Secured Liabilities when they become due for payment, performance or discharge; and
- (b) pay to the Security Trustee every sum now or hereafter due, owing or incurred by the Issuer in respect of the Secured Liabilities.

2.2 If the Security Trustee makes a demand under this Deed, that shall not preclude the Security Trustee from making one or more further demands under this Deed or any other Transaction Documents and shall not invalidate any previous demands.

## 3. **Security**

### 3.1 **Fixed Charge**

As continuing security for the payment, performance and discharge of the Secured Liabilities, the Issuer hereby charges by way of first fixed charge in favour of the Security Trustee all of its rights, title, benefit and interest, present and future, in, to and in respect of the Irish Security Accounts and Irish Security Account Balances.

### 3.2 **Account Bank Agreement**

The Issuer assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights, title and interest in and under the Account Bank Agreement (including, without limitation, its rights to require the Account Bank to deliver securities or cash to the Issuer or to its order and its rights in and to the Issuer Bank Account) to the Security Trustee.

### 3.3 **Floating Charge**

#### (a) *Grant of Floating Charge*

To the extent that: (i) the Irish Security Accounts and Irish Security Account Balances are not the subject of, or otherwise effectively charged by way of, a fixed charge; or (ii) the Account Bank Agreement is not the subject of assignment, or otherwise effectively assigned, under this Deed, then as continuing security for the payment, performance and discharge of the Secured Liabilities, the Issuer hereby charges by way of first floating charge in favour of the Security Trustee all of its rights, title, benefit and interest, present and future, in, to and in respect of the Irish Security Accounts, the Irish Security Account Balances and the Account Bank Agreement.

#### (b) *Automatic Crystallisation of Floating Charge*

Without prejudice to any rule of law which has a similar effect, the Floating Charge shall, with immediate effect and without any requirement for notice to be served, be automatically converted into a fixed charge in respect of all Floating Charge Property upon the delivery by the Trustee of an Acceleration Notice to the Issuer.

#### (c) *Effect of Crystallisation*

With effect from crystallisation of the Floating Charge under (b):

- (i) the Security Trustee shall have exclusive control over all Floating Charge Property;
- (ii) the Issuer may not deal with all or any part of the property at (i) without the prior written consent of the Security Trustee.

#### 3.4 Notice to Account Bank

- (a) This Deed constitutes irrevocable notice to the Account Bank of the charges over the Irish Security Accounts and Irish Security Account Balances, as described in Clauses 3.1 (*Fixed Charge*) and 3.2 (*Floating Charge*) and the assignment of the Issuer's rights to the Account Bank Agreement as described in Clause 3.2 (*Account Bank Agreement*). The Issuer authorises the Account Bank, in relation to the Issuer's rights (but not its obligations) to deal with the Security Trustee without reference to the Issuer.
- (b) The Account Bank hereby acknowledges such notice and agrees and/or confirms that:
  - (i) it consents to the charge of the Irish Security Accounts and Irish Security Account Balances and shall act in relation to the Irish Security Accounts and Irish Security Account Balances solely in accordance with the terms of the Transaction Documents and this Deed;
  - (ii) if it receives a notice from the Security Trustee that an Acceleration Notice has been delivered to the Issuer, it will:
    - (A) not permit the Issuer to dispose of or otherwise deal with such Irish Security Account or Irish Security Account Balance without the Security Trustee's prior written consent; and
    - (B) hold the Irish Security Account Balance for the account of the Security Trustee and pay the Irish Security Account Balance on request to the Security Trustee or in such manner as it may direct;
  - (iii) it does not have, and will not seek to exercise any claim, or right of set off in relation to the Irish Security Accounts and Irish Security Account Balances otherwise than as permitted by the Transaction Documents;
  - (iv) it has not received any notice that any third party has any right or interest in the Irish Security Accounts and Irish Security Account Balances;
  - (v) no payment, transfer and/or withdrawal may be made from any of the Irish Security Accounts other than as expressly permitted in accordance with the terms of this Deed and the Transaction Documents or otherwise with the prior written consent of the Security Trustee; and
  - (vi) it acknowledges the assignment of the Issuer's rights in and to the Account Bank Agreement and agrees that it will only carry out any instructions in accordance with the Account Bank Agreement.

