



GATS PROFESSIONAL ENTITIES

This memorandum is designed to provide a summary guide to certain aspects of acting as a GATS Professional Entity on the Global Aircraft Trading System (**GATS**). This memorandum does not purport to be comprehensive or to render legal, tax or other advice.

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I. Signing-up as a GATS Professional Entity

Once an individual (and a second individual within the same organisation who will act as its second administrator) has completed the individual identity verification process, signed up to the GATS Platform's terms of use and been issued with a unique digital certificate, they can sign-up their organisation to act as a GATS Professional Entity. While it is anticipated that most GATS Professional Entities will be law firms, other organisations such as corporate service providers can act in this role also.

The following steps need to be taken to sign-up your organisation as a GATS Professional Entity:

- 1 On your User Dashboard select '**Create a New Entity Profile**'.
- 2 You will be given a choice of entity type to choose from and will need to select '**Create a GATS Professional Entity**'.
- 3 You will be prompted to provide the following information:
 - (a) your entity name; **[Be careful to ensure that this matches exactly the registered name of your organisation.]**
 - (b) the legal form of entity (for example, limited partnership);
 - (c) the jurisdiction of formation or establishment of your organisation;

- (d) 3 separate notice details (address for correspondence, address for legal notices and billing address) which may all be the same address; and
 - (e) confirmation of the number of signatories and witnesses needed to bind your organisation (with the default being one signatory and no witness).
- 4 You will then be asked to populate details of your first administrator. This will largely be pre-populated with your individual details. Once complete, hit the **'Next'** button to continue.
 - 5 You will then be asked to nominate your second or 'backup' administrator. This must be another Digital Certificate User (i.e. an individual who has completed the individual identity verification process and been assigned a unique digital certificate). This individual can be selected by typing their name, GATS userID or full email address. Once selected, hit the **'Next'** button to continue.
 - 6 You will then be asked to select a GATS entity for clearance. GATS Professional Entities can be cleared for KYC purposes by either an existing GATS Trustee or GATS Participant or by AWG itself. To seek clearance by AWG please email Jeffrey.Wool@awg.aero. Either list the name of the GATS Trustee or GATS Participant clearing your organisation or else tick the box marked **'Select to be cleared by AWG'**. Once complete, hit the **'Next'** button to continue.
 - 7 You will then be asked to verify and confirm the entity details you have provided. Please take care to ensure that information is accurate. Once complete, hit the **'Next'** button to continue.
 - 8 At this point, you will be asked to read and agreed to the GATS e-Terms on behalf of your organisation. In doing so, you will represent and warrant that you are duly authorised to do so on behalf of your organisation. Please ensure that the GATS e-Terms have been read and understood in full before proceeding. Once satisfied, Once complete, hit the **'I agree to the GATS e-Terms'** button to continue.
 - 9 At this point your organisation's application will have been successfully submitted. Your second administrator will receive notification asking them to consent to acting in such role and the party selected as your 'clearing' entity will receive a notification asking them to confirm that they have cleared your organisation for KYC purposes.
 - 10 Once your second administrator and 'clearing' entity responds to the notifications, your organisation will be a signed-up GATS Professional Entity and will begin to appear on your User Dashboard.

II. The Role of GATS Professional Entities

The role of GATS Professional Entities is subject to change as the GATS Platform and market practices develop over time.

Initially, GATS Professional Entities will not be permitted to execute GATS Instruments, to give authority to release signatures or to confirm accuracy or satisfaction of Advance Requirements on behalf of a GATS Entity. We would note that if agreed by the GATS Entity and individual in question, it would be possible for a GATS Entity to nominate an individual within a law firm (or other GATS Professional Entity) as one of its signatories but not the GATS Professional Entity itself.

The role of GATS Professional Entities from the launch of the GATS Platform will be to facilitate the closing of transactions effected through the GATS Platform by acting as GATS escrow coordinator in relation to the GATS escrow facility environment.

GATS Professional Entities will also be able to assist GATS Transacting Entities and other parties in (a) authenticating a GATS Instrument as a complete and correct duplicate e-original of the instrument executed and delivered through the GATS Platform, and (b) validating the digital signatures forming part of a GATS Instrument, in each case using QR code technology. The duplicate e-original of a GATS instrument is a duplicate of the electronic original stored on the GATS Platform and, in PDF form, contains one or more digital signatures. GATS Professional Entities and other users should not rely on PDF viewing software to determine the validity of the digital signatures forming part of a duplicate e-original. Because of the proprietary nature of such software, it may incorrectly determine valid digital signatures to be invalid. Instead, such users should authenticate a GATS instrument duplicate e-original and validate the digital signatures forming part thereof through the GATS Platform.

III. The GATS escrow facility environment

To assist GATS Transacting Entities and their associated GATS Professional Entities with closings, all transactions effected through the GATS Platform will have the benefit of its electronic escrow facility (the "**GATS escrow facility**").

The GATS escrow facility will allow parties to one or more Designated Transactions to:

- (a) preposition electronically executed signatures in escrow;
- (b) manage satisfaction of the advance requirements for each such Designated Transaction; and
- (c) in the case of multiple Designated Transactions, enable the execution of such Designated Transactions in the desired sequence with zero delay between them.

Any authorised GATS Professional Entity may initiate the GATS escrow facility environment in its capacity as GATS escrow coordinator by taking the following steps:

- 1 On your User Dashboard there will be a list of Associated Entities in respect of which you have an active role (such as Administrator). Go to '**View Entity Dashboard**' of your GATS Professional Entity organisation.
- 2 From the Entity Dashboard of the relevant GATS Professional Entity, select '**New Escrow Facility**'.
- 3 When brought to the '**Escrow Facilities**' page, any active GATS Escrow Facilities for which your organisation is acting as GATS escrow coordinator will be listed with the current status of that Designated Transaction.
- 4 Select '**+New Escrow Facility**' and you will be prompted to provide a name for the GATS Escrow Facility. This will simply be to identify the GATS escrow facility in the event that your organisation or any of the transaction parties are working on multiple GATS escrow facilities simultaneously. Once you have provided a name, hit the 'Create Escrow Facility' button to continue.
- 5 This will bring you to the '**Escrow Facility**' page. To the left-hand side of '**Transactions**' click on the box labelled '**+Add Transaction**' and from the drop-down list select the type of Designated Transaction to be effected.

- 6 If the Designation to be effected is the establishment or migration of a GATS Trust, you will be prompted to select the Trust Branch (jurisdiction) of the proposed GATS Trust and to confirm whether the proposed GATS Trust was a pre-allocated unique identification number by AWG during the transition period pre-launch of the GATS Platform. Once the Trust Branch has been selected from the dropdown list and the pre-allocated UIN box either ticked or left unticked, hit the **'Continue'** button to continue.
- 7 At this point, depending on whether the GATS Trust is to be a newly created trust or the migration of an existing trust onto GATS, select either **'Establishment'** or **'Migration'**.
- 8 Next, the names of the **'Transaction Participants'** will need to be added. Once you start typing in the boxes provided, a drop-down should appear and you select the correct entities. If the particular GATS Instrument to be executed (or the relevant Transaction Participant) requires a second signatory or a witness (for example, the Irish Trust Branch Security Instrument), this should be edited here. There will also be an ability to edit the execution block of the relevant GATS Instrument to reflect local law or other requirements.
- 9 By clicking on the **'Transaction Data'** button, you will be brought to a page which will allow you to select whether Aircraft Equipment will be held in the trust from its establishment/migration (or added later). If Aircraft Equipment is to be held from establishment/migration the serial number should be inserted before clicking **'show details'** and the relevant pieces of Aircraft Equipment (with engines listed separately) selected from the list provided.
- 10 Once the **'Transaction Participants'** and **'Transaction Data'** sections have been addressed, click on the 'Add to Escrow' to continue.
- 11 If the Designated Transaction to be effected is anything other than the establishment or migration of a GATS Trust, you will be asked for the GATS unique identification number of the GATS Trust to be the subject of the Designated Transaction. This will then pre-populate known information about that GATS Trust such as the name and details of the Existing Beneficiary and Trustee as well as details of the Aircraft Equipment (if any) held in that GATS Trust.
- 12 Depending on the type of Designated Transaction, different options will appear in the **'Transaction Data'** section to be selected depending on the relevant facts.
- 13 Once the **'Transaction Participants'** and **'Transaction Data'** sections have been addressed, click on the 'Add to Escrow' to continue.
- 14 The Designated Transaction(s) will now appear on the Escrow Facility page. To move forward, click on the **'Next Stage'** button and confirm to the prompt that you are sure you wish to do so.
- 15 Next, you will be able to add Advance Requirements or confirm that none are applicable (by selecting **'Done'**). If ARs apply, the details of the AR Beneficiary will need to be added.
- 16 Once the ARs has either been confirmed as non-applicable to the Designated Transaction or confirmed by the beneficiary of such ARs to have been satisfied/waived, parties can moved forward to signature and approval.

- 17 The GATS Instruments will need to be signed electronically by the Administrators or Signatories of the relevant Transaction Participants. Once signed, the GATS Instrument will be returned (in escrow) to the GATS escrow facility.
- 18 The individuals signing on behalf of the Transaction Participants will be able to authorise you as GATS escrow coordinator to release their signature from escrow at any time after it has been signed.
- 19 Once each Transaction Party's signature has been received into the GATS escrow facility and each individual signatory has consented to the GATS escrow coordinator releasing their signature when authorised, a closing call should be convened or closing email should be circulated.
- 20 At the agreed closing time, the GATS Professional Entity in its capacity as GATS escrow coordinator will pay the GATS fees and release the GATS escrow facility, thereby closing the relevant Designated Transaction(s).

An optional model GATS escrow coordinator letter which is attached as Exhibit A shall be made available on the GATS Platform which provides for the terms and conditions on which the GATS Professional Entity agrees to act as GATS escrow coordinator.

EXHIBIT A



Escrow Coordinator Letter

FROM:

[[Existing] Beneficiary], whose GATS Entity ID is [insert Entity ID] (the **[Existing] Beneficiary**);

[New Beneficiary], whose GATS Entity ID is [insert Entity ID] (the **New Beneficiary**);

[[Existing] Trustee], whose GATS Entity ID is [insert Entity ID] (the **[Existing] Trustee**);

[New Trustee], whose GATS Entity ID is [insert Entity ID] (the **[New] Trustee**);

[[Existing] Secured Party], whose GATS Entity ID is [insert Entity ID] (the **[Existing] Secured Party**);

[New Secured Party], whose GATS Entity ID is [insert Entity ID] (the **New Secured Party**); and

(together, the **Transaction Participants**).

TO:

[Escrow Coordinator] (the **Escrow Coordinator**).

Date: [insert date]

Dear Sirs

Appointment of the Escrow Coordinator in relation to the Relevant GATS Escrow Facility

1. **DEFINITIONS**

Unless otherwise defined in this Escrow Coordinator Letter (this **Letter**), capitalised terms used in this Letter have the meaning given to them in the GATS e-Terms and the Site Terms of Use (as defined in the GATS e-Terms) as available on the portal, website and related systems and architecture (including the GATS e-Ledger) of the Global Aircraft Trading System which can be accessed via <https://e-gats.aero/> (the **GATS Platform**). In this Letter, unless the contrary intention appears:

Agreed Closing Window means the period (being no greater than [six] hours in duration) during which the Effective Time is scheduled to occur.

