

M

COMPANIES FORM No. 395

Particulars of a mortgage or charge

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

CHFP025

Please do not write in this margin

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

*insert full name of Company

Pursuant to section 395 of the Companies Act 1985

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

For official use Company number

[4] [2] [4]

1777777

Name of company

* BRITISH AIRWAYS PLC, a company incorporated in England and Wales (the "Assignor")

Date of creation of the charge

22 February 2002

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

Security assignment dated 22 February 2002 made between the Assignor and the Assignee (as defined below) (the "Security Assignment")

Amount secured by the mortgage or charge

See Part II of the attached schedule.

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

Albion Capital Corporation S.A. (the "Assignee"), a company incorporated in Luxembourg whose registered office is at 7 Val Sainte Croix, L-1371, Luxembourg.

Postcode

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

Lovells
65 Holborn Viaduct
London
EC1A 2DY

A6KWW/N1643.00069/985483

Time critical reference

For official Use
Mortgage Section

Post room



LD3
COMPANIES HOUSE

0426
14/03/02

Short particulars of all the property mortgaged or charged

As specified in Part III of the attached schedule.

NB. The attached schedule contains covenants by and restrictions on the Assignor which protect and further define the charges and which must be read as part of the charges created.

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)

n/a

Signed

Howells

Date

22.3.02

On behalf of ~~xxxxxx~~ [company] ~~xxxxxx~~ [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 CF14 3UZ

SCHEDULE

PART I

Definitions

In this Form 395 the words below have the following meanings:

"Aircraft" means the four Boeing 757-236 aircraft with MSN as set out in Schedule 2 to the Security Assignment;

"Airframe" means:

- (a) in relation to each Aircraft, the B757-236 airframe bearing the respective manufacturer's serial number and registration marks as specified in Schedule 1 to the Offer; and
- (b) any and all Parts, so long as they are incorporated in or installed on or attached to such airframe or so long as the Assignor owns them after removal from such airframe;

"Assigned Agreements" means the Contract and the Boeing Guarantee (to the extent that it relates to the Aircraft);

"Assigned Property" means all of the Assignor's rights and title to, and interest in (both present and future):

- (a) The Assigned Agreements other than the Assignor's right, title to and interest in the Receivables thereunder;
- (b) The Insurances; and
- (c) The Requisition Compensation;

in relation to the Aircraft only;

"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 the State of Registration; or
- (b) have jurisdiction over the registration, airworthiness or operation of, or other matters relating to, the Aircraft or any part thereof;

"Boeing Guarantee" means the guarantee in favour of the Assignor executed by the Debtor Guarantor in relation to the obligations of the Debtor under the Contract;

"Change" means the introduction, implementation, repeal, withdrawal or change in, or in the generally accepted interpretation or application of, (a) any law, regulation, generally published practice or concession; or (b) any directive, requirement, request or guidance (whether or not

having the force of law but if not having the force of law then being of a nature with which compliance is generally considered mandatory) of any central bank or other fiscal, monetary or other authority, in each case published, announced, effected or occurring after the date of the Deed of Covenant;

"Charge over Account" means a security agreement made between the Assignor and the Assignee;

"Contract" means the aircraft sale and purchase agreement dated 4 October 1999 between the Assignor as seller and the Debtor as buyer whereby the Assignor has agreed to sell certain aircraft, including the Aircraft, to the Debtor;

"Debtor" means Boeing Capital Services Corporation;

"Debtor Guarantor" means The Boeing Company;

"Deed of Covenant" means the deed of covenant dated 1 February 2002 made between the Assignor and the Assignee;

"Designated Receivables List" means the list of Receivables which the Assignor offers to sell to the Assignee, scheduled to the Offer as Schedule 1;

"Enforcement Costs" means all sums paid or payable by the Assignee after a Seller Specified Event, (including sums paid or payable by the Assignee pursuant to the indemnity in Clause 7 of the Deed of Covenant) and all out of pocket costs, expenses and fees (including legal fees) incurred by the Assignee in the exercise of any of the rights and remedies referred to in the Security Assignment;

"Engines" means:

(a) each, any or all, as the context may require of:

- (i) the engines the serial numbers of which are set out in Schedule 1 of the Mortgage relating to the Aircraft to which such engine relates; or
- (ii) any engine which is, from time to time, substituted for such an engine, or a previously substituted engine, pursuant to the Deed of Covenant;

in either case, whether or not any such engine is from time to time installed on the Airframe; and

- (b) any and all Parts, so long as they are incorporated in or installed on or attached to any such engine or so long as the Assignor owns them after removal from any such engine; and, where the context permits,
- (c) the Technical Records, relating to such engines and all of their Parts;

"Insurances" means the benefit of all policies of insurance (other than third party liability insurances) taken out in relation to the Aircraft in accordance with the provisions of the Deed of Covenant, the benefit of all powers and remedies for enforcing the same and the right to receive all proceeds which may become payable thereunder;

