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Please do not write in this margin
Please complete legibly, preferably in black type, or bold block lettering
* insert full name of Company

COMPANIES FORM No. 395
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

Pursuant to section 395 of the Companies Act 1985

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

17 MAY 2002
RECEIVED
For official use Company number
1777777

Name of company
* BRITISH AIRWAYS PLC

Date of creation of the charge
7 May 2002

Description of the instrument (if any) creating or evidencing the charge (note 2)
Deed of Assignment and First Priority Aircraft Mortgage dated 7 May 2002 between the Company and Commerzbank Aktiengesellschaft, London branch (the "Mortgagee") (the "Mortgage").

Amount secured by the mortgage or charge
The payment and performance of the Secured Obligations.
All defined terms used in this Form 395 are defined in the attached schedule.

Names and addresses of the mortgagees or persons entitled to the charge
Commerzbank Aktiengesellschaft, London branch, Commerzbank House, 23 Austin Friars, London
Postcode EC2N 2EN

Presentor's name address and reference (if any):
Clifford Chance LLP
200 Aldersgate Street
London
EC1A 4JJ
c/o COMPANIES HOUSE
LONDON
CC reference: 2/1191978/1
Time critical reference
LO/C1477/03433/SPAL

For official Use
Mortgage Section
LD3
COMPANIES HOUSE
0191
17/05/02

Short particulars of all the property mortgaged or charged

The Company mortgaged with full title guarantee all of its right, title and interest, present and future, in and to the Aircraft, including for the avoidance of doubt the Technical Records relating thereto, in favour of the Mortgagee as facility agent and security trustee for and on behalf of the Guarantors by way of first priority legal mortgage.

The Company assigned with full title guarantee all of its right, title and interest, present and future, to and under the Assigned Property to the Mortgagee as facility agent and security trustee for and on behalf of the Guarantors.

To the extent that any of the Assigned Property is not at any time assigned pursuant to the paragraphs above, the Company has charged, and has created a general encumbrance in, the Assigned Property in favour of the Mortgagee.

The Mortgage contains a negative pledge and a covenant for further assurance.

Please do not write in this margin

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

Particulars as to commission allowance or discount (note 3)

None

Signed

Clifford Chance LLP Date 16.5.02

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

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

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 CF4 3UZ

SCHEDULE

"Aircraft" means the Boeing 747-436 aircraft with registration mark G-CIVK, airframe serial number 25818, 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 Boeing 747-436 aircraft with registration mark G-CIVK, airframe serial number 25818, (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 Company and (c) insofar as the same belongs to the Company, 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 herewith.

"Assigned Property" means all of the right, title and interest (present and future) of the Company in and to the proceeds arising under the Insurances (but the Mortgage 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) and the Requisition Proceeds 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.

"Aviation Authority" means all and any of the authorities, government departments, committees or agencies which under the laws of the State of Registration may from time to time:

- (a) have control or supervision of civil aviation in that state; or
- (b) have jurisdiction over the registration, airworthiness or operation of, or other matters relating to, a particular Aircraft.

"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).

"Counter-Indemnity" means the counter-indemnity constituted by the letter dated 29 April 2002 from the Company to the Mortgagee and the Guarantors.

"Engine" or "Engines" means (a) any one or more or all (as the context may require) of the engines bearing manufacturer's serial numbers 13374, 13375, 13377 and 13378, 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 Company and subject to the Mortgage and (c) insofar as the same belong to the Company, 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 Company, 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 herewith.

"Finance Parties" means the Mortgagee and the Guarantors (in each case being, at the date hereof, Commerzbank Aktiengesellschaft, London Branch).

"Guarantee and Indemnity Agreement" means the guarantee and indemnity agreement dated 29 April 2002, between European Investment Bank and the Guarantors.

"Guarantee Fee Letter" means the guarantee fee letter dated 29 April 2002 from the Mortgagee to the Company.

"Guarantors" has the meaning given to it in the Guarantee and Indemnity Agreement.

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

"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 Company.

"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 Company pursuant to the Transaction Documents.

"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.

"Transaction Documents" means the Mortgage, the Counter-Indemnity and the Guarantee Fee Letter.

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 DEED OF ASSIGNMENT AND FIRST PRIORITY AIRCRAFT MORTGAGE DATED THE 7th MAY 2002 AND CREATED BY BRITISH AIRWAYS PLC FOR SECURING ALL MONEYS, LIABILITIES AND OBLIGATIONS DUE OR TO BECOME DUE FROM THE COMPANY TO THE FINANCE PARTIES 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 17th MAY 2002.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 22nd MAY 2002.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —