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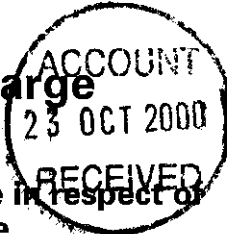
* Insert full name
of company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

Pursuant to section 395 of the Companies Act 1985

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



395

AC
00400071

To the Registrar of Companies

(Address overleaf - Note 6)

For official use Company number

3 49

1777777

Name of company

* British Airways Plc (the Borrower)

Date of creation of the charge

12 October 2000

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

Mortgage between the Borrower and Kreditanstalt fur Wiederaufbau, as
security trustee (the **Security Trustee**) dated 12.10.2000 (the **Mortgage**)

Amount secured by the mortgage or charge

All moneys owing, whether actually or contingently, by the Borrower under
the Transaction Documents and all Expenses (**Secured Indebtedness**).

Words and expressions defined in this section have the meanings given to
them in the Schedule to this Form 395.

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

Kreditanstalt fur Wiederaufbau
Palmengartenstrasse 5-9
D-060325 Frankfurt am Main
Germany

Postcode

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

Freshfields Bruckhaus
Deringer
65 Fleet Street
London EC4Y 1HS
DX 23 LONDON/CHANCERY LANE

Time critical reference

For official use
Mortgage section

Post room



Short particulars of all the property mortgaged or charged

The Borrower's

A) present and future right and title to and interest in the Aircraft and all its present and future right and title to, and interest in, the proceeds of sale of the Aircraft

B) right, title and interest, present and future, in respect of proceeds arising under all Insurances in respect of physical loss or damage in relation to the Aircraft and any Requisition Compensation relating thereto and all the benefits thereof

to be held as continuing security for the payment and discharge of the Secured Indebtedness.

Words and expressions defined in this section have the meanings given to them in the Schedule to this Form 395.

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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)

Particulars as to commission allowance or discount (note 3)

Signed *Frankiel In*

Date 20.10.00

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

*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.

AIRBUS A319-100 AIRCRAFT MSN 1329

SCHEDULE – FORM 395/MORTGAGE

Defined Words and Expressions

Agent means Kreditanstalt für Wiederaufbau in its capacity as agent under the Transaction Documents or any successor agent appointed under the terms of such documents;

Airbus means Airbus Industrie G.I.E.

Aircraft means any A320 family aircraft to be delivered pursuant to the Aircraft Purchase Agreement which is to be financed through a Loan Utilisation;

Aircraft Purchase Agreement means the amended and restated purchase agreement between the Manufacturer and BA dated 4 October, 1999 between Airbus and BA whereby Airbus agreed to sell and BA agreed to purchase A319-100, A320-200 and A321-200 aircraft to be manufactured by Airbus in accordance with such agreement including the Exhibits A, B, C, D, E and F thereto, as such agreement may be amended and/or supplemented from time to time by any subsequent change orders, letter agreements or other instruments;

Asset Value Guarantee Utilisation means a utilisation of the type referred to in Clause 3.4 under which the Initial Bank would guarantee or support the asset value of an Aircraft to support the financing of that Aircraft for the benefit of the Group;

Associated Engines means each of the engines manufactured by IAE which are contracted to be supplied with each Aircraft and installed thereon at the Delivery Date and each replacement for any of such engines title to which is required, pursuant to the terms of any Utilisation Document, to be transferred to the owner of such Aircraft against transfer of title to the engine being replaced, but excluding any of such engines, title to which, at any relevant time, is not required, pursuant to the terms of the Utilisation Documents, to be vested in the owner of such Aircraft;

BA means British Airways Plc;

BFE means all standard buyer furnished equipment to be installed on an Aircraft prior to its introduction to commercial service or shortly thereafter;

Delivery Date means, in relation to an Aircraft, the date on which such Aircraft is delivered to the Purchaser and accepted by the Purchaser pursuant to the relevant Purchase Contract Documents;

Expenses means all out of pocket expenses and fees (including legal fees) incurred by the Agent or the Security Trustee in the performance of its role as agent and security trustee under the Transaction Documents for the payment or reimbursement of which the Borrower is liable under and of the Transaction Documents;

Facility Agreement means the facility agreement dated 29 September 2000 entered into between BA and the Initial Bank and setting out the terms and conditions upon which the Initial Bank agreed to provide to BA or at the request of BA to any of its subsidiaries, finance or support for financing in relation to the acquisition of A320 family aircraft and engines selected by BA;

Framework Agreement means each agreement entered into pursuant to the provisions of Clause 4.1;

Group means BA and any affiliate of BA

IAE means International Aero Engines AG

Initial Bank means Kreditanstalt für Wiederaufbau in its capacity as lender;

Insurances means any and all policies and contracts of insurance relating to the Aircraft and required to be effected and maintained pursuant to clause 18 of the Loan Agreement;

Lease means, in relation to any Utilisation where an Obligor is not the Purchaser, the lease or other arrangement contained in the Utilisation Documents whereby the use of the relevant Aircraft is provided directly or indirectly by the Purchaser or intermediate lessor thereof to an Obligor. For the purposes of this definition Lease shall include any lease (whether or not a head lease or a sub-lease) or any hire purchase or conditional sale agreement (whether so described or not);

Loan Agreement means the agreement dated 29 September 2000, entitled "Loan Agreement" and entered into between (1) Borrower and (2) Kreditanstalt für Wiederaufbau as Initial Bank, Agent and Security Trustee pursuant to which the Initial Bank agreed to make available to the Borrower a loan on the terms set out therein;

Loan Utilisation means a loan advanced pursuant to the Facility Agreement by the Initial Bank to an Obligor to finance or towards the finance of the purchase of an Aircraft;

Manufacturer means each of Airbus and IAE;

Obligor means BA and any of its subsidiaries which becomes a party to this Agreement and the Facility Agreement;

Purchaser means, in respect of an Aircraft, the person (being either an Obligor or a Third Party Lessor) who is the owner of such Aircraft or the person who is obliged to purchase such Aircraft under the terms of the Purchase Contracts Documents forming part of the Utilisation Documents relating thereto;

Purchase Contract Documents means in respect of an Aircraft the contract under which the Purchaser obtains title to that Aircraft (whether the Purchaser is BA or acquires the right to purchase by novation or replacement of the Aircraft Purchase Agreement or otherwise) and includes, where BA is not the Purchaser, any separate contract related to BFE;

Requisition Compensation means all moneys or other compensation from time to time receivable by the Borrower, and Lessee, BA or any other person in respect of the requisition for hire, title, acquisition, capture, deprivation, detention, condemnation, confiscation or seizure of the Aircraft;

Tax Lease Guarantee Utilisation means a Utilisation referred to in Clause 3.3 consisting of a guarantee or letter of credit issued by the Initial Bank to a Third Party Lessor guaranteeing in whole or in part the obligations of an Obligor to pay termination sums under the relevant lease;

Third Party Lessor means any company (not being a member of the Group) which is the Purchaser of an Aircraft which is leased to an Obligor and is the subject of a Asset Value Guarantee Utilisation and/or a Tax Lease Guarantee Utilisation;

Transaction Documents means the Facility Agreement, the Purchase Contracts Documents and Framework Agreement executed on or after 29 September 2000, any Utilisation Document and any other document at any time entered into pursuant to any of the above to which any or all of the Banks are parties;

Utilisation means the issue of finance or support to assist in the financing or refinancing of an Aircraft, such finance or support to be structured at BA's option in any one of the alternative manners set out in Clause 3 of the Facility Agreement.

Utilisation Documents means, in relation to a Utilisation, all the documents entered into pursuant to Clause 4 of the Facility Agreement in relation to such Utilisation.



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 MORTGAGE DATED THE 12th OCTOBER 2000 AND CREATED BY BRITISH AIRWAYS PLC FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO KREDITANSTALT FUR WIEDERAUFBAU UNDER THE TERMS OF THE TRANSACTION DOCUMENTS AND ALL EXPENSES WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 23rd OCTOBER 2000.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 27th OCTOBER 2000.

LR,
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THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



C O M P A N I E S H O U S E