



Registration of a Charge

Company name: **BRITISH AIRWAYS PLC**

Company number: **01777777**

Received for Electronic Filing: **15/01/2019**



Details of Charge

Date of creation: **10/01/2019**

Charge code: **0177 7777 0831**

Persons entitled: **AIRWAYS PENSION SCHEME TRUSTEE LIMITED (AND ITS SUCCESSORS
IN TITLE AND PERMITTED TRANSFEREES)
NEW AIRWAYS PENSION SCHEME TRUSTEE LIMITED (AND ITS
SUCCESSORS IN TITLE AND PERMITTED TRANSFEREES)**

Brief description:

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT
TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC
COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION**

**FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.**

Certified by:

LINKLATERS LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 1777777

Charge code: 0177 7777 0831

The Registrar of Companies for England and Wales hereby certifies that a charge dated 10th January 2019 and created by BRITISH AIRWAYS PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 15th January 2019 .

Given at Companies House, Cardiff on 16th January 2019

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

SECURITY AGREEMENT

between

BRITISH AIRWAYS PLC

and

AIRWAYS PENSION SCHEME TRUSTEE LIMITED

and

NEW AIRWAYS PENSION SCHEME TRUSTEE LIMITED

Certified that, save for material redacted pursuant to section 859G of the Companies Act 2006, this copy instrument is a correct copy of the original instrument.

Linklaters LLP

11 January 2019

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THIS AGREEMENT is dated 10 January 2019 and made between:

- (1) **BRITISH AIRWAYS PLC**, a company registered in England and Wales under company number 01777777 whose registered office is at Waterside, P.O. Box 365, Harmondsworth UB7 0GB, England (the "**Chargor**");
- (2) **AIRWAYS PENSION SCHEME TRUSTEE LIMITED**, a company registered in England and Wales under company number 10300010 whose registered address is at Waterside HAA1, Harmondsworth UB7 0GB (the "**APS Trustee**"); and
- (3) **NEW AIRWAYS PENSION SCHEME TRUSTEE LIMITED**, a company registered in England and Wales under company number 10299954 whose registered address is at Waterside HAA1, Harmondsworth UB7 0GB (the "**NAPS Trustee**").

WHEREAS:

- (A) The Parties have entered into the Escrow Operating Agreement pursuant to which the Chargor may be required to make payments to APS and/or NAPS from the Approved Escrow Account.
- (B) It is in the Chargor's interests and for its benefit to enter into this Agreement for the purposes of securing:
 - i) by way of first-ranking security for the benefit of the APS Trustee, payment of any amounts payable by the Chargor to APS pursuant to clause 6.3.1 of the Escrow Operating Agreement; and
 - ii) by way of second-ranking security for the benefit of the NAPS Trustee, payment of any amounts payable by the Chargor to NAPS pursuant to clause 6.3.2 of the Escrow Operating Agreement.
- (C) The Chargor is the beneficial owner of the Secured Assets.

IT IS AGREED as follows:

1 **Definitions**

- 1.1 In this Agreement (including in the Recitals):

Act means the Law of Property Act 1925.

Approved Escrow Account means the following account held in the name of the Chargor with the Approved Escrow Account Bank:

Sort Code: 

Account Number: 

Approved Escrow Account Bank has the meaning given to that term in the Escrow Operating Agreement and is, on the date of this Agreement, Santander UK plc.

Approved Escrow Account Control Agreement means the approved escrow account control agreement dated on or about the date of this Agreement between the Parties and the Approved Escrow Account Bank.

APS Trustee Secured Liabilities means any amount payable by the Chargor to APS pursuant to clause 6.3.1 of the Escrow Operating Agreement.

APS Trustee Security Interests means all or any of the security created or expressed to be created in favour of the APS Trustee by or pursuant to Clause 3 of this Agreement.

Business Day means a day other than a Saturday, Sunday or public holiday on which banks are open for the conduct of normal banking business in London.

Encumbrance means:

- (a) any mortgage, charge, pledge, lien, assignment by way of security, hypothecation, security interest, right of set-off, title retention, preferential right or trust arrangement; and
 - (b) any other agreement or arrangement having the effect of security,
- in each case other than a Permitted Encumbrance.

Enforcement Event means:

- (a) the occurrence of an Insolvency Event in relation to the Chargor; and
- (b) the Chargor having failed to pay any amount of the Secured Liabilities by the fifth Business Day after the date on which that amount is due and payable in accordance with its terms in circumstances where each Secured Party has signed and delivered to the Approved Escrow Account Bank all instructions necessary to enable that payment to be made from the Approved Escrow Account.

Escrow Operating Agreement means the escrow operating agreement dated on or about the date of this Agreement between the Parties.

Insolvency Event in relation to the Chargor means:

- (a) an Insolvency Event (as defined in Section 121 of the Pensions Act 2004) occurs in respect of the Chargor;
- (b) an encumbrancer takes possession or a receiver or similar officer is appointed over the whole or substantially the whole of the assets, rights or revenues of the Chargor, or a distress, execution, sequestration or other process is levied or enforced upon or sued out against substantially the whole of the assets, rights or revenues of the Chargor, and is not discharged, dismissed or stayed within sixty (60) days and, in the case of any such distress, execution, sequestration or other process, is such as shall, in the opinion of each Secured Party (acting reasonably), materially adversely affect the obligations of the Chargor or the rights of the Secured Parties under the Escrow Operating Agreement; or

- (c) the Chargor suspends payment of its debts generally or any material class of its debts, or is unable or admits inability to pay its debts as they fall due, or proposes or enters into any composition or other arrangement for the benefit of its creditors generally, or proceedings are commenced in relation to the Chargor under any law, regulation or procedure relating to reconstruction or readjustment of debts (other than for the purpose of a merger, reconstruction or amalgamation of the Chargor whilst able to pay its debts as they fall due).

NAPS Trustee Secured Liabilities means any amount payable by the Chargor to NAPS pursuant to clause 6.3.2 of the Escrow Operating Agreement.

NAPS Trustee Security Interests means all or any of the security created or expressed to be created in favour of the NAPS Trustee by or pursuant to Clause 3 of this Agreement.

Notice of Exclusive Control has the meaning given to that term in the Approved Escrow Account Control Agreement.

Party means a party to this Agreement.

Permitted Encumbrance means:

- (a) the Security Interests; and
- (b) any other Encumbrance expressly permitted by this Agreement or the Escrow Operating Agreement.

Secured Assets means the Approved Escrow Account and all cash in whatever currency standing to the credit of the Approved Escrow Account from time to time and the debt represented thereby.

Secured Liabilities means:

- (a) with respect to the APS Trustee, the APS Trustee Secured Liabilities; and
- (b) with respect to the NAPS Trustee, the NAPS Trustee Secured Liabilities.

Secured Party means:

- (a) with respect to the APS Trustee Security Interests, the APS Trustee;
- (b) with respect to the NAPS Trustee Security Interests, the NAPS Trustee.

Security Interests means:

- (a) with respect to the APS Trustee, the APS Trustee Security Interests; and
- (b) with respect to the NAPS Trustee, the NAPS Trustee Security Interests.

- 1.2 Unless otherwise defined herein, all capitalised terms shall bear the same meanings as are given to them in the Escrow Operating Agreement.

2 Interpretation

- 2.1 Words importing the singular shall include the plural and vice versa.
- 2.2 References to a person shall be construed as to include that person's permitted

assigns, permitted transferees or successors in title and shall be construed as including references to an individual, firm, partnership, joint venture, company, corporation, body corporate, unincorporated body of persons or any state or agency of the state.

- 2.3 References to statutory provisions shall unless the contrary is clearly stated be a reference to statutory provisions operative in England and will be construed as references to those provisions as respectively amended or re-enacted (whether before or after the date hereof) from time to time and shall include any provisions of which they are re-enactments (whether with or without modification) and shall also include any subordinate legislation made from time to time under those provisions.
- 2.4 Words such as hereunder, hereto, hereof and herein shall unless the context clearly indicates to the contrary refer to the whole of this Agreement and not to any particular section or clause thereof.
- 2.5 Save as otherwise provided herein any reference to a section, clause, paragraph or a sub-paragraph shall be reference to a section, clause, paragraph or a sub-paragraph (as the case may be) of this Agreement.
- 2.6 The words "include", "includes" and "including" shall be construed as if they were followed by the words "without limitation".
- 2.7 The headings are inserted for convenience only and shall not affect the construction of this Agreement.
- 2.8 Unless a contrary intention appears, reference to any document includes that document as amended, novated or supplemented from time to time.

3 Charge

- 3.1 The Chargor shall pay each of the Secured Liabilities when due and payable in accordance with its terms, provided that the Chargor's liability in respect of this undertaking shall be limited in recourse to the Secured Assets and each Secured Party agrees that if the amount recovered in respect of the Secured Assets (whether on enforcement of the Security Interests or otherwise) is less than the Secured Liabilities then the Chargor will have no liability to pay or otherwise make good any such shortfall.
- 3.2 The Chargor with full title guarantee hereby:
 - 3.2.1 assigns by way of first-ranking security and charges by way of a first-ranking fixed charge in favour of the APS Trustee, as continuing security for the APS Trustee Secured Liabilities, all of its present and future right, title and interest in and to the Secured Assets **PROVIDED THAT** upon discharge of the APS Trustee Secured Liabilities the APS Trustee shall forthwith at the request and expense of the Chargor execute and do all deeds, acts and things that may be necessary irrevocably to surrender or release or re-assign the Secured Assets from the security interests created by this Clause 3.2.1; and
 - 3.2.2 assigns by way of second-ranking security and charges by way of a second-ranking fixed charge in favour of the NAPS Trustee, as continuing security for

the NAPS Trustee Secured Liabilities, all of its present and future right, title and interest in and to the Secured Assets **PROVIDED THAT** upon discharge of the NAPS Trustee Secured Liabilities the NAPS Trustee shall forthwith at the request and expense of the Chargor execute and do all deeds, acts and things that may be necessary irrevocably to surrender or release or re-assign the Secured Assets from the security interests created by this Clause 3.2.2.

- 3.3 Notwithstanding the Security Interests and prior to service of a Notice of Exclusive Control on the Approved Escrow Account Bank, the Secured Assets may be transferred from the Approved Escrow Account pursuant to instructions given to the Approved Escrow Account Bank on behalf of each Party and the security constituted by this Agreement shall as to such Secured Assets as are permitted to be so transferred and without any action by any Party be automatically discharged from the security constituted by this Agreement.
- 3.4 The Parties hereby acknowledge that:
 - 3.4.1 the purpose of this Agreement is to secure:
 - 3.4.1.1 certain financial obligations owed (or which may be owed) by the Chargor to the APS Trustee; and
 - 3.4.1.2 certain financial obligations owed (or which may be owed) by the Chargor to the NAPS Trustee;
 - 3.4.2 the Chargor hereby creates security interests in financial collateral to secure those obligations; and
 - 3.4.3 the financial collateral is held and designated, under or pursuant to the terms of the Approved Escrow Account Terms, so as to be under the control of the Secured Parties or a person acting on their behalf.
- 3.5 Without prejudice to the effectiveness of any security conferred on the Secured Parties hereunder, the Parties hereby evidence their intention that this Agreement, taken together with the Approved Escrow Account Terms, should constitute a security financial collateral arrangement for the purposes of the Financial Collateral Arrangements (No 2) Regulations 2003 (SI 2003 No. 3226) (the "**Regulations**"), and each charge created by this Agreement should take effect to the extent that it may do so as a security interest in financial collateral for the purposes thereof.
- 3.6 On and following an Enforcement Event which is continuing:
 - 3.6.1 the APS Trustee shall have the right to appropriate with immediate effect all or any part of the Secured Assets constituting financial collateral for the purposes of the Regulations and apply it in or towards discharge of the APS Trustee Secured Liabilities in such manner as the APS Trustee may determine, whether such Secured Assets are held by the APS Trustee or otherwise; and
 - 3.6.2 the NAPS Trustee shall, provided that the APS Trustee Secured Liabilities have been discharged in full, have the right to appropriate with immediate effect all or any part of the Secured Assets constituting financial collateral for the purposes of the Regulations and apply it in or towards discharge of the NAPS

Trustee Secured Liabilities in such manner as the NAPS Trustee may determine, whether such Secured Assets are held by the NAPS Trustee or otherwise.

- 3.7 Each Secured Party will account to the Chargor for any amount by which the value of the Secured Assets appropriated by that Secured Party exceeds the Secured Liabilities then due to that Secured Party by crediting the amount of such excess to the Approved Escrow Account.

4 Continuing Security

- 4.1 The security constituted by this Agreement shall be continuing and not satisfied by any intermediate payment or satisfaction of any part of the relevant Secured Liabilities but shall continue:
- 4.1.1 with respect to the APS Trustee Security Interests, until the APS Trustee Secured Liabilities are paid in full; and
- 4.1.2 with respect to the NAPS Trustee Security Interests, until the NAPS Trustee Secured Liabilities are paid in full.
- 4.2 The security hereby given to the relevant Secured Party shall be in addition to and shall not be affected by any other security interests, collateral or other rights now or hereafter held by such Secured Party for all or any of the Secured Liabilities owed to such Secured Party.
- 4.3 Where any discharge or release (whether in respect of the obligations of the Chargor or any security therefor or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is reduced, avoided or must be repaid on bankruptcy, liquidation or otherwise without limitation, the security constituted by this Agreement and the liability of the Chargor under this Agreement shall continue in force as if there had been no such discharge, release or arrangement.
- 4.4 The relevant Secured Party shall be entitled to concede or compromise in good faith and acting reasonably any claim that any payment owing to, or security or other disposition concerning, that Secured Party is liable to avoidance or repayment.
- 4.5 So that each Secured Party may claim against or prove in any bankruptcy or liquidation of the Chargor for the full amount then owing by it to that Secured Party, they may each, acting reasonably, hold in a non-interest bearing suspense account, until all liabilities of the Party concerned have been paid and discharged in full, any moneys received, recovered or realised from or on account of such Party without being under any intermediate obligation to apply the same or any part thereof in or towards the discharge of the said amount.
- 4.6 The Parties agree that this Agreement and the obligations under it shall not be affected by any act, omission or thing which, but for this Clause 4.6, would reduce, release or prejudice this Agreement or any of the obligations hereunder including without limitation and whether or not known to the Chargor or either Secured Party:

- 4.6.1 any time, waiver or consent granted to, or composition with, any person whatsoever; or
- 4.6.2 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of any Party or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security; or
- 4.6.3 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any Party or any other person; or
- 4.6.4 any failure of, or defect or informality in, any security given by, or on behalf of, any Party in respect of any obligation; or
- 4.6.5 any amendment (however fundamental) or replacement of the Escrow Operating Agreement or any other document or security; or
- 4.6.6 any variation of, or extension of the due date for performance of, any term of any agreement or security or any increase in the Secured Liabilities to the intent that this Agreement shall apply to such term as varied or in respect of the extended due date or such increase; or
- 4.6.7 any irregularity, unenforceability, invalidity or frustration of any obligations of any person whatsoever under any agreement or any other document or security, or any present or future law or order of any government or authority (whether of right or in fact) purporting to reduce or otherwise affect any of such obligations, to the intent that this Agreement and the obligations hereunder shall remain in full force and be construed accordingly as if there were no such irregularity, unenforceability, invalidity, frustration, law or order; or
- 4.6.8 any legal limitation, disability, incapacity or other circumstances relating to any Party or any other person; or
- 4.6.9 the insolvency of any Party or any other person.

5 Prohibition on Encumbrances and Disposals

The Chargor undertakes that (except with the prior written consent of each Secured Party to which any Secured Liabilities remain outstanding) it will not, except as permitted by this Agreement, the Escrow Operating Agreement or the Approved Escrow Account Terms:

- 5.1 create, or agree or attempt to agree to create, or permit to subsist any Encumbrance upon all or any part of the Secured Assets in priority to or pari passu with the security constituted hereunder (other than a Permitted Encumbrance); or
- 5.2 sell, assign, transfer, grant any interest in or otherwise dispose of all or any part of the Secured Assets.

6 Enforcement of Security

- 6.1 Notwithstanding the assignments by way of security under Clause 3.2 and the remaining provisions of this Clause 6, unless an Enforcement Event has occurred and is continuing, neither Secured Party shall:
- 6.1.1 exercise any right under Clause 6 or appoint any receiver in respect of all or any part of the Secured Assets; or
 - 6.1.2 act under the power of attorney under Clause 7.
- 6.2 On the occurrence of an Insolvency Event that is continuing, each Secured Party will be entitled to serve a Notice of Exclusive Control on the Approved Escrow Account Bank. Neither Secured Party shall serve a Notice of Exclusive Control on the Approved Escrow Account Bank unless an Insolvency Event has occurred and is continuing.
- 6.3 With effect from the date on which each Secured Party jointly serves a Notice of Exclusive Control on the Approved Escrow Account Bank where permitted to do so under the terms of this Agreement until the date on which all Secured Liabilities have been discharged in full, the Chargor shall not be permitted to exercise, and shall not exercise or purport to exercise, any right which relates to the Secured Assets, and the Secured Parties shall be entitled at their discretion to exercise all such rights in the name and on behalf of the Chargor.
- 6.4 Except as may be explicitly set out herein, neither Secured Party shall be required to perform or fulfil any obligation of the Chargor in respect of the Secured Assets or to make any payment, or to make any enquiry as to the nature or sufficiency of any payment received by it or the Chargor in connection with the Secured Assets, or to present or file any claim or take any other action to collect or enforce the payment of any amount to which it may have been or to which it may be entitled under this Agreement at any time.
- 6.5 The Secured Liabilities shall, for the purposes of section 101 of the Act, be deemed to become due and payable, and the power of sale and other powers conferred on secured creditors by the Act as varied and extended by this Agreement shall arise, immediately upon execution of this Agreement and may be exercised by the Secured Parties on or at any time after an Enforcement Event has occurred and is continuing unless all of the Secured Liabilities that are then due have been paid in full.
- 6.6 On or after an Enforcement Event which is continuing:
- 6.6.1 the Secured Parties shall forthwith notify the Chargor thereof in writing; and
 - 6.6.2 the security hereby created shall become immediately enforceable whether or not the Chargor has been notified pursuant to Clause 6.6.1 and without any need for demand on the Chargor and each Secured Party may apply the Secured Assets in accordance with this Agreement.
- 6.7 On or after an Enforcement Event which is continuing, each Secured Party shall be entitled immediately to put into force and exercise all the powers and remedies provided to it pursuant to this Agreement or possessed by it according to law as mortgagee of the Secured Assets as and when it may see fit for the purposes of discharging the Secured Liabilities due to that Secured Party, and in particular but

without limitation:

- 6.7.1 to take over or institute all such proceedings in connection with the Secured Assets as that Secured Party in its absolute discretion thinks fit;
- 6.7.2 to sell, charge, liquidate, or otherwise deal with all or any of the Secured Assets in any manner permitted by law;
- 6.7.3 to collect, recover or compromise and to give a good discharge for any moneys payable to the Chargor in respect of any of the Secured Assets;
- 6.7.4 to enforce all or any part of the security created in favour of that Secured Party by this Agreement and to take possession of or dispose of all or any of the Secured Assets in each case at such times as it sees fit, including by way of appointment of a receiver;
- 6.7.5 to apply and or appropriate some or all of the Secured Assets in discharge of the Secured Liabilities due to that Secured Party and to issue joint directions to the Approved Escrow Account Bank for the transfer out of the Approved Escrow Account to either Secured Party any amount then owing to that Secured Party by the Chargor in respect of those Secured Liabilities, as certified by that Secured Party to the Approved Escrow Account Bank; and/or
- 6.7.6 to perform or cause to be performed all acts and things requisite or desirable according to the law of the country in which the Secured Assets or any of them are situate for the purpose of giving effect to the exercise of any of the said powers, authorities and discretions,

provided that each Secured Party shall sign and deliver such instructions to the Approved Escrow Account Bank as may be necessary or desirable in order to authorise withdrawals from the Approved Escrow Account for the purposes of discharging the Secured Liabilities and provided further that the NAPS Trustee shall not enforce the NAPS Trustee Security Interests or seek any withdrawal from the Approved Escrow Account for the purposes of discharging all or any part of the NAPS Trustee Secured Liabilities until the APS Trustee has confirmed to the NAPS Trustee and the Chargor that the APS Trustee Secured Liabilities have been discharged in full.

- 6.8 The foregoing rights and powers of each Secured Party shall be in addition and without prejudice to all statutory rights and powers of that Secured Party under the Act or otherwise but so that:

- 6.8.1 Section 103 of the Act shall not apply to this Agreement;
- 6.8.2 any receiver appointed shall be agent of the Chargor and the Chargor alone shall be responsible for his acts, defaults or remuneration;
- 6.8.3 the restriction on the right of consolidating mortgage securities in section 93(1) of the Act shall not apply to this Agreement or to any other security given; and
- 6.8.4 neither Secured Party shall not be liable to account as mortgagee in possession.

7 Power Of Attorney

The Chargor hereby by way of security irrevocably appoints and constitutes each Secured Party (the “Attorney”) independently or jointly the attorney of the Chargor on its behalf and in the name of the Chargor at any time on or after an Enforcement Event which is continuing to do all acts and execute all documents which the Chargor is obliged to do under this Agreement but has failed to do in relation to the Secured Assets or in connection with any of the matters provided for in this Agreement including without limitation the execution of any transfer or other assurance or any instructions whatsoever in respect of the Secured Assets, or in respect of the Approved Escrow Account Terms, or to exercise any of the rights conferred on the Secured Parties in relation to the Secured Assets under this Agreement.

8 Representations, Warranties and Undertakings

8.1 The Chargor represents and warrants to each Secured Party on the date of this Agreement that:

8.1.1 it has the power to grant security interests in any Secured Assets and has taken all necessary actions to authorise the granting of those security interests;

8.1.2 it is the full beneficial owner of the Secured Assets free and clear of any security interest, lien, encumbrance or other interest or restriction other than a Permitted Encumbrance; and

8.1.3 the performance by the Chargor of its obligations under this Agreement will not result in the creation of any security interest, lien, encumbrance or other interest or restriction in or on any Secured Assets other than a Permitted Encumbrance,

and such representations and warranties shall be deemed to be repeated by the Chargor on the last Business Day of March, June, September and December in each calendar year (in each case by reference to the facts and circumstances then existing).

8.2 The Chargor shall make a filing (and either or both of the Secured Parties may make such a filing on the Chargor's behalf) in respect of this Agreement with Companies House in accordance with Section 859A of the Companies Act 2006 in so far as the security created by this Agreement is registrable under that Act.

9 Protection of Third Parties

The protection given to purchasers from a mortgagee in sections 104 and 107 of the Act shall apply equally to purchasers and any other persons dealing with the Secured Parties or with attorneys or agents and no purchaser or other person dealing with the Secured Parties or with their respective attorneys or agents shall be concerned to enquire (a) whether any power exercised or purported to be exercised by it has become exercisable, (b) whether any money remains due on the security hereby created, (c) as to the propriety or regularity of any of its or their actions, or (d) as to the application of any Secured Assets transferred or money paid to it. In the absence of bad faith on the part of such purchaser or other person such dealings shall be deemed so far as regards the safety and protection of such purchaser or other person to be within the powers hereby conferred and to be valid accordingly.

10 Currency Clauses

- 10.1 All moneys received or held (including any monies in the Approved Escrow Account) by a Secured Party may from time to time after an Enforcement Event has occurred and is continuing be converted into the currency of the Secured Liabilities due to that Secured Party at the then prevailing spot rate of exchange of HSBC Bank plc for purchasing the currency to be acquired with the existing currency.
- 10.2 No payment to a Secured Party (whether under any judgment or court order or otherwise) shall discharge the obligation or liability of the Chargor in respect of which it was made unless and until that Secured Party shall have received payment in full in the currency in which such obligation or liability was incurred and to the extent the amount of any such payment shall on actual conversion into such currency fall short of such obligation or liability expressed in that currency that Secured Party shall have a further separate cause of action against the Chargor.

11 Notices

- 11.1 All notices and communications hereunder shall be in writing and shall be deemed to have been received:

11.1.1 if posted, on the second Business Day, or in the case of airmail, on the fifth Business Day, following the day on which it was dispatched by first class mail postage prepaid or, as the case may be, airmail postage prepaid; or

11.1.2 if sent by email, when sent provided that the sender has not received a message that the email has not been received by the recipient; or

11.1.3 in the case of a written notice given by hand, on the day of actual delivery; provided that a notice given in accordance with the above but received on a day which is not a Business Day or after normal business hours in the place of receipt shall only be deemed to have been received on the next Business Day.

- 11.2 All notices or communications under this Agreement shall be addressed as follows:

11.2.1 To the Chargor:

British Airways plc
Attention: Company Secretary
Address: Waterside HDB3, PO Box 365, Harmondsworth, UB7 0GB
Email: [REDACTED]

11.2.2 To the APS Trustee:

Airways Pension Scheme Trustee Limited
Attention: Fraser Smart
Address: Scheme Secretary, Airways Pension Scheme Trustee Limited,
Waterside, HAA1, Harmondsworth, UB7 0GB
Email: [REDACTED]

11.2.3 To the NAPS Trustee:

New Airways Pension Scheme Trustee Limited
Attention: Fraser Smart
Address: Scheme Secretary, New Airways Pension Scheme Trustee
Limited, Waterside HAA1, Harmondworth, UB7 0GB
Email: [REDACTED]

- 11.3 All notices given or served pursuant to or otherwise relating to this Agreement shall be in the English language.

12 Assignment and delegation

No Party may, without the prior written consent of each other Party (such consent not to be unreasonably withheld or delayed) assign or transfer all or any part of its rights or obligations under this Agreement and no such assignment or transfer shall be effective in the absence of such consent.

13 Remedies Cumulative

The provisions of this Agreement and the rights and remedies of the Parties under this Agreement are cumulative and are without prejudice and in addition to any rights or remedies such Party may have at law or in equity; no exercise by a Party of any one right or remedy under this Agreement, or at law or in equity, shall (save to the extent, if any, provided expressly in this Agreement, or at law or in equity) operate so as to hinder or prevent the exercise by it of any other such right or remedy. Each and every right and remedy may be exercised from time to time as often and in such order as may be deemed expedient by a Secured Party.

14 Waiver

The rights of each of the Parties shall not be prejudiced or restricted by any indulgence or forbearance extended to another Party or other Parties and no waiver by any Party in respect of any breach shall operate as a waiver in respect of any subsequent breach.