"Lessee" shall have the meaning given to it in paragraph 1.1 of Schedule 2 to the Deed of Covenant;

"Lien" means any encumbrance or security interest whatsoever, howsoever created or arising, including (without prejudice to the generality of the foregoing) any right of ownership, security, mortgage, charge, pledge, lien, right of detention, statutory right in rem, hypothecation, title retention, attachment, levy, claim, right of set off (but excluding any right of set off arising in favour of a banker by way of operation of law) or any right or arrangement having a similar effect to any of the above;

"Mortgages" means the twelve first priority mortgage in respect of certain aircraft, including the Aircraft, granted or to be granted by the Assignor in favour the Assignee at the date of acceptance of any Offer by the Assignee;

"Nominal Amount" means, with respect to any Receivable, the amount set opposite it in the column entitled "Nominal Amount" in the annex to the Offer;

"Offer" means the offer dated 1 February 2002 made by the Assignor to the Assignee to sell, assign and transfer the beneficial interest in the Receivables set out in the Designated Receivables List scheduled to such Offer;

"Operative Documents" means (i) each of the Offer, the Deed of Covenant, the Security Deed and the Security Documents and (ii) (a) any other document, instrument or memorandum annexed to any of the documents referred to in (i) above and (b) any notice or acknowledgement referred to in or required pursuant to the terms of any of the documents referred to in (i) above;

"Outstanding Amounts" means each amount which has become due and payable (whether following demand or otherwise) from the Assignor to the Assignee pursuant to the provisions of the Operative Documents;

"Parts" means in relation to the Aircraft, all modules, appliances, parts, accessories, the APU, appurtenances, instruments, furnishings and other equipment of whatsoever nature (other than equipment (including, but not limited to, in-flight entertainment equipment and telecommunications equipment) not forming part of the Aircraft on the date hereof and which is from time to time attached to the Airframe and acquired by the Assignor) that at any time of determination are incorporated or installed in or attached to the Airframe or any Engine or, having been removed therefrom, title to which remains vested in the Assignor in accordance with the provisions of this Deed and **"Part"** shall have a corresponding meaning;

"Permitted Lien" means:

- (a) in the case of any Aircraft:
 - (i) any Lien for Taxes or other governmental or statutory charges or levies not yet assessed or, if assessed, not yet due and payable or, if due and payable, which the Assignor or, where relevant, a Lessee is disputing or contesting in good faith by appropriate proceedings (and for the payment of which adequate funds are available, or when required in order to pursue such proceedings, an adequate bond has been provided) so long as at the time of entering into such proceedings there are no reasonable grounds to believe that the outcome of such proceedings, or the continued existence of such Lien, is likely to involve any material danger of the sale, forfeiture or loss of the Airframe, any Engine or any Parts or any interest therein to arise; or
 - (ii) any Lien for the fees or charges of any airport or air navigation authority arising in the ordinary course of business by statute or by operation of law, in each case for amounts the payment of which either is not yet due and payable or, if due and payable, is being disputed or contested in good faith by appropriate proceedings (and for the payment of which adequate funds are available, or when required in order to pursue such proceedings, an adequate bond has been provided) so long as at the time of entering into such proceedings there are no reasonable grounds to believe that the outcome of such proceedings, or the continued existence of such Lien, is likely to involve any material danger of the sale, forfeiture or loss of the Airframe, any Engine or any Parts or any interest therein to arise; or
 - (iii) any Lien for the fees or charges of any supplier, mechanic, workman, repairer, employee or like lien arising in the ordinary course of business by statute or by operation of law, in each case for amounts (i) the payment of which is not yet due and payable, or (ii) which are not overdue for payment having regard to the custom of the relevant trade, in circumstances where no assertive or enforcement action against the Aircraft has yet been taken by the relevant supplier, mechanic, workman, repairer, employee or holder of like lien or by any successor or assign of each of them (the "**Claimant**"), or (iii) if due and payable is being disputed or contested in good faith with the Claimant by appropriate proceedings (and for the payment of which adequate funds are available, or when required in order to pursue such proceedings, an adequate bond has been provided) so long as at the time of entering into such proceedings there are no reasonable grounds to believe that the outcome of such proceedings, or the continued existence of such Lien, is likely to involve any material danger of the sale, forfeiture

or loss of the Airframe, any Engine or any Parts or any interest therein; or

- (iv) Liens (other than Liens for Taxes) arising out of judgments or awards against the Assignor or any Lessee with respect to which at the time an appeal is being presented in good faith and with respect to which there shall have been secured a stay of execution pending such appeal (and for the payment of which adequate funds are available, or when required in order to pursue such proceedings, an adequate bond has been provided) so long as such judgment or award, or the continued existence of such Lien, does not involve any material danger of the sale, forfeiture or loss of the Airframe, any Engine or any Parts or any interest therein; or

- (b) in the case of any relevant Transaction Documents or any Aircraft, any other Lien created by the actions or omissions of the Assignee in breach of its obligations in the Transaction Documents or with the prior written consent of the Assignee including those arising under or pursuant to the Security Documents;

"Receivable" means the obligation of a Debtor or the Debtor Guarantor to pay an amount equal to the Nominal Amount pursuant to a Contract being part of the purchase price of the Aircraft to which such amount states;

"Requisition Compensation" means all payments or other compensation received or receivable by the Assignor in respect of the Aircraft following the requisition of title or other compulsory acquisition, requisition, capture, seizure, deprivation, confiscation, or detention for any reason of the Aircraft by any government or other competent authority whether de jure or de facto, but shall exclude requisition for use or hire not involving requisition for title;

"Secured Obligations" means:

- (a) the due and punctual payment by the Assignor to the Assignee (as and when due whether by acceleration, demand or otherwise howsoever) of the Outstanding Amounts and the Enforcement Costs; and
- (b) the due and punctual performance of all the obligations to be performed by the Assignor, whether actual or contingent, under or pursuant to each of the Deed of Covenant and the Security Documents.

"Security Deed" means the security deed dated 31 January 2002;

"Security Documents" means, together (i) the Mortgages, the Charge over Account, the Security Assignment and the Security Power of Attorney, (ii) (a) any other instrument, document or memorandum annexed to any of the documents referred to in (i) above, (b) any notice or acknowledgement referred to in or required pursuant to the terms of any of the documents referred to in (i) above and (c) any document, instrument or memorandum to which the Assignor is a party and which is security for the Assignor's obligations under the Operative Documents (w)

which arises following a restructuring of any or all of the arrangements contemplated by any of the documents referred to in (i) above or (x) which the Assignor agrees constitutes a Security Document or (y) which secures the obligations of the Assignor under any of the Operative Documents or (z) which is entered into in substitution for or which amends or augments or supplements or varies all or any part of any of the documents referred to in this definition (including this part (ii)(c)(z)) in each case in accordance with the terms of this Deed;

"Security Power of Attorney" means an irrevocable power of attorney dated 31 January 2002 and granted by the Assignor to the Assignee;

"Seller Specified Event" has the meaning ascribed to it in the Deed of Covenant.

"State of Registration" means the United Kingdom or any other state or territory in which the Aircraft may for the time being be registered pursuant to the Operative Documents;

"Tax" includes all present and future taxes, charges, imposts, duties, levies, deductions, withholdings or fees in the nature of taxes, or any amount payable on account of or as security for any of the foregoing, payable at the instance of or imposed by any statutory, governmental, international, state, federal, provincial, local or municipal authority, agency, body or department whatsoever or any central bank or monetary agency or European Union institution, in each case whether in the United Kingdom or elsewhere other than such taxes payable in Japan or payable in Luxembourg other than in consequence of a Change and other than all value added taxes or amounts incurred in respect of value added taxes together with any penalties, additions, fines, surcharges or interest relating thereto; and **"Taxes"** and **"Taxation"** shall be construed accordingly;

"Technical Records" means, in relation to each Aircraft, all records, logs, manuals, technical data, tags and other materials and documents required:

- (a) by the Aviation Authority; and/or
- (b) in accordance with the customary prudent operating practices of major scheduled airlines, together with all replacements, additions, revisions and renewals from time to time made to them;

"Transaction Documents" means the Offer, the Deed of Covenant, the Contracts, the Boeing Agreement, the Security Deed, the Security Documents and the Boeing Guarantees, and any other document which the Assignor and the Assignee agree should be Transaction Documents;

PART II

Amount Secured by Charge

The Secured Obligations

PART III

Particulars of Property Charged

By clause 2 of the Security Assignment the Assignor assigned and charged to the Assignee and agreed to assign and charge and created a first priority interest in favour of the Assignee the Assigned Property.

PART IV

Covenants and Restrictions

By clause 4(a) of the Security Assignment the Assignor covenanted with the Assignee that it would not take or omit to take any action the taking or omission of which might adversely affect the interests of the Assignee in the Assigned Property, without the prior written consent of the Assignee.

By clause 4(b) of the Security Assignment the Assignor covenanted with the Assignee that it would not effect any disposition of or create or permit to exist any Lien (except for Permitted Liens) over the Assigned Property other than pursuant to the Operative Documents, without the prior written consent of the Assignee.

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 SECURITY ASSIGNMENT DATED THE 22nd FEBRUARY 2002 AND CREATED BY BRITISH AIRWAYS PLC FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO ALBION CAPITAL CORPORATION S.A. 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 14th MARCH 2002.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 18th MARCH 2002.

A large, stylized handwritten signature in black ink.



Companies House
— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES