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COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

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Pursuant to section 395 of the Companies Act 1985

CHA 267

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

To the Registrar of Companies

For official use

Company number 1777777

Name of company

* insert full name of company

* BRITISH AIRWAYS PLC (the "Company")

Date of creation of the charge

23 December 1998

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

BA Security Assignment No. 7674 dated 23 December 1998 between the Company and LBI Leasing Limited ("LBI") (the "Assignment")

Amount secured by the mortgage or charge

The amount due and payable at any time to LBI by the Company under:

(a) an aircraft lease agreement number 7674 dated 23 December 1998 and made between LBI and the Company (the "Lease") in respect of the Boeing 767-336ER Aircraft with manufacturer's serial number 24336 (the "Aircraft");

(b) three further aircraft lease agreements numbers 7671, 7672 and 7673 each dated 23 December 1998 and made between LBI and the Company;

(c) an owner's remarketing agreement number 7674 dated 23 December 1998 and made between LBI, the Company, The Boeing Company and Rolls Royce plc (the "Remarketing Agreement");

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

Norton Rose
Kempson House
Camomile Street
London EC3A 7AN

(PGT)/RSSG-B316/Z924336/Docs/Secas4.395

Time critical reference

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Amount secured by the mortgage or charge

(d) three further remarketing agreements numbers 7671, 7672 and 7673 each dated 23 December 1998 and made between LBI, the Company, The Boeing Company and Rolls-Royce plc;

(e) four assignments of insurances numbers 7671, 7672, 7673 and 7674 each dated 23 December 1998 and made between LBI and the Company;

(f) the Assignment;

(g) three further BA security assignments numbers 7671, 7672 and 7673 each dated 23 December 1998 and made between the Company and LBI;

(h) four aircraft purchase agreements numbers 7671, 7672, 7673 and 7674 each dated 23 December 1998 and made between Bank of America National Trust and Savings Association and LBI;

(i) four put-option agreements numbers 7671, 7672, 7673 and 7674 each dated 23 December 1998 and made between LBI and Opal Leasing Limited;

(j) any other document entered into from time to time between the Company and LBI in respect of the Aircraft or the Boeing model 767-336ER aircraft bearing manufacturer's serial numbers 24333, 24334 and 24335 (collectively the "Four Aircraft"); and

(k) any other documents relating to the use and/or possession and/or remarketing of any of the four Aircraft and/or constituting security or further security for the obligation of any of the parties to any of aircraft lease agreements, remarketing agreements, assignments of insurances or BA security assignments referred to above or such further documentation, and any other documents which the Company and LBI agree should be "Transactional Documentation" under the terms of any of the aircraft lease agreements referred to above.

The documents above bearing the indentification number 7674 shall be referred to together herein as the Transactional Documentation.

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

LBI Leasing Limited, of 71 Lombard Street, London EC3P 3BS

Short particulars of all the property mortgaged or charged

1. The Assignment assigns by way of security to LBI and charges by way of fixed charge in favour of LBI all of the Company's rights, title and interest, present and future in and to, or arising under or in respect of all moneys whatsoever payable to the Company under or in respect of the Lease including, without limitation to the foregoing:

(a) all rebates of rental;

(b) sales commissions;

(c) insurance moneys;

(d) proceeds of sale;

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Short particulars of all the property mortgaged or charged

(e) requisition compensation; and

(f) all claims of the Company for damages in respect of any breach of the Lease.

2. The Assignment contains a covenant by the Company that until the release of the security constituted by the Assignment, the Company shall not without the previous consent in writing of LBI, sell, assign or otherwise dispose of or knowingly create any security interests of any kind over any of the property assigned or charged by the Assignment other than any permitted security interests described in paragraph 3 below.

3. The following are permitted security interests:

(a) security interests contemplated by any of the Transactional Documentation; and

(b) any supplier's, mechanic's, workman's or like possessory lien arising in the ordinary course of business or any other security interest arising in the ordinary course of business by operation of law and not be 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 LBI, the Company or any permitted sub-lessee of the Aircraft 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 LBI, the Company or any permitted sub-lessee of the Aircraft is unable to pay because it is restrained from so doing by exchange control or other applicable regulations, but in any case excluding any security interest arising through any neglect or default on the part of the Company or any permitted sub-lessee of the Aircraft.

Particulars as to commission allowance or discount (note 3)

Nil

Signed Norton Rose **Date** 7/1/99

On behalf of **chargee**

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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.

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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 SECURITY ASSIGNMENT NO 7674 DATED THE 23rd DECEMBER 1998 AND CREATED BY BRITISH AIRWAYS PLC FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO LBI LEASING LIMITED UNDER THE TERMS OF THE SPECIFIC BA DOCUMENTS (AS DEFINED) WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 7th JANUARY 1999.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 11th JANUARY 1999.

W. Grandon

W. GRANDON

for the Registrar of Companies

COMPANIES HOUSE

HC026B