15 Further Assurances

The Chargor shall from time to time execute such further assurances and do such things and afford to each Secured Party such assistance as that Secured Party may reasonably require for the purpose of creating, preserving, perfecting or validating any security interest granted pursuant to this Agreement or exercising or enforcing its rights under this Agreement or vesting in that Secured Party the full benefit of any rights and benefits to be granted to that Secured Party under this Agreement (including, so far as consistent with the terms of this Agreement, the benefit of any rights accruing against third parties, whether such rights have or have not accrued or become enforceable at the date of signature hereof) and the registration thereof.

16 Counterparts

This Agreement may be executed in more than one counterpart, each of which shall be deemed to constitute an original.

17 Variation

This Agreement may not be released, discharged, supplemented, amended, varied or modified in any manner except by an instrument in writing signed by a duly authorised officer or representative of each of the Parties.

18 Forbearance

No failure or delay by a Secured Party in exercising any right or remedy shall operate as a waiver thereof nor shall any single or partial exercise or waiver of any right or remedy prevent its further exercise or the exercise of any other right or remedy.

19 Whole Agreement

This Agreement (including the documents and instruments referred to herein) supersedes all prior representations, arrangements, understandings and agreements between the Parties relating to the subject matter hereof and sets forth the entire complete and exclusive agreement and understanding between the Parties relating to the subject matter hereof; no Party has relied on any representation, arrangement, understanding or agreement (whether written or oral) not expressly set out or referred to in this Agreement.

20 Severability

If any term or provision in this Agreement shall be held to be illegal or unenforceable, in whole or in part, such term or provision or part shall to that extent be deemed not to form part of this Agreement and the enforceability of the remainder of this Agreement shall not be affected.

21 Third Party Rights

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement. The consent of any third party is not required for any termination or amendment of this Agreement.

22 Governing Law and Jurisdiction

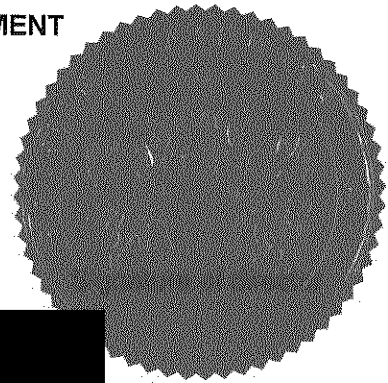
This Agreement and the construction, performance and validity of it, and any non-contractual obligations arising out of or in connection with it, shall be governed by the laws of England and Wales and any dispute or matter arising under this Agreement shall be referred to the exclusive jurisdiction of the Courts of England without in either case regard to conflict of law principles.

IN WITNESS whereof this Agreement has been duly executed and delivered as a deed on the date first above written.

SIGNATURES TO THE SECURITY AGREEMENT

Executed as a deed by affixing
the common seal of
BRITISH AIRWAYS PLC
in the presence of:

)
)
)
)



[Redacted signature area]

Signature of director/secretary

Executed as a deed by
AIRWAYS PENSION SCHEME
TRUSTEE LIMITED acting by two
directors or by a director and its
company secretary

)
)
)
)
)

Signature of director

Signature of director/secretary

Executed as a deed by
NEW AIRWAYS PENSION SCHEME
TRUSTEE LIMITED acting by two
directors or by a director and its
company secretary

)
)
)
)
)

Signature of director

Signature of director/secretary

SIGNATURES TO THE SECURITY AGREEMENT

Executed as a deed by affixing)
the common seal of)
BRITISH AIRWAYS PLC)
in the presence of:)

Signature of director

Signature of director/secretary

Executed as a deed by)
AIRWAYS PENSION SCHEME)
TRUSTEE LIMITED acting by two)
directors or by a director and its)
company secretary)


Signature of director


Signature of director/secretary

Executed as a deed by)
NEW AIRWAYS PENSION SCHEME)
TRUSTEE LIMITED acting by two)
directors or by a director and its)
company secretary)


Signature of director


Signature of director/secretary