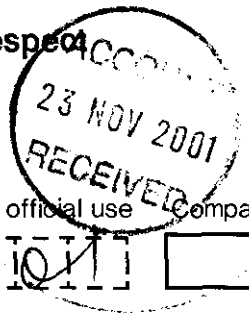
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COMPANIES FORM No. 395

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)

For official use | Company number

[4][0][1] | 1777777

Name of company

* British Airways Plc (the "Mortgagor")

Date of creation of the charge

16 November 2001

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

A deed of assignment and first priority aircraft mortgage (the "Mortgage") made by the Mortgagor in favour of PK AirFinance S.A. (the "Mortgagee")

Amount secured by the mortgage or charge

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 (the "Secured Obligations").

See Schedule 1 for definitions.

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

PK AirFinance S.A., European Bank and Business Center, 6-d route de Treves, L-2633 Senningerberg, Luxembourg.

Postcode

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

Clifford Chance LLP
200 Aldersgagte Street
London
EC1A 4JJ (Return via CH London Counter)

Lon-2/1074346/01

Time critical reference
SXYM/C4708/00192/WJG

For official Use
Mortgage Section | Post room



LD7 0392
COMPANIES HOUSE 23/11/01

M

CHFP025

Please do not write in this margin

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

* insert full name of Company

Short particulars of all the property mortgaged or charged

See Schedule 2.

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 Date 23/11/2001

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 1

DEFINITIONS

In this Form 395:

"**Aircraft**" means the aircraft with MSN 28859 identified in Schedule 1 (*The Aircraft*) of the Mortgage and includes 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*) of the Mortgage (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 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), 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.

"**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:

(i) have control or supervision of civil aviation in that state; or

(ii) have jurisdiction over the registration, airworthiness or operation of, or other matters relating to the 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).

"**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*) of the Mortgage, 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 Mortgage 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 Agent**" means PK AirFinance S.A.

"**Facility Agreement**" means the facility agreement entered into or to be entered into, as the context may require, between the Mortgagor, as borrower, PK AirFinance S.A. as facility agent and security trustee and the financial institutions named therein as "Lenders".

"**Fee Letter**" means the fee letter referred to in Clause 17.2 (*Closing Fee*) of the Facility Agreement.

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

"**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.

"**Lender**" means any financial institution:

(a) named in Schedule 2 (*The Lenders*) of the Facility Agreement; or

(b) which has become a party to the Facility Agreement in accordance with Clause 26.4 (*Assignments by Lenders*) or Clause 26.5 (*Transfers by Lenders*) of the Facility Agreement,

and which has not ceased to be a party hereto in accordance with the terms of the Facility Agreement.

"**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.

"**Other Mortgages**" means in relation to each aircraft identified in Schedule 1 (*The Aircraft*) of the Facility Agreement (other than the Aircraft), the mortgage over such aircraft executed, or to be executed, as the context may require, by the Borrower in favour of the Security Trustee.

"**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.

"**Permitted Lessee**" means any lessee of the Aircraft or other person having the right to possession thereof pursuant to paragraph 2 of Schedule 8 (*Registration, Maintenance and Operation*) of the Facility Agreement.

"**Permitted Lien**" means any of the following:

(c) any Lien expressly contemplated by the terms of any Transaction Document and/or granted in favour of the Representatives, the Lenders or any one or more of them;

(d) liens for taxes not yet assessed or, if assessed, not yet due or being contested in good faith by appropriate proceedings (and for the payment of which adequate reserves have been made, or when required in order to pursue such proceedings, an adequate bond has been provided) and so long as such proceedings do not involve any material risk of the sale, forfeiture or loss of any Aircraft, Engine or any other major Part thereof or any major interest therein;

(e) Liens for charges of airports or air navigation authorities or materialmen's, mechanic's, workmen's, repairmen's, employee's or other like liens arising in the ordinary course of business for amounts the payment of which is either not overdue or is being contested in good faith by appropriate proceedings (and for the payment of which adequate reserves have been made, or when required in order to pursue such proceedings, an adequate bond has been provided) so long as such proceedings do not involve any material risk of the sale, forfeiture or loss of any Aircraft, Engine or any other major part thereof or any major interest therein;

(f) liens (other than liens for taxes) arising out of judgements or awards with respect to which at the time (i) an appeal or proceeding for review is being prosecuted in good faith by appropriate proceedings (and for the payment of which adequate reserves have been made or, when required in order to pursue such proceedings, an adequate bond has been provided) and (ii) a stay of execution shall have been secured (and remains in force) pending such appeal or proceedings for review so long as such appeal, proceeding for review or stay do not involve any material risk of the sale, forfeiture or loss of any Aircraft, Engine or any other major Part thereof or any major interest therein;

(g) any Lien the creation of which has been expressly permitted in writing by each of the Lenders; or

(h) any Lien created by any Representative or any Lender or exercised, asserted or claimed in respect of a debt, liability or other obligation (whether financial or otherwise) of any of the foregoing or any of their respective affiliates (other than a debt, liability or other obligation imposed on such Representative or the Lender as mortgagee of any Aircraft and arising solely from the operation of such Aircraft or any Part thereof by the Borrower or any Permitted Lessee.

"**Representative**" means either or both, as the context may require, of the Facility Agent and the Security Trustee.

"**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 the Aircraft or requisition for hire or use thereof.

"**Security Trustee**" means PK AirFinance S.A.

"**State of Registration**" means the United Kingdom or any other state or territory from time to time with whose Aviation Authority the Aircraft is registered in accordance with the provisions of Schedule 8 (*Registration, Maintenance and Operation*) of the Facility Agreement.

"**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 Facility Agreement, the Fee Letter, this Mortgage and each Other Mortgage.

"**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.

SCHEDULE 2

SHORT PARTICULARS OF ALL THE PROPERTY MORTGAGED, ASSIGNED AND CHARGED

Mortgage

As a continuing security for the payment and performance of the Secured Obligations, the Mortgagor, with full title guarantee, mortgaged to the Mortgagee, as security trustee for the Finance Parties, 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, by way of first priority legal mortgage.

Assignment

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

Charge

To the extent that any of the Assigned Property is not at any time assigned pursuant to Clause 3.1 (*Assignment*) of the Mortgage, the Mortgagor, with full title guarantee, by way of first fixed charge, charged and agreed to charge to, and created and agreed 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.

Further Assurance

The Mortgagor covenanted from time to time to 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 the Mortgage or to establish, maintain, protect or preserve the rights of the Mortgagee under the Mortgage and the Lien and security intended to be constituted by the Mortgage and/or in respect of the Assigned Property.

Negative Pledge

The Mortgagor covenanted with the Mortgagee (for the benefit of the Finance Parties) that:

1.1.1 it shall not do any act or thing which is likely to jeopardise or otherwise prejudice the Lien constituted by the Mortgage;

1.1.2 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 Mortgage 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; and

1.1.3 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.

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 16th NOVEMBER 2001 AND CREATED BY BRITISH AIRWAYS PLC FOR SECURING ALL MONEYS,LIABILITIES AND OBLIGATIONS DUE OR TO BECOME DUE FROM THE COMPANY (THE "MORTGAGOR") TO THE FINANCE PARTIES (AS DEFINED) OR ANY OF THEM PURSUANT TO THE TRANSACTION DOCUMENTS (AS DEFINED) WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 23rd NOVEMBER 2001.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 27th NOVEMBER 2001.

N C Neath

THE OFFICIAL SEAL OF THE REGISTRAR OF COMPANIES

Companies House
— for the record —

HC026B