

Particulars of a mortgage or charge

395

A fee of £10 is payable to Companies House in respect of each register entry for a mortgage or charge.

ACCOUNT
9 JAN 2003
RECEIVED

00400074

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 6)

For official use

Company number

[449]

01777777

Name of company

* BRITISH AIRWAYS PLC ("BA")

Date of creation of the charge

20 December 2002

Description of the instrument (if any) creating or evidencing the charge (note 2)

BA Second Security Assignment dated 20 December 2002 between BA, National Westminster Bank Plc (the "Agent") and The Mitsubishi Trust and Banking Corporation (the "Account Security Trustee") relating to one (1) Boeing Model 737-436 Aircraft with manufacturer's serial no. 25407 and Assigned UK Registration Mark G-DOCF (the "Deed")

Amount secured by the mortgage or charge

The amount owing (including, without limitation, any amount payable in order to fulfil an obligation to provide cash cover by way of security), whether actually or contingently, to the Beneficiaries or any of them by BA under the BA Documents (the "Secured Indebtedness").

"Aircraft" means the aircraft described in Schedule 1 of the Lease and the Associated Engines together with, (i) the Buyer Furnished Equipment relating to such aircraft, (ii) any other equipment or parts of whatever nature from time to time installed upon or attached to such aircraft and belonging to the Owner and any of the same title to which remains vested in the Owner after removal from such aircraft, (iii) all Manuals and Technical Records, and (iv) insofar as the same belong to the Owner, all substitutions, replacements or renewals from time to time made in or to such aircraft and to the items referred to in (i) and (ii) above or to any part thereof but "Aircraft" excludes any item of equipment installed on the Aircraft pursuant to Clause 14.2 of the Lease and the proviso to Clause 16.2 of the Lease, and, unless the context otherwise requires, references to the "Aircraft" of the Lease include any part thereof;

See Continuation Sheet No. 1, Page 2

Names and addresses of the mortgagees or persons entitled to the charge

National Westminster Bank Plc, 135 Bishopsgate, London

Postcode EC2M 3UR

Presentor's name address and
reference (if any):

Norton Rose
Kempson House
Camomile Street
London
EC3A 7AN

PGT/AA47337/Legal/BASECONDSECCASDDOCF-395

Time critical reference

For official Use
Mortgage Section

Post room



BA, as beneficial owner, assigns and agrees to assign and charges by way (subject only as provided in clause 2 of the Deed) of fixed charge to and in favour of the Agent (as trustee for the Beneficiaries) all its rights, title and interest, present and future in and to, or arising under or in respect of:

- (a) all moneys whatsoever (including, without limitation, damages in respect of any breach other than as provided in clause 3 of the BA Second Security Assignment) payable to BA under or in respect of the Lease (including without limitation to the foregoing, all rebates of Rental, sales commissions, insurance moneys, proceeds of sale and requisition compensation and whether recovered directly from the Owner or the SG Security Trustee or otherwise); and
- (b) all rights of BA under or in respect of the Assigned Documents to the extent assigned under clause 3.1.1 of the BA Second Security Assignment to receive, and to enforce payment of, any monies which BA is entitled to receive under any of such Assigned Documents.

The BA Second Security Assignment contains a covenant that BA shall not without the previous consent in writing of the Agent (which the Agent shall have full liberty to withhold), sell, assign or otherwise dispose of or knowingly create any Lien other than Permitted Liens or Liens contemplated by any of the Transactional Documentation, in or relating to any of the Assigned Property.

See Continuation Sheet No. 1, Page 4

Particulars as to commission allowance or discount (note 3)

NIL

Signed Norton Rose

Date 9 January 2003

On behalf of [company] [mortgagee/chargee] †

Notes

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage" or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
 - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,
 for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
- 5 Cheques and Postal Orders are to be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is:-
Companies House, Crown Way, Cardiff CF14 3UZ

Please do not write in this margin

Please complete legibly, preferably in black type, or bold block lettering

A fee of £10 is payable to Companies House in respect of each register entry for a mortgage or charge. (See Note 5)

† delete as appropriate

Particulars of a mortgage or charge (continued)

CHFP025

Please do not
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binding margin

Continuation sheet No 1
to Form No 395 and 410 (Scot)

Please complete
legibly, preferably
in black type, or
bold block lettering

Company Number

01777777

Name of Company

BRITISH AIRWAYS PLC ("BA")

Limited*

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

"Aircraft Novated Purchase Agreement" means the agreement, on the terms of the Boeing Purchase Agreement as amended by the Boeing Novation Agreement, as created pursuant to Clause 2 of the Boeing Novation Agreement, providing for the manufacture of the Aircraft and for its sale to the Owner;