Authorised Person means, in respect of the Escrow Coordinator, [list names of authorised persons].

Closing Confirmation means a confirmation in writing from a Transaction Participant to the Escrow Coordinator that it may close the Relevant GATS Escrow Facility and release its digital signatures to the Relevant GATS Instruments.

Effective Time means the date and time that the Relevant GATS Escrow Facility is closed and the Relevant Designated Transactions in it are expressed to be effected.

Relevant GATS Escrow Facility means the GATS Escrow Facility with Escrow Facility ID [insert Escrow Facility ID] (or such other GATS Escrow Facility as agreed in writing among the Transaction Participants and the Escrow Coordinator).

Relevant GATS Instrument means the GATS Instrument(s) giving effect to a Relevant Designated Transaction.

2. RELEVANT DESIGNATED TRANSACTIONS

The Transaction Participants agree that the following Designated Transactions (the **Relevant Designated Transactions**) shall be effected through the GATS Platform in the following order:

Order	Designated Transaction	Transaction Participant A	Transaction Participant B	Transaction Participant C	GATS Trust UIN
1	Trust Establishment / Trust Migration	Beneficiary	Trustee	N/A	[Not yet assigned] ¹
2	Beneficial Interest Transfer	Existing Beneficiary	New Beneficiary	Trustee	
3	Beneficial Interest Transfer (Partial / Residual)	Existing Beneficiary	New Beneficiary	Trustee	
4	Successor Trustee Transaction	Existing Trustee	New Trustee	Beneficiary	
5	Permitted Amendment (Trust Instrument)	Beneficiary	Trustee	N/A	
6	Trust Termination	Beneficiary	Trustee	N/A	
7	Security Interest Grant	Beneficiary	Secured Party	Trustee	
8	Security Interest Transfer	Existing Secured Party	New Secured Party	N/A	
9	Permitted Amendment (Security Instrument)	Beneficiary	Secured Party	Trustee	
10	Security Interest Release	Secured Party	Beneficiary	N/A	
11	Security Interest Release (Partial)	Secured Party	Beneficiary	N/A	

3. UNDERTAKINGS RELATING TO THE RELEVANT DESIGNATED TRANSACTIONS

- 3.1 Each of the Transaction Participants authorises the Escrow Coordinator to act on its behalf as escrow coordinator of the Relevant GATS Escrow Facility and, subject to Paragraph 3.5, is duly authorised to effect the Relevant Designated Transactions in the order set out in Paragraph 2 above.
- 3.2 The Escrow Coordinator accepts the role of escrow coordinator under the Relevant GATS Escrow Facility and has populated or agrees to populate, as applicable, the Relevant GATS Escrow Facility with the Relevant Designated Transactions to take effect in the order set out in Paragraph 2 above.

¹ Unless migrating an existing trust with a pre-allocated UIN.

3.3 Each Transaction Participant shall notify the Escrow Coordinator in writing of:

- (a) the Agreed Closing Window; and
- (b) any change to the Agreed Closing Window,

in each case no later than [24] hours prior to the commencement of the Agreed Closing Window or, as applicable, the commencement of the new Agreed Closing Window [(or such shorter period acceptable to the Escrow Coordinator)].

3.4 Each Transaction Participant:

- (a) shall be entitled, at any time prior to the Effective Time, to 'abort' the Relevant GATS Escrow Facility through the GATS Platform;
- (b) acknowledges and agrees that, upon the Relevant GATS Escrow Facility being 'aborted' through the GATS Platform:
 - (i) as a technological matter, it is or will be no longer possible to close the Relevant GATS Escrow Facility or give effect to the Relevant Designated Transactions through the Relevant GATS Escrow Facility (and that, if the Relevant Designated Transactions are to take effect, they will need to be effected through another GATS Escrow Facility); and
 - (ii) the Escrow Coordinator shall have no further obligation to close the Relevant GATS Escrow Facility or release all digital signatures to the Relevant GATS Instruments collected within the Relevant GATS Escrow Facility; and
- (c) shall provide its Closing Confirmation to the Escrow Coordinator upon it being ready to close the Relevant Escrow Facility.

3.5 The Escrow Coordinator shall not close the Relevant GATS Escrow Facility, release such digital signatures from escrow or otherwise give effect to any Relevant Designated Transaction through the GATS Platform unless, in addition to each Transaction Participant giving or having given its 'consent to release' through the GATS Platform in respect of its digital signatures to the Relevant GATS Instruments, it has received a Closing Confirmation from each Transaction Participant. A Closing Confirmation shall not be effective or deemed received by the Escrow Coordinator unless it has been received by an Authorised Person.

3.6 Subject to Paragraph 3.7 below, the Escrow Coordinator shall, and is directed by each Transaction Participant to, at any time during the Agreed Closing Window, close the Relevant GATS Escrow Facility and release all digital signatures to the Relevant GATS Instruments through the GATS Platform.

3.7 Each Transaction Participant agrees that the Escrow Coordinator shall be under no obligation to close the Relevant GATS Escrow Facility or release all digital signatures to the Relevant GATS Instruments:

- (a) at any time other than during the Agreed Closing Window; or
- (b) if or for so long as:
 - (i) any Advance Requirement relating to any Relevant Designated Transaction has not been confirmed through the GATS Platform as having been satisfied or waived (or deemed, pursuant to the GATS e-Terms or otherwise, as having been satisfied or waived);
 - (ii) the GATS Platform is not fully functional or accessible by it; and
 - (iii) it has not received Closing Confirmations from all Transaction Participants (it being understood that a Closing Confirmation shall not be effective or deemed received by the Escrow Coordinator unless it has been received by an Authorised Person).

3.8 [*Insert name(s) of applicable Transacting Participant(s)*] indemnifies and agrees to keep indemnified [on a joint and several basis]² the Escrow Coordinator, its employees, agents, shareholders, partners, affiliates and other persons acting in connection with this Letter against any loss or liability whatsoever suffered in so acting.

4. MISCELLANEOUS

² Delete if single indemnitor.

ESCROW COORIDNATOR LETTER

- 4.1 This Letter may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when executed and delivered shall constitute an original, but all counterparts shall together constitute but one and the same instrument.
- 4.2 This Letter and any non-contractual obligations arising out of or in connection with the same shall be governed by and construed in accordance with the laws of [England][Ireland]³.

[OR]⁴

THIS LETTER SHALL IN ALL RESPECTS BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES THAT WOULD RESULT IN THE APPLICATION OF THE LAW OF ANOTHER JURISDICTION.

- 4.3 [EACH PARTY TO THIS LETTER WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, TRIAL BY JURY IN ANY LITIGATION IN ANY COURT WITH RESPECT TO, IN CONNECTION WITH, OR ARISING OUT OF THIS LETTER OR THE VALIDITY, PROTECTION, INTERPRETATION, COLLECTION OR ENFORCEMENT OF THIS LETTER. EACH PARTY TO THIS LETTER AGREES THAT THIS PARAGRAPH 4.3 IS A SPECIFIC AND MATERIAL ASPECT OF THIS LETTER AND ACKNOWLEDGES THAT EACH OTHER PARTY WOULD NOT HAVE ENTERED INTO THIS LETTER AND CONSUMMATED THE TRANSACTIONS CONTEMPLATED BY THIS LETTER IF THIS PARAGRAPH 4.3 WERE NOT PART OF THIS LETTER.]

* * *

³ To be confirmed by the Escrow Coordinator.

⁴ To be confirmed by the Escrow Coordinator.

Yours faithfully,

[Transaction Participant], as [Capacity]

By: _____
Name:
Title:

Accepted and agreed:

[Escrow Coordinator], as Escrow Coordinator

By: _____
Name:
Title: