110423/13

In accordance with Sections 859A and 859J of the Companies Act 2006

MR01
Particulars of a charge

IRIS Laserform

A fee is payable with this form
Please see 'How to pay' on the last page

You can use the WebFiling service to file this form online.
Please go to www companieshouse gov uk

✓ **What this form is for**
You may use this form to register a charge created or evidenced by an instrument

✗ **What this form is NOT for**
You may not use this form to register a charge where there is no instrument Use form MR08

For further information, please refer to our guidance at www companieshouse gov uk

This form **must be delivered to the Registrar for registration within 21 days** beginning with the day after the date of creation of the charge If delivered outside of the 21 days it will be rejected unless it is accompanied court order extending the time for delivery

☑ You **must** enclose a certified copy of the instrument with this form This will scanned and placed on the public record

FRIDAY

A2NMAY56
A81 20/12/2013 #196
COMPANIES HOUSE

For official use 769

→ **Filling in this form**
Please complete in typescript or in bold black capitals

All fields are mandatory unless specified or indicated by *

1 Company details

Company number: 1 7 7 7 7 7 7

Company name in full: British Airways Plc

(the "**Mortgagor**")

2 Charge creation date

Charge creation date: d1 d8 m1 m2 y2 y0 y1 y3

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees entitled to the charge

Name: PK Airfinance S À R L. as the Mortgagee

(as security trustee for the Finance Parties)

Name:

Name:

Name:

If there are more than four names, please supply any four of these names then tick the statement below

☐ I confirm that there are more than four persons, security agents or trustees entitled to the charge

MR01
Particulars of a charge

4 Description

Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security

Continuation page
Please use a continuation page if you need to enter more details

Description

The Aircraft identified below and shall include the Airframe, the Engines and all Parts from time to time comprising such Aircraft and, where the context so admits, the Technical Records relating thereto.

One (1) Airbus A320-200 aircraft, registration mark G-EUUR and two (2) International Aero Engines AG, V2527-A5 aircraft engines, bearing the respective manufacturer's serial number set forth below:

Airframe Serial No.	**Engine Serial Nos.**
2040	V11486
	V11488

5 Fixed charge or fixed security

Does the instrument include a fixed charge or fixed security over any tangible or intangible (or in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box

[x] **Yes**

☐ **No**

6 Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

☐ **Yes** Continue

[x] **No** Go to **Section 7**

Is the floating charge expressed to cover all the property and undertaking of the company?

☐ **Yes**

7 Negative Pledge

Do any of the terms of the charge prohibit or restrict the chargor from creating any further security that will rank equally with or ahead of the charge? Please tick the appropriate box

[x] **Yes**

☐ **No**

MR01
Particulars of a charge

8 Trustee statement ❶

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

❶ This statement may be filed after the registration of the charge (use form MR06)

9 Signature

Please sign the form here

Signature

Signature

X Clifford Chance LLP X

This form must be signed by a person with an interest in the charge

MR01
Particulars of a charge

Presenter information

We will send the certificate to the address entered below All details given here will be available on the public record You do not have to show any details here but, if none are given, we will send the certificate to the company's Registered Office address

Contact name Neil Cavanagh

Company name Clifford Chance LLP

Address 10 Upper Bank Street

Post town London

County/Region

Postcode E14 5JJ

Country United Kingdom

DX 149120 Canary Wharf 3

Telephone 020 7006 1000

Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- [x] The company name and number match the information held on the public Register
- [x] You have included a certified copy of the instrument with this form
- [x] You have entered the date on which the charge was created
- [x] You have shown the names of persons entitled to the charge
- [x] You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- [x] You have given a description in Section 4, if appropriate
- [x] You have signed the form
- [x] You have enclosed the correct fee
- [x] Please do not send the original instrument, it must be a certified copy

Important information

Please note that all information on this form will appear on the public record.

How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House'

Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below:

For companies registered in England and Wales:
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland:
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland:
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1

Further information

For further information, please see the guidance notes on the website at www companieshouse gov uk or email enquiries@companieshouse gov uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 1777777

Charge code: 0177 7777 0769

The Registrar of Companies for England and Wales hereby certifies that a charge dated 18th December 2013 and created by BRITISH AIRWAYS PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 20th December 2013

DX

Given at Companies House, Cardiff on 30th December 2013

Companies House

THE OFFICIAL SEAL OF THE REGISTRAR OF COMPANIES

Dated 18 December 2013

BRITISH AIRWAYS PLC

AS MORTGAGOR

AND

PK AIRFINANCE S À R L

AS MORTGAGEE

DEED OF ASSIGNMENT AND FIRST PRIORITY AIRCRAFT MORTGAGE

IN RESPECT OF
ONE (1) AIRBUS A320-200 AIRCRAFT BEARING
MANUFACTURER'S SERIAL NUMBER 2040
AND REGISTRATION MARK G-EUUR

We hereby certify that, save for material redacted pursuant to s 859G of the Companies Act 2006, this is a true copy of the original.

Signed ..... Date 20/12/2013

Clifford Chance LLP
10 Upper Bank Street
London E14 5JJ

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THIS DEED OF ASSIGNMENT AND FIRST PRIORITY AIRCRAFT MORTGAGE is dated 18 December 2013

BETWEEN

(1) **BRITISH AIRWAYS PLC**, a company incorporated and existing under the laws of England (Company No 1777777) having its registered office at Waterside, P O Box 365, Harmondsworth, West Drayton, UB7 OGB, England (the "**Mortgagor**"), and

(2) **PK AIRFINANCE S.À R.L.**, a *société à responsabilité limitée* incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 6-d route de Trèves, L-2633 Senningerberg, Luxembourg, as security trustee for the Finance Parties (the "**Mortgagee**")

WHEREAS:

(A) The Mortgagor and the Finance Parties have entered into the Facility Agreement

(B) As a condition to the making of the Utilisations under the Facility Agreement, the Mortgagor is required to execute this Deed.

THIS DEED WITNESSES as follows

1 DEFINITIONS AND INTERPRETATION

1 1 Definitions

Except as otherwise defined herein, all words and expressions defined in the Facility Agreement shall have the same respective meanings when used herein and the following words and expressions shall have the following meanings

"**Aircraft**" means the aircraft identified in Schedule 1 (*The Aircraft*) and shall include the Airframe, the Engines and all Parts from time to time comprising such Aircraft and, where the context so admits, the Technical Records relating thereto

"**Airframe**" means (a) the aircraft identified in Schedule 1 (*The Aircraft*) (excluding the Engines or any engines from time to time installed thereon), (b) any and all appliances, spare parts, instruments, accessories, seats or other equipment or Parts of whatever nature from time to time installed on or attached to such aircraft title to which remains vested in the Mortgagor and (c) insofar as the same belongs to the Mortgagor, all substitutions, replacements or renewals from time to time made in or to the said aircraft or to the said items referred to in (a) and (b) above or to any Part thereof in accordance with the Facility Agreement

"**Assigned Property**" means all of the right, title and interest (present and future) of the Mortgagor in and to the proceeds arising under the Insurances (but this Deed does not constitute an assignment or charge of any policies of insurance or an assignment or charge of any benefits, rights, title, interests or proceeds thereunder relating to any other aircraft or engines covered thereby but only of the benefits, rights, title, interests or proceeds thereunder insofar as the same relate to the Aircraft), the Requisition Proceeds and the Warranties including, without limitation, the right to compel performance by any person of its obligations in respect thereof and the right to claim

damages from any person in respect of any breach by such person of its obligations thereunder

"**Compulsory Acquisition**" means, in respect of the Aircraft, its requisition for title or other compulsory acquisition, seizure, restraint, forfeiture, confiscation or detention for any reason (but excluding requisition for use or hire)

"**Deed**" means this deed as originally executed by the parties hereto as the same may be amended, modified or supplemented from time to time

"**Deed of Release and Reassignment**" means a deed of release and reassignment substantially in the form of Schedule 4 (*Form of Deed of Release and Reassignment*).

"**Engine**" or "**Engines**" means (a) any one or more or all (as the context may require) of the engines identified in Schedule 1 (*The Aircraft*), whether or not from time to time installed on such Airframe or any other airframe, (b) any other engine which may from time to time be installed upon or attached to such Airframe which is or becomes the property of the Mortgagor and subject to this Deed and (c) insofar as the same belong to the Mortgagor, any and all appliances, instruments or accessories or other equipment or Parts of whatever nature from time to time relating to an engine referred to in (a) and (b) above whether or not installed on or attached to such engine and (d) insofar as the same belong to the Mortgagor, all substitutions, replacements or renewals from time to time made on or to any item referred to in (a), (b) and (c) above in accordance with the Facility Agreement

"**Facility Agreement**" means the $420,000,000 secured standby facility agreement dated 21 June 2005 (as amended by an amendment agreement dated 16 March 2007) between the Mortgagor, as borrower, PK AirFinance S à r l as facility agent and security trustee and the financial institutions named therein as "Lenders"

"**Finance Parties**" means the Facility Agent, the Security Trustee and the Lenders (in each case being, at the date hereof, PK AirFinance S à r l).

"**Insurances**" means any and all contracts or policies of insurance and reinsurance (other than third party liability insurance) required to be effected and maintained in respect of the Aircraft in accordance with the Facility Agreement

"**Insurance Brokers**" means the insurance and/or reinsurance brokers for the time being in relation to the Insurances

"**Liens**" means any encumbrance or security interest whatsoever, howsoever created or arising including (without prejudice to the generality of the foregoing) any security, mortgage, pledge, charge, encumbrance, lien, right *in rem*, hypothecation or right of detention

"**Mortgage Supplement**" means each supplement to this Mortgage, the form of which is set out in Schedule 5 (*Form of Mortgage Supplement*) which, when executed shall form part of this Mortgage

"**Mortgaged Property**" means all the property from time to time mortgaged to the Mortgagee pursuant to Clause 2 (*Mortgage*) of this Deed.

"**Parts**" means, in respect of the Aircraft, all modules, appliances, parts, instruments, appurtenances, accessories, furnishings, and other equipment of whatever nature (other than complete Engines or engines) that at any time of determination are incorporated or installed in or attached to the Airframe or any engine title to which remains vested in the Mortgagor

"**Receiver**" means any receiver or receiver and manager or administrative receiver appointed by the Mortgagee hereunder or under any statutory power.

"**Requisition Proceeds**" means, in respect of the Aircraft, any moneys and/or other compensation received directly by any party hereto in respect of the Compulsory Acquisition of such Aircraft or requisition for hire or use thereof

"**Secured Obligations**" means any and all moneys, liabilities and obligations (whether actual or contingent, whether now existing or hereafter arising, whether or not for the payment of money and including, without limitation, any obligation or liability to pay damages) from time to time owing to the Finance Parties or any of them by the Mortgagor pursuant to the Transaction Documents

"**Security Period**" means the period commencing on the date hereof and terminating on the date upon which all of the Secured Obligations have been fully discharged

"**Technical Records**" means all technical data, manuals, logbooks and other records (whether kept or to be kept in compliance with any regulation of the Aviation Authority or otherwise) relating to the Aircraft or any part thereof

"**Third Parties Act**" means the Contracts (Rights of Third Parties) Act 1999

"**Warranties**" means, in relation to the Aircraft, any warranty, express or implied, with respect to such Aircraft, made by the manufacturer thereof, or by any subcontractor or supplier thereof

1 2 **Interpretation**

Any reference in this Deed to

1 2 1 "**affiliate**" of any person means any person who is directly or indirectly controlling, controlled by or under common control with such person,

1 2 2 the "**Mortgagee**" or any "**Finance Party**" shall be construed so as to include its and any subsequent successors and permitted transferees in accordance with their respective interests,

1 2 3 a "**law**" shall be construed as any law (including common or customary law), statute, constitution, decree, judgment, treaty, regulation, directive, bye-law, order or any other legislative measure of any government, supranational, local government, statutory or regulatory body or court,

1 2 4 a "**person**" shall be construed as a reference to any individual, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing,

1 2 5 "**repay**" (or any derivative form thereof) shall, subject to any contrary indication, be construed to include "**prepay**" (or, as the case may be, the corresponding derivative form thereof),

1 2 6 "**subsidiary**" has the meaning given to it in Section 1159 of the Companies Act 2006 (as amended),

1 2 7 "**tax**" shall be construed so as to include any tax, levy, impost, duty or other charge of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same),

1 2 8 "**VAT**" shall be construed as a reference to value added tax including any similar tax which may be imposed in place thereof from time to time, and

1 2 9 the "**winding-up**", "**dissolution**" or "**administration**" of a company or corporation shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such company or corporation is incorporated or any jurisdiction in which such company or corporation carries on business or maintains assets including the seeking of liquidation, bankruptcy, winding-up, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief of debtors

1 3 **Currency Symbols**

"**$**" and "**dollars**" denote lawful currency of the United States of America

1 4 **Agreements and Statutes**

Any reference in this Deed to

1 4 1 this Deed or any other agreement or document shall be construed as a reference to this Deed or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, amended, varied, novated or supplemented,

1 4 2 any "**Schedule**" shall be construed as a reference to such Schedule as incorporated in this Deed at the date hereof and any schedule that may be substituted therefor in accordance with the provisions of this Deed, and

1 4 3 a statute or treaty shall be construed as a reference to such statute or treaty as the same may have been, or may from time to time be, amended or, in the case of a statute, re-enacted.

1 5 **Headings**

Clause and Schedule headings are for ease of reference only

1 6 **Time**

Any reference in this Agreement to a time of day shall, unless a contrary indication appears, be a reference to London time

2 MORTGAGE

2 1 Mortgage

As a continuing security for the payment and performance of the Secured Obligations, the Mortgagor, with full title guarantee, hereby agrees to mortgage to the Mortgagee, as security trustee for the Finance Parties, all of its right, title and interest, present and future, in and to the Airframe, including for the avoidance of doubt the Technical Records relating thereto, by way of first priority legal mortgage

2 2 Effective Time

2 2 1 The first priority fixed legal mortgage in respect of the Airframe and each Engine shall take effect at the time when

(a) the Airframe or Engine (as applicable) is located in England, and

(b) the Borrower has provided to the Security Trustee an executed Mortgage Supplement in respect of the Airframe or such Engine in substantially the form set out in Schedule 5 (*Form of Mortgage Supplement*)

2 2 2 The Borrower hereby covenants to the Security Trustee to execute and deliver the Mortgage Supplement(s) in accordance with Clause 2 2 1(b) at such time as the Airframe or Engine (as applicable) is located in England

2 3 Removal; Replacement

(a) Any Engine, Part or other item of equipment at any time removed from the Aircraft shall remain subject to the security created by this Deed until such time as a Suitable Replacement (as defined in Schedule 8 (*Registration, Maintenance and Operation*) of the Facility Agreement) shall have become subject to the security created by this Deed whereupon such Engine, Part or other item shall be released from the security created by this Deed

(b) If a Suitable Replacement (as defined in Schedule 8 (*Registration, Maintenance and Operation*) of the Facility Agreement) for any Engine, Part or other item of equipment which has been removed from the Aircraft shall be installed on the Aircraft pursuant to the terms of such Schedule 8, such Suitable Replacement shall thereupon, and without the need for any further act, become subject to the security created by this Deed

3 ASSIGNMENT

3 1 Assignment

As a continuing security for the payment and performance of the Secured Obligations, the Mortgagor hereby assigns and agrees to assign, with full title guarantee, to the Mortgagee and all of its right, title and interest (present and future) in, to and under the Assigned Property

3 2 **Charge**

To the extent that any of the Assigned Property is not at any time assigned pursuant to Clause 3 1 (*Assignment*), the Mortgagor, with full title guarantee, by way of first fixed charge, hereby charges and agrees to charge to, and creates and agrees to create in favour of, the Mortgagee, as Security Trustee for the Finance Parties, a general encumbrance in the Assigned Property to the fullest extent permitted by law

4 **COVENANTS**

4 1 **Covenant to Pay**

The Mortgagor hereby acknowledges to the Mortgagee and each of the other Finance Parties that the amount secured by this Deed and in respect of which this Deed and the security hereby created is enforceable is the full amount of the Secured Obligations for the time being and from time to time and hereby covenants with the Mortgagee and each of the other Finance Parties that the property hereby mortgaged is so mortgaged for the full payment, performance and discharge of the Secured Obligations

4 2 **Registration**

The Mortgagor agrees to register or procure the registration of this Mortgage with the CAA

4 3 **Notice of Assignment of Insurances**

The Mortgagor shall as soon as possible after execution of this Deed give notice to the Insurers (through the Insurance Brokers) and the Insurance Brokers, substantially in the form set out in Schedule 2 (*Notice of Assignment to Insurers*) **provided that** the Mortgagee agrees not to give any notification as referred to in paragraph 2 of the form of notice set out in Schedule 2 (*Notice of Assignment to Insurers*) until it has commenced the exercise of its rights pursuant to Clause 7 2 (*Rights upon Enforcement*)

4 4 **Notice of Assignment of Requisition Proceeds**

At the request of the Mortgagee, the Mortgagor shall promptly give notice to such persons as may be indicated by the Mortgagee in respect of the assignment of the Requisition Proceeds substantially in the form set out in Schedule 3 (*Notice of Assignment*)

4 5 **Notice of Assignment of Warranties**

At the request of the Mortgagee, the Mortgagor shall promptly give notice to such persons as may be indicated by the Mortgagee in respect of the assignment of the Warranties substantially in the form set out in Schedule 3 (*Notice of Assignment*) The Mortgagor undertakes and agrees that it will use all reasonable endeavours to obtain written confirmation from the respective manufacturers of the Airframe and the Engines either that (i) any subsisting Warranties provided to the Mortgagor which are assignable by the Mortgagor, being such Warranties as are customarily provided by such manufacturers to purchasers of aircraft of the type of the Aircraft or, as the case

may be, engines of the type of the Engines and which are not Warranties specifically negotiated by the Mortgagor, in addition to such customarily provided Warranties, or (ii) Warranties customarily provided by the respective manufacturers of the Airframe and the Engines to such purchasers (to the extent that the same would have been subsisting had they been made available to the Mortgagor under the contract between the Mortgagor and the manufacturer of the Airframe for the purchase of the Aircraft) will, following enforcement of the security constituted by this Deed and sale of the Aircraft, be made available for the benefit of the relevant purchaser of the Aircraft, subject always to such purchaser agreeing to be bound in the usual manner by all the terms and conditions of such Warranties

4 6 **Other Covenants**

The Mortgagor hereby covenants with the Mortgagee (for the benefit of the Finance Parties) that

4 6 1 it shall not do any act or thing which is likely to jeopardise or otherwise prejudice the Lien constituted by this Deed,

4 6 2 it shall not authorise or voluntarily permit any other person to (i) offer for sale or other disposal, (ii) solicit offers for the purchase or other acquisition of, (iii) sell, dispose of or transfer title to or (iv) take any other action of any nature whatsoever for or in connection with any sale and/or disposal and/or transfer of title to the Aircraft, unless it does so in accordance with the terms of the Transaction Documents or it has first notified the person to whom such offer has been made of the existence of this Deed and the mortgage of the Aircraft hereunder or unless, in each case, the Mortgagee has given its prior written consent thereto and, if the Mortgagee has given such consent, the Mortgagor shall only do the same under such arrangements, for such price and in such manner and subject to such conditions, as the Mortgagee may have consent to and/or specified in writing,

4 6 3 it will not, without the prior written consent of the Mortgagee, sell or otherwise dispose of the Mortgaged Property and/or the Assigned Property or create or incur, nor shall it voluntarily permit the creation, incurral or existence of, any Lien in or upon the Mortgaged Property and/or the Assigned Property, save for Permitted Liens or otherwise in accordance with the terms of the Transaction Documents, and

4 6 4 with effect from the date hereof, it shall ensure that the interest of each of the Finance Parties, and General Electric Capital Corporation as Parent, is noted on the insurance certificate evidencing the Insurances relating to the Aircraft

4 7 **Mortgagee's Covenant of Quiet Enjoyment**

The Mortgagee undertakes that, save for the exercise of its remedies pursuant to Clause 18 (*Events of Default*) of the Facility Agreement, it shall not, and will procure that no person acting by or through the Mortgagee shall, take any action which will interfere with the use, possession and quiet enjoyment of the Aircraft by the Mortgagor or any Permitted Lessee and the Mortgagee further undertakes, at the request and cost of the Mortgagor, to take such action as is reasonably available to it

to protect the use, possession and quiet enjoyment of the Aircraft by the Mortgagor or any Permitted Lessee from interference by third parties

5 CONTINUING SECURITY

5 1 Continuing Security

Throughout the Security Period, the Lien constituted by this Deed shall

5 1 1 be a continuing security for the payment, satisfaction and discharge in full of the Secured Obligations,

5 1 2 unless otherwise released in accordance with this Deed, not be considered as satisfied or discharged or prejudiced by any intermediate payment, satisfaction or settlement of the whole or any part of the Secured Obligations or any other matter or thing whatsoever other than the full payment and discharge of the Secured Obligations,

5 1 3 be in addition to and shall not operate so as in any way to prejudice or affect or be prejudiced or affected by any Lien, guarantee, indemnity or other right or remedy which the Mortgagee or any other Finance Party (or any person on its behalf) may now or at any time hereafter hold for or in respect of the Secured Obligations or any part thereof, and

5 1 4 not be prejudiced by any time or indulgence granted to any person, or any abstention or delay by the Mortgagee in perfecting or enforcing any Lien, securities, guarantees, rights or remedies that the Mortgagee may now or hereafter have from or against the Mortgagor or any other person, or any waiver, act, omission, unenforceability or invalidity of any such Lien, security, guarantee, right or remedy

5 2 Consents

The giving by the Mortgagee of any consent to any act which by the terms of this Deed or the Facility Agreement requires such consent shall not prejudice the right of the Mortgagee to withhold or give consent to the doing of any other similar act

5 3 No Assumption

The Mortgagor shall at all times remain liable to perform all obligations expressed to be assumed by it under or in respect of the Assigned Property and no exercise by the Mortgagee of any rights under this Deed shall constitute or be deemed to constitute an assumption or acceptance by the Mortgagee of any obligation of the Mortgagor

5 4 Additional Security

The security created by this Deed is in addition to, and shall not be prejudiced by, any other security, guarantee or other assurance now or subsequently held by any Finance Party for all or any part of the Secured Obligations

5 5 **Exercise of Rights**

No Finance Party need before the Mortgagee exercises any of the rights, power or remedies conferred upon it by this Deed or by law

5 5 1 take action or obtain judgment against the Mortgagor or any other person in any court of otherwise,

5 5 2 make or file a claim or proof in a winding-up, liquidation, bankruptcy, insolvency, administration, dissolution, reorganisation or amalgamation of, or other analogous event of or with respect to, the Mortgagor or any other person, or

5 5 3 enforce or seek to enforce the payment or performance of, or the recovery of, any of the moneys, obligations and liabilities hereby secured or any other security, guarantee or other assurance for all or any of the Secured Obligations

5 6 **Security not Discharged**

The security created by this Deed shall not be discharged, impaired or otherwise affected by

5 6 1 any failure by any Finance Party to take or enforce any other security, guarantee or other assurance taken or agreed to be taken or given for all or any of the Secured Obligations under or pursuant to any Transaction Document or otherwise;

5 6 2 any time or other indulgence given or agreed by any Finance Party to the Mortgagor or any other person in respect of the Secured Obligations or in respect of the Mortgagor's or such other person's obligations under any security or guarantee relating thereto,

5 6 3 any amendment, modification, variation, supplement, novation, restatement or replacement of all or any part of the Secured Obligations or any Transaction Document;

5 6 4 any release or exchange of any other security, guarantee or other assurance now or hereafter held by or enuring to the benefit of any Finance Party for all or any part of the Secured Obligations, or

5 6 5 any other act, fact, matter, event, circumstance, omission or thing (other than a discharge in accordance with the express terms of this Deed) which, but for this provision, might operate or impair or discharge the rights of any Finance Party under this Deed or under any other Transaction Document or which, but for this provision, might constitute a legal or equitable discharge of the security hereby created

5 7 **Consolidation**

Neither Section 93 (*Restriction on Consolidation of Mortgagee*) nor Section 103 (*Regulation of Exercise of Power of Sale*) of the Law of Property Act 1925 shall apply to this Deed

6 APPLICATION OF PROCEEDS

6 1 Application of Proceeds

All moneys in respect of the Mortgaged Property or the Assigned Property, as the case may be, received by a Receiver or the Mortgagee or either of them by reason of this Deed shall, save as provided in Clause 6 2 (*Insurance, Requisition and Warranty Proceeds*), be applied in accordance with the provisions of Clause 24 5 (*Order of Application*) of the Facility Agreement.

6 2 Insurance, Requisition and Warranty Proceeds

6 2 1 All proceeds and amounts recovered in respect of the Insurances not constituting Total Loss Proceeds shall be applied in accordance with the provisions of Schedule 7 (*Loss and Damage, Insurance*) of the Facility Agreement After the occurrence of an Event of Default which is continuing any such proceeds or moneys shall be applied by the Mortgagee either in the manner provided in Clause 6 1 (*Application of Proceeds*) or as contemplated by Schedule 7 (*Loss and Damage, Insurance*) of the Facility Agreement, as it shall determine

6 2 2 All Requisition Proceeds received in respect of a Compulsory Acquisition of the Aircraft shall be paid to the Mortgagee and applied in accordance with the provisions of Clause 24 6 (*Application of Total Loss Proceeds*) of the Facility Agreement All other Requisition Proceeds shall for so long as no Event of Default has occurred and is continuing be paid to the Mortgagor All other Requisition Proceeds received after the occurrence of an Event of Default which is continuing shall be paid to the Mortgagee and be applied in accordance with the provisions of Clause 6 1 (*Application of Proceeds*)

6 2 3 All proceeds and other amounts recovered in respect of the Warranties shall for so long as an Event of Default has occurred and is continuing be paid to the Mortgagor All proceeds and other amounts recovered in respect of the Warranties after the occurrence of an Event of Default which is continuing shall be paid to the Mortgagee and be applied in accordance with the provisions of Clause 6 1 (*Application of Proceeds*)

7 ENFORCEABILITY OF SECURITY

7 1 Time of Enforcement

The security constituted by this Deed shall be immediately enforceable and exercisable upon and at any time after the occurrence of an Event of Default and for so long as such Event of Default is continuing

7 2 Rights upon Enforcement

When and at any time after the security constituted by this Deed has become enforceable the Mortgagee may exercise any and all rights in the Mortgaged Property and the Assigned Property and at all times thereafter the Mortgagee shall be entitled

without notice or further demand, and without the restrictions contained in Section 103 (*Regulation of Exercise of Power of Sale*) of the Law of Property Act 1925

7 2 1 to apply to any authority in the country in which the Mortgaged Property or any part thereof is located for an enforcement and attachment order in respect of the Mortgaged Property or any such part thereof,

7 2 2 to take possession of the Mortgaged Property or any part thereof and for that purpose to enter upon any premises where the Mortgaged Property or such part thereof may be located,

7 2 3 to sell, call in, collect and convert into money the Mortgaged Property or the Assigned Property, as the case may be, or any part thereof by public or private contract at any place in the world with or without advertisement or notice to the Mortgagor with all such powers in that respect as are conferred by law and by way of extension thereof such sale, calling in, collection and conversion may be made for such consideration and with such person (including any Finance Party or any affiliate thereof) as the Mortgagee shall deem reasonable, whether the same shall consist of cash or shares or debentures in some other company or companies or other property of whatsoever nature or the assumption of any or all of the Mortgagor's obligations under any of the Transaction Documents or partly of one and partly of some other species of consideration and whether such consideration shall be presently payable or by instalments or at some future date and whether such deferred or future payments shall be secured or not in all other respects and manner and for any other consideration as the Mortgagee shall think fit and so that Section 103 (*Regulation of Exercise of Power of Sale*) of the Law of Property Act 1925 shall not apply to this Deed or to the power of sale, calling in, collecting or conversion herein contained, without being liable to account for any loss of or deficiency in such consideration,

7 2 4 to repair and keep in repair the Aircraft and to restore it to the condition and repair required to be maintained by the terms of the Facility Agreement,

7 2 5 to insure the Aircraft against loss or damage in such sums as the Mortgagee shall think fit,

7 2 6 to settle, arrange, compromise or submit to arbitration any accounts, claims, questions or disputes whatsoever which may arise in connection with the Mortgaged Property and/or the Assigned Property or in any way relating to this Deed and execute releases or other discharges in relation thereto,

7 2 7 to bring, take, defend, compromise, submit to arbitration or discontinue any actions, suits or proceedings whatsoever, civil or criminal, in respect of the Mortgaged Property and/or the Assigned Property,

7 2 8 to lease or charter the Aircraft for such terms, at such rents and generally in such manner and upon such conditions and stipulations as the Mortgagee shall think fit,

7 2 9 to execute and do all such acts, deeds and things with respect to the Mortgaged Property and/or the Assigned Property which are necessary for or in relation to any of the purposes aforesaid, and

7 2 10 to appoint a Receiver of all or any part of the Mortgaged Property and/or the Assigned Property upon such terms as to remuneration and otherwise as the Mortgagee shall deem fit and the Mortgagee may from time to time remove any receiver so appointed and appoint another in his stead and to fix (at or after the time of his appointment) the remuneration of any such Receiver A Receiver so appointed shall be the agent of the Mortgagor in respect of the Mortgaged Property and/or the Assigned Property but not otherwise Nothing herein contained shall render any of the Finance Parties liable to any such Receiver for his remuneration, costs, charges or expenses or otherwise

7 3 **Implied Rights**

Without limiting, and as an addition to, the powers conferred upon the Mortgagee or any Finance Parties by the laws of England or of any other jurisdiction, the Mortgagee (on behalf of itself and the other Finance Parties) may at any time after the occurrence of an Event of Default, and for so long as such Event of Default is continuing, exercise against or in respect of the Mortgaged Property and/or the Assigned Property any of the rights, powers, privileges or discretions conferred from time to time by the laws of the State of Registration or any other applicable jurisdiction upon mortgagees or assignees of property such as the Mortgaged Property and/or the Assigned Property

8 **RECEIVER**

8 1 **Power of Receiver**

The appointment of a Receiver pursuant to Clause 7 2 10 shall be deemed to be subject to the following provisions

8 1 1 the Receiver shall be the agent of the Mortgagor, and the Mortgagor alone shall be responsible for his acts, defaults and remuneration,

8 1 2 neither the Mortgagee nor any Receiver shall be liable to account as a mortgagee of the Mortgaged Property or assignee of the Assigned Property and neither the Mortgagee nor any Receiver shall be liable for any loss arising from or in connection with the realisation of the Mortgaged Property and/or the Assigned Property or otherwise for any act, neglect, default or omission for which a mortgagee might be liable as such,

8 1 3 any Receiver shall have and be entitled to exercise all such powers as would be conferred on him had he been duly appointed under the Law of Property Act 1925 (save that Section 103 (*Regulation of Exercise of Power of Sale*) of the Law of Property Act 1925 shall not apply) and shall in any event have and be entitled to exercise all the rights, powers and remedies conferred upon the Mortgagee by this Deed and by law with respect to the Mortgaged Property and the Assigned Property,

8 1 4 the Receiver shall have power to make any payment and incur any expenditure which the Mortgagee is by this Mortgage expressly or impliedly authorised to make or incur Any expenses incurred by the Receiver in the exercise of any of his powers hereunder may be paid or retained by him out of any moneys coming into his hands as receiver as may be paid by the Mortgagee in which case they shall be treated as expenses properly incurred by the Mortgagee,

8 1 5 the Receiver shall in the exercise of his powers, authorities and discretions conform with the directions from time to time made and given by the Mortgagee,

8 1 6 the Mortgagee may at any time require security to be given for the due performance of the Receiver's duties as receiver at the cost of the Mortgagor,

8 1 7 the Mortgagee may from time to time determine what funds the Receiver shall be at liberty to keep in hand with a view to the performance of his duties as receiver, and

8 1 8 such appointment may be made either before or after the Mortgagee shall have exercised any of its rights pursuant to this Deed

8 2 **Statutory Powers and Duties**

Sections 103 (*Regulation of Exercise of Power of Sale*), 109(6) and 109(8) of the Law of Property Act 1925 shall not apply in relation to any Receiver appointed pursuant to Clause 7 2 10

8 3 **No Liability to Account**

Neither the Mortgagee nor the Receiver shall be liable to account as a mortgagee in possession of the Aircraft and neither the Mortgagee nor any Receiver shall be liable for any loss arising from or in connection with the realisation of the Aircraft or otherwise for any act, neglect, default or omission for which a mortgagee in possession might be liable as such

8 4 **Powers Additional**

The foregoing powers of appointment of a Receiver shall be in addition to any statutory or other powers of the Mortgagee under the Law of Property Act 1925 and the Receiver shall in any event have and be entitled to exercise all the rights, power and remedies conferred upon the Mortgagee by this Mortgage and by law with respect to the Aircraft and/or this Assigned Property

8 5 **Application of Proceeds by Receiver**

All moneys received by a Receiver in exercise of the rights, power and remedies conferred upon a Receiver by this Mortgage or by law shall (subject to the claims of creditor ranking in priority to the Mortgagee) be applied

8 5 1 first, in or towards payment of all costs, charges and expenses of, and incidental to the appointment of, such Receiver or incurred by such Receiver

in or about or in pursuance of the exercise by such Receiver of the said rights, powers and remedies,

8 5 2 second, in or towards payment of all outgoings paid by such Receiver in or about in pursuance of the exercise by such Receiver of the said rights, powers and remedies,

8 5 3 third, in or towards payment to such Receiver of remuneration at such rate as may be agreed between such Receiver and the Mortgagee, and

8 5 4 fourth, in accordance with the provisions of Clause 6 (*Application of Proceeds*)

8 6 **Remuneration of Receiver**

Any Receiver appointed hereunder shall be entitled to remuneration for his services at a rate to be fixed by agreement between him and the Mortgagee (or, failing such agreement, to be fixed by the Mortgagee) appropriate to the work and responsibilities involved upon the basis of charging from time to time adopted in accordance with his current practice or the current practice of his firm and without being limited to the maximum rate specified in Section 109(6) of the Act

9 **THIRD PARTIES**

9 1 **Third Parties**

No person dealing with the Mortgagee or any Receiver shall be concerned to enquire whether an Event of Default has occurred and is continuing or whether the power which the Mortgagee or such Receiver is purporting to exercise has become exercisable or whether any money remains due on the security of this Deed or otherwise as to the propriety or regularity of any sale or other dealing by the Mortgagee or such Receiver with the Mortgaged Property and/or the Assigned Property and all the protections to purchasers conferred by law shall apply to such persons dealing with the Mortgagee or such Receiver

9 2 **Receipt of Purchase Moneys**

The receipt of the Mortgagee or such Receiver for the purchase moneys shall effectively discharge the purchaser who shall not be concerned with the manner of application of the same or be in any way answerable therefor

10 **DELEGATION**

The Mortgagee shall be entitled, at any time and as often as may be expedient, to delegate all or any of the powers and discretions vested in it by this Deed (including the power vested in it by virtue of Clause 13 (*Power of Attorney*)) in such manner, upon such terms and to such persons as the Mortgagee in its discretion may think fit

11 **CONDITIONAL DISCHARGE ONLY**

Any settlement or discharge between the Mortgagee and the Mortgagor shall be conditional upon no security or payment to the Mortgagee or any other Finance Party

being avoided or set aside or ordered to be refunded or reduced by virtue of any provision or enactment relating to bankruptcy, liquidation, winding-up, insolvency, dissolution, reorganisation, amalgamation or other analogous event or proceedings for the time being in force

12 RELEASE AND PARTIAL RELEASE OF MORTGAGE

12 1 Release of all Aircraft

Following the full and unconditional discharge of the Secured Obligations (and provided that the Mortgagee shall not have been advised by insolvency counsel that having regard to the facts then existing and by reason of any bankruptcy, administration, insolvency or other laws affecting creditors rights and discharge of obligations, the Mortgagee or any of the Finance Parties will or will become likely to be obliged to pay to or to account to the Mortgagor or any liquidator, administrator or trustee in bankruptcy of any of them any amount corresponding to all or any part of the amount paid in or towards such discharge), the Mortgagee shall, upon the request and at the cost of the Mortgagor, release and re-assign to the Mortgagor without recourse or warranty, such right, title and interest as the Mortgagee may then have in and to the Mortgaged Property and the Assigned Property

12 2 Release of the Aircraft

Where the Mortgagee has elected to release the Aircraft in accordance with Clause 11 4 (*Voluntary Release of Collateral Aircraft*) of the Facility Agreement or, following the occurrence of a Total Loss, the Aircraft is to be released from the security created by this Deed in accordance with Clause 11 5 of the Facility Agreement, the Mortgagee hereby agrees that it shall, at the cost of the Mortgagor, on the date determined in accordance with Clause 11 4 3 of the Facility Agreement or on the date determined pursuant to Clause 11 5 2 of the Facility Agreement, as the case may be (and provided that the Mortgagee shall not have been advised by insolvency counsel that having regard to the facts then existing and by reason of any bankruptcy, insolvency or other applicable laws affecting creditors rights and discharge of obligations, the Mortgagee or any of the Finance Parties will or will become likely to be obliged to pay to or to account to the Mortgagor or any liquidator or trustee in bankruptcy of any of them any amount corresponding to all or any part of the amount paid in or towards such discharge), release and re-assign to the Mortgagor, without recourse or warranty, such right, title and interest as the Mortgagee may then have in and to the Aircraft and the Assigned Property by executing and delivering to the Mortgagor a Deed of Release and Reassignment in respect of the Aircraft

12 3 Release upon Cancellation of Facility

In the event that, following execution of this Deed, the Mortgagor elects to cancel the Available Facility pursuant to the provisions of Clause 11 1 (*Cancellation*) of the Facility Agreement, the Mortgagee hereby agrees that it shall, at the cost of the Mortgagor, release its right, title and interest in and to the Mortgaged Property and the Assigned Property by executing and delivering to the Mortgagor a Deed of Release and Reassignment with respect to the Aircraft as soon as practicable, but in any event within two (2) Business Days, after receipt by the Facility Agent of the Cancellation

Fee together with all any other amounts outstanding under the Transaction Documents at the time of such cancellation

12 4 **No Execution of Facility Agreement**

If, at any time before the Facility Agreement is executed, the Mortgagor so requests, the Mortgagee hereby agrees that it shall, at the cost of the Mortgagor, release its right, title and interest in and to the Mortgaged Property and the Assigned Property by executing and delivering to the Mortgagor a Deed of Release and Reassignment with respect to the Aircraft as soon as practicable, but in any event within two (2) Business Days, after receipt of such request

12 5 **Further Assurance**

The Mortgagee agrees that upon any release and discharge of the nature contemplated in Clause 12 1 (*Release of all Aircraft*), Clause 12 2 (*Release of the Aircraft*), Clause 12 3 (*Release upon Cancellation of Facility*) or Clause 12 4 (*No Execution of Facility Agreement*) it shall, at the cost and expense of the Mortgagor, from time to time sign, seal, execute, acknowledge, deliver, file and register any additional documents, instruments, notices, agreements, certificates, consents and assurances and do such other acts and things reasonably necessary and as the Mortgagor or may reasonably request to evidence and give effect to such release and discharge

13 **POWER OF ATTORNEY**

13 1 **Power of Attorney**

The Mortgagor hereby by way of security for the payment and performance of the Secured Obligations irrevocably appoints the Mortgagee to be its true and lawful attorney (with full power of substitution and delegation) for the Mortgagor and in its name or otherwise and on its behalf and as its act and deed to sign, seal, execute, deliver and do all such assurances, acts and things which the Mortgagee may deem to be necessary or advisable in order to give full effect to the purposes of this Deed including, without limitation, (i) to ask, require, demand, receive, compound and give acquittance for any and all moneys and claims for any and all moneys due under or arising out of the Mortgaged Property and/or the Assigned Property, (ii) to endorse any cheque, draft or other document, instrument or order in connection therewith, (iii) to deliver any documents, instruments or certificate with such amendments thereto (if any) which may be required to obtain de-registration of the Aircraft from the register of aircraft maintained by the CAA and the export of the Aircraft from the United Kingdom and (iv) to make any claim or to take any action or to institute any suit, legal action or other proceeding which the Mortgagee may consider to be necessary or advisable in connection with the Mortgaged Property and/or the Assigned Property, and generally in the Mortgagor's name and on its behalf to exercise all or any of the powers, authorities and discretions conferred by or pursuant to this Deed or law on the Mortgagee and, without prejudice to the generality of the foregoing, to seal and deliver and otherwise perfect any deed, assurance, agreement, instrument, act or thing which the Mortgagee may deem appropriate for the purpose of exercising any of such powers, authorities and discretions **provided that** the power of attorney granted pursuant to this Clause 13 1 shall only become exercisable following the occurrence of an Event of Default which is continuing

13 2 **No Obligation to Exercise Power**

The Mortgagee shall not have any obligation to exercise any of the powers hereby conferred on it No action taken by or omitted to be taken by the Mortgagee in the proper exercise of the power conferred on it pursuant to Clause 13 1 (*Power of Attorney*) shall give rise to any defence, counterclaim or set-off in favour of the Mortgagor or otherwise affect any of the Secured Obligations

13 3 **Ratification**

The Mortgagor hereby unconditionally and irrevocably ratifies and confirms and agrees to ratify and confirm whatever any such attorney appointed pursuant to Clause 13 1 (*Power of Attorney*) shall do or purport to do, in good faith, in the exercise or purported exercise of all or any of the powers, authorities and discretions conferred pursuant to Clause 13 1 (*Power of Attorney*)

14 **FURTHER ASSURANCES AND PROTECTION OF SECURITY**

14 1 **Further Assurance**

The Mortgagor shall from time to time sign, seal, execute, acknowledge, deliver, file and register any additional documents, instruments, notices, agreements, certificates, consents and assurances and do such other acts and things reasonably necessary and as the Mortgagee may reasonably request from time to time to perfect the security granted by this Deed or to establish, maintain, protect or preserve the rights of the Mortgagee under this Deed and the Lien and security intended to be constituted by this Deed and/or in respect of the Assigned Property

14 2 **Protection of Interests**

The Mortgagee shall, without prejudice to its other rights and powers under this Deed, be entitled (but shall be under no obligation) at any time and as often as may be necessary, to take any such action as it in its discretion thinks fit for the purpose of protecting the Lien and security constituted by this Deed

15 **SUCCESSORS AND ASSIGNS**

15 1 **Benefit of Deed**

This Deed shall be binding upon and inure to the benefit of the Mortgagor, the Mortgagee and each of the other Finance Parties and their respective successors and permitted assigns and transferees

15 2 **No Assignment**

The Mortgagor may not assign any of its rights or transfer or purport to transfer any of its obligations hereunder without the express prior written consent of the Mortgagee.

16 **NOTICES**

Each communication to be made or document to be delivered hereunder shall be made and/or delivered in the manner and to the addressees and numbers and with copies and

shall be effective as determined pursuant to Clause 31 (*Notices*) of the Facility Agreement

17 MISCELLANEOUS

17 1 Counterparts

This Deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute an original, but all counterparts shall together constitute but one and the same instrument

17 2 Waiver

No failure to exercise, nor any delay in exercising, on the part of any party hereto, any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law

17 3 Partial Invalidity

If, at any time, any provision hereof 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 hereof nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby

17 4 Amendments

This Deed may not be amended, varied, modified or supplemented except by a deed in writing executed by the Mortgagor and the Mortgagee

18 THIRD PARTIES

18 1 Third Parties

Subject to this Clause 18, a person who is not a party to this Deed has no right under the Third Parties Act to enforce any provision of this Deed but this does not affect any right or remedy of a third party which exists or is available apart from under the Third Parties Act

18 2 Receiver

A Receiver appointed pursuant to Clause 7 2 10 may enforce the terms of Clause 8 (*Receiver*) subject to and in accordance with the other terms of this Deed and the provisions of the Third Parties Act

19 GOVERNING LAW

This Deed and all matters arising from or connected with it are governed by English law

20 JURISDICTION

20 1 English Courts

The courts of England have jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed or the consequences of its nullity)

20 2 Appropriate Forum

The parties agree that the courts of England are the most appropriate courts to settle Disputes between them and, accordingly, that they will not argue to the contrary

20 3 Service of Process

The Mortgagee hereby appoints TMF Corporate Services Limited of 6 St Andrew Street, 5th Floor, London EC4A 3AE, England or other its registered office for the time being as its agent for service of process in relation to any proceedings before the English courts in connection with this Deed

20 4 Non-Exclusive Jurisdiction

Clause 20 1 (*English Courts*) does not prevent the Mortgagee from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction **provided that** such Proceedings are commenced in the relevant jurisdiction in connection with the enforcement of the security constituted pursuant to this Deed To the extent allowed by law, the Mortgagee may take concurrent Proceedings in any number of jurisdictions

20 5 Waiver of Immunity

The Mortgagor waives generally all immunity it or its assets or revenues may otherwise have in any jurisdiction, including immunity in respect of

20 5 1 the giving of any relief by way of injunction or order for specific performance or for the recovery of assets or revenues, and

20 5 2 the issue of any process against its assets or revenues for the enforcement of a judgment or in an action *in rem* for the arrest, detention or sale of any of its assets and revenues

IN WITNESS WHEREOF this Deed has been executed by the parties hereto and is intended to be and is hereby delivered on the date first above written

SCHEDULE 1
THE AIRCRAFT

One (1) Airbus A320-200 aircraft, registration mark G-EUUR and two (2) International Aero Engines AG, V2527-A5 aircraft engines, bearing the respective manufacturer's serial number set forth below

Airframe Serial No.	**Engine Serial Nos.**
2040	V11486
	V11488

SCHEDULE 2
NOTICE OF ASSIGNMENT TO INSURERS

To [•]

[•] 2013

Deed of Assignment and First Priority Mortgage dated [•] 2013 (the "Deed") between British Airways Plc (the "Mortgagor") and PK AirFinance S.à r.l. in its capacity as Security Trustee (the "Mortgagee")

1 We hereby give you notice that pursuant to the Deed, a copy of which is attached hereto, we have assigned and agreed to assign absolutely to the Mortgagee all our right, title and interest in and to the proceeds under the Insurances in respect of the Aircraft

2 Until you are notified to the contrary by PK AirFinance S à r l

2 1 1 all claims payable under or in respect of the Insurances shall be paid in accordance with the Loss Payable and Notice of Cancellation Clause attached, and

2 1 2 you should continue to deal with the Mortgagor in respect of all matters relating to the making and settlement of claims under the Insurances relating to the Aircraft or any of them as though such assignment had not been made

2 1 This Notice and the instructions herein contained are irrevocable Please acknowledge receipt of this Notice to the Mortgagee by signing the enclosed duplicate of this Notice

2 2 Terms defined in the Deed (including terms defined therein by reference to another document) shall have the same meanings herein

BRITISH AIRWAYS PLC

By _____

Title _____

LOSS PAYABLE AND NOTICE OF CANCELLATION CLAUSES (HULL)

1 Until PK AirFinance S à r l ("**Mortgagee**") shall have notified Insurers to the contrary, in respect of the Aircraft (including its Engines) described in the Schedule hereto

(a) the sum in respect of which the Aircraft (and including its Engines) are insured for total loss or the sum negotiated in settlement of a constructive or compromised or agreed or arranged total loss shall be paid in full to the Mortgagee without any deduction or deductions whatsoever,

(b) all recoveries in respect of repairable damage to the Aircraft or the loss or destruction of any of its Engines not exceeding five million dollars ($5,000,000) (or the equivalent in any other currency) in any one case shall be paid in full to British Airways Plc ("**BA**") or to its order without any deduction or deductions whatsoever, and

(c) all recoveries in respect of repairable damage to the Aircraft or the loss or destruction of any of its Engines exceeding five million dollars ($5,000,000) (or the equivalent in any other currency) in any one case shall subject to the prior written consent of the Mortgagee, be paid in full to BA or to its order without any deduction or deductions whatsoever, to be applied to the repair of the Aircraft In the absence of such prior written consent the full amount of moneys received in respect of claims in respect of repairable damage to the Aircraft or the loss or destruction of any Engine in excess of five million dollars ($5,000,000) in any one case shall be paid to the Mortgagee

2 The Insurance Broker shall be advised

(a) at least thirty (30) days (or seven (7) days or such lesser period as may for the time being be customary in the international aviation insurance markets in the case of War Risks and kindred perils) before cancellation or termination is to take effect, if any Insurer cancels or terminates or gives notice of cancellation or termination of any Insurance in respect of the Aircraft (including any of its Engines),

(b) of any alteration in any Insurance in respect of the Aircraft (including any of its Engines) at least thirty (30) days (or seven (7) days in the case of War Risks and kindred perils) before any such alteration which is adverse to the Mortgagee,

(c) of any default in the payment of any premium when due or any non-renewal of any such Insurance,

(d) of any act or omission or of any event of which the Insurer has knowledge and which might invalidate or render unenforceable in whole or in part any such Insurance

3 The policy period under this Insurance shall continue in full force and effect for the period of thirty (30) days (or seven (7) days or such lesser period as may for the time being be customary in the international aviation insurance markets in the case of War

Risks and kindred perils) or as may be agreed between the Mortgagee and the Insurers after written notice of such non-payment or cancellation has been given to the Mortgagee, provided that in no event shall the policy period under this Insurance continue beyond the date of expiry thereof as stated in the policy

Schedule

Description of Aircraft and Engines

One (1) Airbus A320-200 aircraft, registration mark G-EUUR and two (2) International Aero Engines AG, V2527-A5 aircraft engines, bearing the respective manufacturer's serial number set forth below

Airframe Serial No.	**Engine Serial Nos.**
2040	V11486
	V11488

SCHEDULE 3
NOTICE OF ASSIGNMENT

To [•]

Dated [•]

Deed of Assignment and First Priority Mortgage dated [•] 2013 (the "Deed) between British Airways Plc (the "Mortgagor") and PK AirFinance S.à r.l. in its capacity as Security Trustee (the "Mortgagee")

[One (1) [•] Aircraft msn [•]/
[([•])] [•] Engine msn [•]]

1 We hereby give you notice that pursuant to the Deed, a copy of which is attached hereto, we have assigned and agreed to assign absolutely to the Mortgagee all our right, title and interest in and to all [Requisition Proceeds/Warranties] in respect of the [Aircraft/the Engine]

2 All [Requisition Proceeds/claims payable under or in respect of the Warranties] shall be paid to the Mortgagee or to its order

3 All dealings in respect of the [Requisition Proceeds/Warranties] shall be made with the Mortgagee and you shall perform you obligations thereunder in favour of the Mortgagee instead of, and to the exclusion of, the Mortgagor

4 This Notice and the instructions herein contained are irrevocable Please acknowledge receipt of this Notice to the Mortgagee by signing the enclosed duplicate of this Notice

5 Terms defined in the Deed (including terms defined therein by reference to another document) shall have the same meanings herein

BRITISH AIRWAYS PLC

By _____

Title _____

Acknowledgement

We acknowledge receipt of the foregoing notice and agree to be bound by its terms

[ ]

By _____

Title _____

Dated

SCHEDULE 4
FORM OF DEED OF RELEASE AND REASSIGNMENT

THIS DEED OF RELEASE AND REASSIGNMENT (this "**Release**") is made on [•] by **PK AIRFINANCE S.À R.L.** (the "**Mortgagee**") pursuant to a Deed of Assignment and First Priority Mortgage (the "**Deed**") dated [•] 2013 between the Mortgagor and the Mortgagee

1 Capitalised terms used in this Release shall have the meanings given to them in the Deed

2 **Aircraft Details**

This Release is made in respect of the following Aircraft

2 1	Aircraft Type	[•]
2 2	Aircraft Serial Number	[•]
2 3	Registration Mark	[•]
2 4	Airframe Manufacturer	[•]
2 5	Engine Type	[•]
2 6	Engine Serial Numbers	[•]
		[•]
2 7	Engine Manufacturer	[•]

3 **Release**

3 1 The Mortgagee, as security trustee for the Finance Parties, hereby releases from the mortgage constituted by the Deed all of its right, title and interest, present and future, in and to the Aircraft referred to in this Release without recourse to or by warranty by any of the Finance Parties

3 2 As and from the date of this Release, the Aircraft referred to in this Release shall cease to be subject to the terms and conditions of the Deed

4 **Reassignment**

The Mortgage, as security trustee for the Finance parties, hereby re-assigns and agrees to re-assign to the Mortgagor, without recourse to or warranty by any Finance Party, all of its right, title and interest in and to the Assigned Property insofar as the same relates to the Aircraft the subject of this Release

5 **Governing Law**

This Release shall be governed by and construed in accordance with English law

IN WITNESS WHEREOF this Release has been executed by the Mortgagee and is intended to be and is hereby delivered on the date set first above written.

EXECUTED AS A DEED BY	)
PK AIRFINANCE S.À R.L.	)
acting by	)
in the presence of:	)

Witness _____

Name _____

Address _____

_____

_____

SCHEDULE 5
FORM OF MORTGAGE SUPPLEMENT

To PK AirFinance S à r l (the "**Mortgagee**")

From British Airways Plc (the "**Mortgagor**")

Dear Sirs,

One (1) [MAKE OF AIRCRAFT] [MODEL OF AIRCRAFT] Aircraft bearing Manufacturer's Serial Number [MSN] (the "Airframe") with [MAKE OF ENGINES][MODEL OF ENGINES] engines bearing ESNs [ESN No. 1] and [ESN No. 2] (the "Engines")

1 We refer to the English law mortgage dated _____ 2013 between the Mortgagee and the Mortgagor in respect of the Airframe and the Engines (the "**Mortgage**") This Mortgage Supplement is supplemental to and forms part of the Mortgage

2 We hereby confirm that at _____ [time zone] on _____ 2013 the [Airframe] [Engines] [Engine bearing ESN [•]] was located at _____ England

3 In order to secure the payment, performance and discharge of the Secured Obligations, we have, and we hereby, mortgage to the Mortgagee with full title guarantee, all of our right, title and interest, present and future in and to the [Airframe] [Engines] [Engine bearing ESN [•]]

4 This Mortgage Supplement, and all non-contractual obligations arising from or in connection with it, shall be governed by and construed in accordance with the laws of England

5 Clause 20 of the Mortgage shall apply to this Mortgage Supplement mutatis mutandis, as though the same were set out in full herein and as though references therein to "this Mortgage" were references to this Mortgage Supplement

IN WITNESS WHEREOF this Mortgage Supplement has been executed by the Borrower as a deed and is intended to be and is delivered as a deed on the day and year first above written

THE COMMON SEAL OF)
BRITISH AIRWAYS PLC)
was hereunto affixed)
in the presence of)

EXECUTION PAGE - MSN 2040

[redacted]

The Mortgagor

THE COMMON SEAL OF)
BRITISH AIRWAYS PLC)
was hereunto affixed [redacted])
in the presence of)

[redacted]

The Mortgagee

EXECUTED AS A DEED BY)
PK AIRFINANCE S.À R.L.)
acting by)
in the presence of·

Witness _____

Name _____

EXECUTION PAGE - MSN 2040

The Mortgagor

THE COMMON SEAL OF)
BRITISH AIRWAYS PLC)
was hereunto affixed)
in the presence of:)

The Mortgagee

EXECUTED AS A DEED BY) [redacted]
PK AIRFINANCE S.À R.L.) W. CAVANAGH
acting by:) Attorney-in-Fact
in the presence of

Witness: [redacted]

Name: Galadia Constantinou

AIRPEX

OCCUPATION: [redacted]