4. **Release Of Charged Assets**

4.1 Notwithstanding the provisions of Clause 3 (*Security*), on the irrevocable and unconditional payment or discharge by the Issuer of all of the Secured Liabilities, the Security Trustee, at the request and cost of the Issuer, shall (without recourse, representation or warranty) release, reassign, reconvey, retransfer or discharge the Charged Property to, or to the order of, the Issuer or such other person in respect of whom the Issuer has provided prior notice in writing to the Security Trustee.

5. **Representations And Warranties**

5.1 The Issuer represents and warrants to the Security Trustee, for the benefit of the Bondholders that:

- (a) it is the sole the sole beneficial owner of the Irish Security Accounts and Irish Security Account Balances, free and clear (immediately prior to the date of this Deed) of all security interests, liens and encumbrances (save for any security interests permitted by the Transaction Documents);
- (b) the details of the Irish Security Accounts listed in Schedule 1 to this Deed are true and complete;
- (c) immediately prior to the date of this Deed, its rights, title and interest in and under the Account Bank Agreement were free and clear of all security interests, liens and encumbrances (save for any security interests permitted by the Transaction Documents);
- (d) will not be entitled to claim immunity from suit, execution, attachment or other legal process in connection with this Deed;
- (e) this Deed creates the security which it purports to create and is not liable to be avoided or otherwise set aside in an insolvency of the Issuer; and
- (f) it has taken all necessary steps to enable it to create the Security in respect of the Charged Property in accordance with this Deed it has not taken (or omitted to take) any action, or permitted anything to be done, which could (in the Security Trustee's opinion) jeopardise the existence or value of the Charged Property or the Security, or the priority of the Security.

5.2 The representations and warranties contained in Clause 5.1 are made by the Issuer on the date of this Deed [and shall be deemed to be made on each date on which the Secured Liabilities are outstanding (by reference to the facts and circumstances existing at each date that they are deemed to be made)].

6. **Negative Pledges**

6.1 The Issuer covenants for the benefit of the Security Trustee that, for the duration of the Security Period, it will not:

- (a) save as permitted by Clause 8 (*Payments out of the Irish Security Accounts*), dispose of or otherwise deal with the Charged Property (including by way of any amendment to the terms on which the Charged Property is held or any amendment to the contractual rights of others in respect of the Charged Property) without the Security Trustee's prior written consent;

- (b) close any Irish Security Account without the Security Trustee's prior written consent or in accordance with the terms of the Account Bank Agreement;
- (c) save as permitted by Clause 8 (*Payments out of the Irish Security Accounts*), do or omit to do anything, or cause or permit anything to be done or omitted to be done, which could (in the opinion of the Security Trustee) depreciate or otherwise prejudice the value or priority of the Security, or otherwise jeopardise the Charged Property (whether by way of the Charged Property becoming void or voidable, an increased payment becoming due to a third party by the Issuer in respect thereof, or otherwise); or
- (d) use the Security Trustee's name or join the Security Trustee in any legal proceedings in relation to the Charged Property without the Security Trustee's prior written consent.

## 7. Covenants

- 7.1 The Issuer covenants for the benefit of the Security Trustee that, for the duration of the Security Period, it will:
- (a) comply with and punctually perform all of its obligations in respect of the Charged Property; and
  - (b) diligently pursue its rights in respect of the Charged Property.
- 7.2 Save as may be otherwise provided in the Conditions and the Transaction Documents, the monies paid into or held in any Irish Security Account shall not be withdrawn by the Issuer without the prior specific written consent of the Security Trustee.
- 7.3 Where the Issuer breaches any provision of this Deed, the Security Trustee may (but is not obliged to) do whatever it deems necessary to rectify that breach. All monies expended by the Security Trustee (or on its behalf) in so doing shall form part of the Secured Liabilities.

## 8. Payments out of the Irish Security Accounts

- 8.1 Notwithstanding the Security created by Clause 3 (*Security*) and the provisions of Clause 6 (*Negative Pledges*) of this Deed, amounts may and shall be withdrawn from the Irish Security Accounts only in the manner and, to the extent applicable, in the order of priority provided for in the Transaction Documents and in respect of each withdrawal the security constituted by this Deed shall, in relation to such amounts released, be released or reassigned without the need for any deed of release. Any withdrawal(s) of amounts from the Irish Security Accounts permitted under the Transaction Documents shall not be deemed to be a release of the security over any other amounts then or any time thereafter standing to the credit of or relating to the relevant Irish Security Account.
- 8.2 Any repayment, release or withdrawal of any part of the Irish Security Account Balances in accordance with the terms of the Transaction Documents shall not be deemed to be:
- (a) a waiver of the restriction imposed by Clause 8.1 as regards the balance of the Irish Security Accounts; or
  - (b) a release of the Security created by Clause 3 (*Security*) of this Deed over the balance of the Irish Security Accounts.

9. **Further Assurances**

- 9.1 The Issuer shall, at its own cost, take such action as the Security Trustee or any Receiver or Delegate may require for the purpose of creating, perfecting, maintaining, protecting, facilitating the realisation of, or facilitating the exercise of any rights in respect of, the Security.
- 9.2 The foregoing may include re-executing this Deed, executing other agreements creating a Security Interest or dealing with the Charged Property, serving notices, giving orders, giving directions, making filings or making registrations.

10. **Enforcement: General**

10.1 On an Enforcement Date:

- (a) the Security will be immediately enforceable, and the Secured Liabilities will be immediately due for payment, performance and discharge, without any requirement for notice to, or for demand to be served on, the Issuer; and
- (b) the statutory power of sale together with all other rights, powers, privileges, discretions and immunities conferred on mortgagees by law (in each case as varied by this Deed) will be immediately exercisable and the Security Trustee shall have no liability arising out of its exercise of any such rights, powers, privileges, discretions and immunities.

10.2 On or at any time from an Enforcement Date:

- (a) the Security Trustee may enforce, in its absolute discretion, all or any part of the Security in any manner that it sees fit. It shall not be necessary for any consent or court order to be obtained, any event to occur, any notification to be made or any condition to be fulfilled under any of Sections 97, 98, 100(1), 100(2), 100(3), 103(2) or 108(1) of the 2009 Act before the Security Trustee takes steps to enforce the Security (including by way of appointment of one or more Receivers); and
- (b) the Security Trustee may:
- (i) redeem any prior Security Interest over the Charged Property; and/or
  - (ii) procure the transfer of any such Security Interest to itself; and/or
  - (iii) settle and pass the accounts of the beneficiary of the prior Security Interest with any accounts so settled and passed being, in the absence of manifest error, conclusive and binding on the Issuer;
- (c) the Issuer will, immediately on demand, pay to the Security Trustee all of the Security Trustee's costs and expenses (including taxes) in connection with the matters set out at (b) above and, until such amounts are paid in full, those amounts shall form part of the Secured Liabilities.

10.3 Sections 92 (and any other restriction on the consolidation of mortgages), 94, 96(1)(c), 99, 101, 105(2), 106(3), 107 and 109 of the 2009 Act shall not apply to this Deed, the Security or any enforcement thereof.

10.4 On and after an Enforcement Date:

- (a) the Issuer shall:

- (i) take such steps as the Security Trustee may require (at the Issuer's cost) to facilitate enforcement of the Security; and
  - (ii) hold any payment received by it in respect of any part of the Charged Property in trust for the Security Trustee; and
- (b) the Security Trustee may exercise (without any consent or authority from the Issuer, and irrespective of any direction given by the Issuer) all of the Issuer's rights in respect of the Charged Property.

**11. Enforcement: Mortgagee in Possession**

- 11.1 On or at any time from an Enforcement Date, the Security Trustee may (without any requirement for notice to, or for demand to be served on, the Issuer) and without prejudice to any other express or implied right of the Security Trustee, take possession of the Charged Property as mortgagee in possession.
- 11.2 If the Security Trustee takes possession as set out in Clause 11.1 above:
- (a) it shall not be liable to account as mortgagee in possession, for any loss in connection with the Charged Property, for any loss on realisation of the Charged Property or for any default or omission for which a mortgagee in possession might be liable; and
  - (b) it shall not be obliged to take steps to sell the Charged Property.

**12. Enforcement: Receiver Appointments**

- 12.1 On or at any time from an Enforcement Date, the Security Trustee may appoint any person or persons as Receiver or Receivers of the Charged Property, regardless of whether the Security Trustee is mortgagee in possession or not. The appointment of a Receiver over part of the Charged Property will not preclude the Security Trustee from appointing the same or another Receiver over the balance of the Charged Property.
- 12.2 Any appointment of a Receiver, or removal or replacement of a Receiver, by the Security Trustee must be in writing and may be made either under the hand of any officer, employee or agent of the Security Trustee or as a deed.
- 12.3 The above powers of appointment are in addition, and without prejudice, to the Security Trustee's powers under the 2009 Act and under other applicable laws, save as those powers may be expressly varied by this Deed.
- 12.4 The remuneration of any Receiver may be fixed by the Security Trustee and, in doing so, the Security Trustee shall not be bound by any restriction or maximum rate imposed by law (including by Section 108(7) of the 2009 Act).
- 12.5 Any such Receiver shall be the Issuer's agent for all purposes, and the Issuer will be solely responsible for the Receiver's acts, remuneration, contracts, engagements, defaults, losses, omissions and liabilities. All costs, expenses, outgoings and liabilities incurred by any such Receiver shall form part of the Secured Liabilities.
- 12.6 The Security Trustee shall not incur any liability whatsoever to any person as a result of either its appointment of a Receiver in respect of the Charged Property, or as a result of any action or inaction on the part of such Receiver.

### 13. **Enforcement: Receiver Powers**

- 13.1 If more than one Receiver has been appointed, each may act individually or jointly (subject to the terms of the relevant appointment).
- 13.2 A Receiver may exercise any or all of his powers in his absolute discretion, and shall not be obliged to take any steps to sell the Charged Property.
- 13.3 No Receiver shall be liable to account as mortgagee in possession for any loss in connection with the Charged Property or the realisation thereof, or for any default or omission for which a mortgagee in possession might be liable.
- 13.4 A Receiver shall have all rights, powers, privileges, discretions and immunities conferred on receivers by law (in each case as varied by this Deed) including the powers listed in Section 437 of the Companies Act and shall also have the power to:
- (a) exercise (without being under any obligation to do so and without any liability for so doing) all rights in respect of the Charged Property over which he has been appointed, whether those rights are originally available (at law, in equity, under this Deed or under another agreement) to the Issuer, the Security Trustee or any Receiver or Delegate;
  - (b) make notifications;
  - (c) enter into, amend, rescind or repudiate any agreements;
  - (d) comply with any requirement of law or regulation, and with any notices or orders received in respect of the Charged Property;
  - (e) deal with any accounts, claims (howsoever arising), contracts, demands, questions or disputes (howsoever arising) whatsoever which may arise in connection with the Security or the Charged Property;
  - (f) otherwise deal with the Charged Property in such manner and on such terms and conditions as he may see fit;
  - (g) use the Issuer's name and seal in the exercise of any of his powers; and
  - (h) delegate any or all of his powers.
- 13.5 A Receiver may exercise any powers referred to (expressly or by incorporation) in this Clause 13 (*Enforcement: Receiver Powers*) notwithstanding any insolvency of the Issuer, and a Receiver shall not be liable for any loss arising in connection with the exercise of those powers.
- 13.6 The Security Trustee may exercise all rights, powers, privileges, discretions and immunities conferred on receivers by law or by this Deed irrespective of whether or not a Receiver has been appointed.

### 14. **Delegation**

- 14.1 Without prejudice to any powers of the Security Trustee under the Trust Deed, the Security Trustee or any Receiver (each a "**Delegating Party**") may appoint (on such terms as it sees fit) a Delegate by power of attorney or in any other manner as it sees fit (whether under hand or under seal) to be the delegate of any right, power, privilege, discretion or immunity conferred on the Security Trustee or that Receiver by law or by this Deed.

- 14.2 No such delegation will preclude a subsequent delegation.
- 14.3 A delegation may be revoked by the Delegating Party at any time.
- 14.4 The Delegating Party shall not be liable for any loss suffered by any person as a result of any action, inaction, omission, default or misconduct of any Delegate.

**15. Power of Attorney**

- 15.1 The Issuer irrevocably appoints, by way of security, the Security Trustee, each Receiver and each Delegate (acting solely, some acting together or all acting together) to be its attorney (with full powers of substitution and delegation) in its name and otherwise on its behalf, and as its act and deed to:
- (a) execute, deliver and perfect any agreement or form, and take any action (including the making of registrations, filings or notifications), which the Issuer is required to execute, deliver, perfect or take pursuant to this Deed whether for the purposes of perfecting the Security, or with effect from the Enforcement Date vesting the Charged Property in the Security Trustee, any Receiver, any Delegate, any nominee of any of the foregoing, or any purchaser; and
  - (b) generally with effect from the Enforcement Date use its name in connection with the exercise of any rights under this Deed.
- 15.2 The Issuer agrees that:
- (a) it will be deemed to have ratified and approved anything done by any attorney pursuant to Clause 15.1; and
  - (b) all monies expended by any such attorney in its capacity as such will be deemed to form part of the Secured Liabilities.

**16. Application of Proceeds**

- 16.1 The parties hereto acknowledge, without limitation, that following the enforcement of the security hereby created over all moneys or property collected by the Security Trustee in respect of the Charged Property shall be held on trust for the Bondholders in the order of priority provided for in Condition 3(g) and shall be paid to the Bondholders in accordance with such order of priority.

**17. Protection of Third Parties**

- 17.1 No person dealing with the Security Trustee, any Receiver or Delegate shall be obliged to enquire:
- (a) whether the Secured Liabilities are outstanding or whether they have become due;
  - (b) whether any right or power exercised by the Security Trustee, any Receiver or Delegate has arisen, accrued or become exercisable, or whether it has been properly exercised;
  - (c) how monies received by the Security Trustee, any Receiver or Delegate are to be applied; or

(d) the legality, validity or enforceability of any act of the Security Trustee, any Receiver or Delegate.

17.2 A receipt of the Security Trustee, any Receiver or Delegate shall be an absolute and conclusive discharge to a purchaser from the Security Trustee, any Receiver or Delegate.

18. **Not used**

19. **Miscellaneous Provisions**

19.1 **Security Trustee Protections**

This Deed is supplemental to the Trust Deed. The protections, powers, privileges, indemnities and discretions conferred on the Security Trustee under the Trust Deed in respect of the security created under that document shall apply, *mutatis mutandis*, to this Deed and to the Security as if they were set out in full in this Deed.

19.2 **Continuing Security**

The Security is a continuing security and will extend to the ultimate balance of the Secured Liabilities, regardless of any intermediate payment or settlement of the Secured Liabilities.

19.3 **Additional Security**

The Security is in addition to, and shall not merge with or otherwise prejudice or affect any contractual or other right or remedy or any other guarantee or security for the Secured Liabilities or any of them which are now or may hereafter be held by the Security Trustee whether from the Issuer or otherwise.

19.4 **No Liability**

Save as otherwise provided in the Transaction Documents, none of the Security Trustee, any Receiver or any Delegate or any person acting on its or their behalf shall incur any liability as a result of exercising its rights under this Deed, any neglect or default in respect of the Charged Property, taking possession of the Charged Property or realising the Security.

19.5 **Financial Assistance**

This Deed does not render any liability a Secured Liability to the extent that to do so would result in this Deed or part thereof constituting unlawful financial assistance under Section 82 of the Companies Act or any analogous provision under the laws of any Relevant Jurisdiction.

19.6 **Financial Collateral**

If any Charged Property constitutes “**financial collateral**” or this Deed and any Secured Liabilities constitute a “**security financial collateral arrangement**” (in each case as defined in the European Communities (Financial Collateral Arrangements) Regulations 2010 (the “**Financial Collateral Regulations**”), the Security Trustee may, on or after an Enforcement Date, appropriate that financial collateral towards satisfaction of the Secured Liabilities.

For that purpose, the Parties agree that:

- (a) the value of the appropriated financial collateral will be its market value determined by the Security Trustee by reference to a public index, independent valuation or other method chosen by the Security Trustee; and
- (b) the foregoing will constitute a commercially reasonable valuation method for the purposes of the Financial Collateral Regulations.

**19.7 Confirmation**

The Issuer confirms that this Deed and the Security extend to any amendment to any Transaction Document, however fundamental, and irrespective of whether such amendment imposes more onerous obligations on the Issuer.

**19.8 Subsequent Security Interests and new accounts**

If any subsequent Security Interest or any analogous expropriation, attachment, sequestration, distress, execution or process affects the Charged Property, the Security Trustee may open a new account or accounts for the Issuer in its books or with any other person.

If the Security Trustee does not do so, such account opening shall, unless express written notice is given by the Security Trustee to the Issuer, be deemed to have taken place at the time when the Security Trustee received, or was deemed to have received, notice of such Security Interest or process.

From the time that such account(s) is/are opened or deemed to have been opened, all payments made to the Security Trustee will be credited, or will be deemed to be credited, to such new account(s) and will not operate to reduce any or all of the Secured Liabilities.

**19.9 Obligations not affected**

The Issuer's obligations under this Deed will not be affected by any act, omission, matter or thing which, but for this Clause 19.9, would reduce, release, prejudice or diminish any of those obligations, in whole or in part (whether or not known to the Security Trustee), including (in respect of the Issuer or any other person):

- (a) the grant of any time, waiver, consent, indulgence or concession;
- (b) the entry into, or the granting of any release in respect, of any composition or similar arrangement;
- (c) the entry into, amendment or release of any security or guarantee;
- (d) the enforcement, compromise, refusal to enforce or failure to enforce of any right, security or guarantee;
- (e) the failure to observe a formality or other requirement;
- (f) the failure to realise the full value of any security or guarantee;
- (g) a lack of capacity, power or authority;
- (h) an insolvency;
- (i) a change in constitution or membership;

- (j) the amendment (however fundamental) of any agreement;
- (k) any illegality, invalidity or unenforceability of any of the Secured Liabilities or of any liability of another person;
- (l) the issue, confirmation, amendment, renewal or termination of any negotiable instrument;
- (m) any merger or amalgamation, howsoever effected;
- (n) any judgment being obtained; or
- (o) any act, event or omission which, but for this Clause 19.9, would or might operate to impair, discharge or otherwise affect the Issuer's obligations hereunder and the Secured Liabilities.

**19.10 Obligations remain enforceable**

The Issuer's obligations under this Deed will remain enforceable notwithstanding:

- (a) any restructuring of the Security Trustee (including by way of an acquisition, change of control, change in legal status, change in constitution, merger, scheme of arrangement or division); or
- (b) the exercise of any stabilisation, recovery or resolution power in respect of the Security Trustee.

**19.11 Dealing with amounts received etc.**

During the Security Period, the Security Trustee may:

- (a) refrain from applying any monies received by, or enforcing any security or rights held by, the Security Trustee or on its behalf in connection with the Secured Liabilities, or apply those monies and enforce such security or rights as it sees fit and the Issuer shall not be entitled to have those monies transferred to it; and
- (b) hold, in an interest-bearing suspense account, any monies received from the Issuer or from another person in respect of the Secured Liabilities.

**19.12 Waivers**

The Issuer waives:

- (a) any present or future right of set-off that it may have in respect of the Secured Liabilities or the Charged Property; and
- (b) any right to interpose any defence based on any statute of limitations, claim of laches, claim of set-off or other counterclaim whatsoever.

**19.13 Security Trustee's discretion**

Any right, remedy, power, authority or similar which may be exercised by the Security Trustee or any Receiver or Delegate under this Deed may be exercised in its absolute and unfettered discretion without any obligation to provide a reason.

**20. Assignments And Transfers By The Issuer**

**20.1 Assignments and transfers**

Save as otherwise provided by the Transaction Documents, no Party may:

- (a) assign any of its rights; or
- (b) transfer any of its rights and obligations,

in respect of this Deed except as permitted by this Clause 20.

**20.2 Change of Issuer**

The Issuer shall not be entitled to assign, transfer or otherwise dispose of all or any of its rights, benefits and obligations under this Deed other than with the prior written consent of the Security Trustee.

**21. Notices**

**21.1 Incorporation of notices provisions**

The provisions of clause 17 of the Trust Deed shall be expressly and specifically incorporated into this Deed as though they were set out in full in this Deed, with any necessary changes.

**21.2 English language**

- (a) Any notice given under or in connection with this Deed must be in English.
- (b) All other documents provided under or in connection with this Deed must be:
  - (i) in English; and
  - (ii) if not in English and if so required by the Security Trustee accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

**22. Partial Invalidity**

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law in any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

**23. Counterparts**

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Deed.

24. **Governing Law**

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

25. **Jurisdiction**

25.1 The courts of Ireland have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed (a “**Dispute**”)).

25.2 The Parties agree that the courts of Ireland are the most appropriate and convenient court to settle Disputes and accordingly no Party will argue to the contrary.

25.3 This Clause 25 (*Jurisdiction*) is for the benefit of the Bondholders only. As a result, no Secured Creditor shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Bondholders may take concurrent proceedings in any number of jurisdictions.

26. **Amendments**

26.1 Any amendment to this Deed must be in writing agreed by all of the Parties and in accordance with the Trust Deed.

27. **Electronic Signatures**

27.1 **Execution**

The Parties consent to the execution by or on behalf of each other Party of this Deed, and the witnessing thereof, by electronic signature, provided that such manner of execution is permitted by law.

27.2 **Retention**

The Parties also:

- (a) agree that an executed copy of this Deed may be retained in electronic form; and
- (b) acknowledge that such electronic form shall constitute an original of this Deed and may be relied upon as evidence of this Deed.

**SCHEDULE 1**

**The Charged Property**

<b>Name of Account</b>	<b>Address of branch of Security Trustee</b>	<b>BIC</b>	<b>IBAN</b>
AIR BALTIC CORPORATION AS RESERVE AC	U.S. Bank Trustees Limited, Fifth Floor, 125 Old Broad Street, London, United Kingdom, EC2N 1AR	USBKIE22	IE90USBK99034582880901

**EXECUTION PAGES**

**IN WITNESS WHEREOF** the Issuer has caused this Deed to be executed and delivered as a deed, and the other parties hereto have executed and delivered this Deed under hand, the day and year first before written.

**EXECUTED AND DELIVERED** as a **DEED** by  
**AIR BALTIC CORPORATION AS**  
(in its capacity as Issuer)  
acting by its duly authorised  
signatories

  
\_\_\_\_\_  
Name: **Martin Gauss**  
Position: CEO  
Chairman of the Board  
Valdes priekšsēdētājs

  
\_\_\_\_\_  
Name: **Vitolds Jakovļevs**  
Position: CFO  
Board Member  
Valdes loceklis

  
\_\_\_\_\_  
Name: **Pauls Juris Cāitis**  
Position: COO  
Board Member  
Valdes loceklis

**Security Trustee**

**EXECUTED** as a **DEED** by )  
**U.S. BANK TRUSTEES** )  
**LIMITED** )  
acting by its duly authorised  
signatory in the presence of:

\_\_\_\_\_  
Attorney

Witness's Signature:

Witness's Name:

Witness's Address:

**EXECUTION PAGES**

**IN WITNESS WHEREOF** the Issuer has caused this Deed to be executed and delivered as a deed, and the other parties hereto have executed and delivered this Deed under hand, the day and year first before written.

**EXECUTED AND DELIVERED** as a **DEED** by  
**AIR BALTIC CORPORATION AS**  
(in its capacity as Issuer)  
acting by its duly authorised  
signatories

\_\_\_\_\_  
Name:  
Position:

\_\_\_\_\_  
Name:  
Position:

\_\_\_\_\_  
Name:  
Position:

**Security Trustee**

**EXECUTED** as a **DEED** by )  
**U.S. BANK TRUSTEES** )  
**LIMITED** )  
acting by its duly authorised  
signatory in the presence of:

Witness's Signature:   
Witness's Name: **Chris Hobbs**  
Authorised Signatory

  
\_\_\_\_\_  
Authorised  
Signatory

Witness's Address: C/o 125  
Old Broad Street, London,  
EC2N 1AR

**Account Bank**

**EXECUTED** as a **DEED** by )  
**ELAVON FINANCIAL SERVICES** )  
**DAC** )  
acting by an Authorised Signatory )  
)

Authorised Signatory:.....