Please complete
legibly, preferably
in black type, or
bold block lettering

"Associated Engine" means (i) each of the two CFM International CFM56-3C-1 engines contracted to be supplied with the Aircraft and installed thereon under the Aircraft Novated Purchase Agreement, the manufacturer's serial numbers relating to which will be notified by BA to the Owner prior to the Delivery (ii) each Suitable Replacement Engine, and (iii) insofar as the same belong to the Owner, any and all appliances, spare parts, instruments, accessories or other equipment or parts of whatever nature from time to time forming part thereof whether or not installed on or attached thereto (excluding any such engine which has been replaced by a Suitable Replacement Engine);

"BA Documents" has the meaning ascribed thereto in the Funding Facility Agreement;

"Beneficiaries" means the Lenders, the Agent, the Paying Agent, the Account Security Trustee, the Paying Agent, the Account Security Trustee and the Managing Underwriters;

"BFE Agreement" means the agreement entitled "BFE Agreement", bearing the same identifying number as the Lease, to be entered into between BA and the Owner, under which BA will agree to sell to the Owner and have installed on the Aircraft the Buyer Furnished Equipment being in the form of the document annexed as Annexure B to the Supplemental Agreement;

"Boeing" means The Boeing Company, a Delaware Corporation, with its principal place of business at Seattle, State of Washington, United States of America and its successors in title;

"Boeing Novation Agreement" means the agreement entitled "Boeing Novation Agreement", bearing the same identifying number as the Lease and dated 20 November 1991, entered into between Boeing, BA and the Owner whereunder certain of the rights and obligations of BA under the Boeing Purchase Agreement are (to the extent therein provided) assumed by the Owner upon the terms and conditions therein contained (and references to the Boeing Novation Agreement shall include the Assignment Agreement exhibited to such Agreement);

"Boeing Purchase Agreement" means the Purchase Agreement No. 1550 dated as of May 10th, 1989, (as amended and supplemented prior to the date of the Lease) between Boeing and BA under which, inter alia, Boeing (or, if Boeing is not the seller, the seller of the Aircraft) has agreed to sell and BA has agreed to purchase, inter alia, the Aircraft (excluding the Buyer Furnished Equipment);

"Buyer Furnished Equipment" means any equipment installed or to be installed on the Aircraft, pursuant to the BFE Agreement, and provided or to be provided by BA;

"CAA" means the Civil Aviation Authority of the United Kingdom and any other person who shall from time to time be vested with control and supervision of, or have jurisdiction over, the registration, airworthiness, operation or other matters relating to civil aviation in the United Kingdom;

"Delivery" means the time when BA accepts the Aircraft on behalf of the Owner under the Aircraft Novated Purchase Agreement and the Owner obtains title to the Aircraft (other than the Buyer Furnished Equipment) under the Aircraft Novated Purchase Agreement;

"Funding Facility Agreement" means the agreement so entitled dated 12th September, 1988, made between, among others, the Lenders and BA (as amended and supplemented on or prior to the date of the Lease) pursuant to which the Lenders agreed, inter alia, to provide financial support to BA in connection with the acquisition and use of certain aircraft and spare engines including the Aircraft;

"Guarantee Agreement" means the agreement entitled "Guarantee Agreement", bearing the same identifying number as the lease dated 20 November 1991, between, among others, the Lenders and the Owner;

Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

Page 3

"Assigned Documents" means the Lease;

"Assigned Property" means all the rights and interest of BA from time to time assigned and charged or released pursuant to clause 3 of the BA Second Security Assignment;

"Lien" means any mortgage, charge (whether fixed or floating), pledge, lien, assignment (not being an absolute assignment otherwise than by way of security and with no proviso for reassignment) hypothecation, right in rem, security interest, title retention, preferential right, trust arrangement and any other encumbrance, security agreement or arrangement securing any obligation of any person but excluding any Security Documentation;

"Permitted Lien" means, in relation to the Aircraft, any supplier's, mechanic's, workman's or like possessory lien arising in the ordinary course of business or any other Lien arising in the ordinary course of business by operation of law and not by way of contract, in any case in respect of (i) moneys not yet due and payable or, (ii) moneys that have become due and payable (but only to the extent that the payment of such monies is the subject of a dispute which the Owner, BA or any Sub-Lessee is conducting in good faith) or, (iii) moneys which have not yet become overdue for payment having regard to the custom of the relevant trade with regard to the settlement of accounts, or (iv) moneys which the Owner, BA or any Sub-Lessee is unable to pay because it is restrained from so doing by exchange control or other applicable regulations, but "Permitted Lien" shall exclude any Lien arising through any neglect or default on the part of BA or any Sub-Lessee;

"Principal Support Providers" has the meaning ascribed thereto in the Remarketing Agreement;

"Providers" has the meaning ascribed thereto in the Remarketing Agreement;

"Remarketing Agreement" means the agreement entitled "Owner's Remarketing Agreement", bearing the same identifying number as the Lease and dated 20 November 1991, between, among others, BA, the Owner, the Managing Underwriters and the Agent;

"Rental" means each and every amount determined as such in accordance with Schedule 6 of the Lease and clause 23.2(c) of the Lease;

"Security Documentation" means all of the security documentation given, or to be given, to the Agent and/or the Account Security Trustee on behalf of the Lenders or, as the case may be, to the Security Trustee on behalf of the Lenders and the Providers and the Principal Support Providers under or as part of the Transactional Documents;

"Security Trustee" means NatWest Aerospace Trust Company Limited of 41 Lothbury, London EC2P 2BP, its successors in title or such other person as may be appointed Security Trustee for the Lenders and the Providers and the Principal Support Providers;

"SG Security Trustee" means Société Générale, London branch, SG House, 41 Tower Hill, London EC3N 4SG;

"Standby Put-Option Agreement" means the agreement entitled "Standby Put-Option Agreement", bearing the same identifying number as the Lease and dated 20 November 1991, between the Owner and Opal Leasing Limited;

"Sub-Lessee" means any person to whom BA sub-leases, charts, hires or otherwise parts with possession and/or operational control of the Aircraft pursuant to Clause 13 of the Lease;

"Support Documentation" means the Remarketing Agreement, the Opal Support Agreement, the Support Put-Option Agreement, the Support Loan Agreement and any documentation entered into pursuant thereto; and

"Transactional Documentation" means each of the BA Documents, the Guarantee Agreement, the Security Documentation, the Standby Put-Option Agreement, the Support Documentation and any further documentation relating to the use and/or possession and/or remarketing of the Aircraft and/or constituting security or further security for the obligation of any of the parties to BA Documents, the Guarantee Agreement, the Support Documentation, the Security Documentation or such further documentation and any other document which the parties agree should be Transactional Documentation.

Please complete
legibly, preferably
in black type, or
bold block lettering

Particulars of a mortgage or charge (continued)

CHFP025

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binding margin

Continuation sheet No 2
to Form No 395 and 410 (Scot)

Please complete
legibly, preferably
in black type, or
bold block lettering

Company Number

01777777

Name of Company

BRITISH AIRWAYS PLC ("BA")

Limited*

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

"Lease" means the agreement entitled "Aircraft Lease Agreement", bearing the same identifying number as the BA Second Security Assignment, dated 20 November 1991 and made between the Owner and BA in relation to the leasing by the Owner of the Aircraft, as amended and supplemented from time to time including, without limitation, as amended and supplemented by the Lease Amendment Agreement;

"Lease Amendment Agreement" means the agreement entitled "Amendment Agreement relating to an Aircraft Lease Agreement", bearing the same identifying number as the BA Second Security Assignment, dated 20 December 2002 and made between, among others, BA, the Agent, the Lenders, the Owner and the Lease Guarantor;

"Lease Guarantor" means Abbey National Treasury Services Plc whose registered office is at Abbey National House, 2 Triton Square, Regent's Place, London NW1 3AN;

"Lender" means each person who is at any relevant time a Lender for the purposes of the Guarantee Agreement;

"Managing Underwriters" means The First National Bank of Chicago, London Branch, The Mitsubishi Trust and Banking Corporation and National Westminster Bank PLC (and their respective successors in title);

"Manuals and Technical Records" means all appropriately approved records, logs, manuals, technical data and other materials and documents relating to the Aircraft which from time to time are required to comply with regulations and requirements of the CAA;

"Owner" means Cheriton Resources 13 Limited (formerly known as Abbey National March Leasing (1) Limited) registered in England with company number 02426166;

"Paying Agent" means National Westminster Bank PLC of 41 Lothbury, London EC2, its successors in title, or such other person as may be appointed as paying agent for (among others) the Lenders for the purposes of the Guarantee Agreement;

"Suitable Replacement Engine" means, in relation to an Associated Engine, any engine which is for the time being substituted therefor pursuant to Clauses 14.1(d) and (f) of the Lease or any part thereof but excluding any engine installed on the Aircraft pursuant to Clause 14.2 of the Lease; and

"Supplemental Agreement" means the agreement entitled "Tenth Supplemental Agreement dated 20 November 1991 between, among others, the Owner and BA.

Please complete
legibly, preferably
in black type, or
bold block lettering

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 401(2) of the Companies Act 1985

COMPANY No. 01777777

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A BA SECOND SECURITY ASSIGNMENT DATED THE 20th DECEMBER 2002 AND CREATED BY BRITISH AIRWAYS PLC FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO THE BENEFICIARIES OR ANY OF THEM UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 9th JANUARY 2003.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 14th JANUARY 2003.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —

P. P. P.