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COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

Please do not
write in
this margin

Pursuant to section 395 of the Companies Act 1985

CHA 116

To the Registrar of Companies

For official use

Company number

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

259 18

1777777

Name of company

* British Airways Plc (the "Chargor")

* insert full name
of company

Date of creation of the charge

20th November, 1998

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

Security document dated 20th November, 1998 between the Chargor and Royal Bank of Canada Europe Limited (the "Deed").

Amount secured by the mortgage or charge

£30 million and all other present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Chargor under each Finance Document to which the Chargor is a party (together the "Secured Liabilities"). The term "Finance Document" includes all amendments and supplements including supplements providing for further advances.

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

Royal Bank of Canada Europe Limited (the "Agent") as agent and trustee for the Lenders, 71 Queen Victoria Street, London EC4V 4DE

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

Allen & Overy
One New Change
London
EC4M 9QQ

JAS/KXC/MVM/B2:136603.1

Time critical reference

For official use
Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

- (a) By way of a first legal mortgage the Property;
- (b) By way of first fixed charge:
- (i) such interest as the Chargor has in the plant and machinery at the Property used by the Chargor for the operation of the Baggage System and Screening Equipment as the same are defined in the TBF Lease;
 - (ii) such interest as the Chargor has in all other Equipment;
 - (iii) all the Chargor's interest in the Insurances and proceeds thereof insofar as such proceeds relate to rebuilding or reinstating the Property and/or Equipment; and

See Continuation Sheet

Please do not
write in
this margin

Please complete
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in black type, or
bold block
lettering

Particulars as to commission allowance or discount (note 3)

Nil

Signed

Allen & Overy

Date

4th December, 1998

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.

Please do not
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binding margin

Particulars of a mortgage or charge (continued)

Continuation sheet No 1
to Form No 395 and 410 (Scot)

CHA 116

Please complete
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bold block lettering

Company Number

1777777

Name of Company

British Airways Plc (the "Chargor")

Limited*

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

In this Form 395:

"Additional Lease" means the lease of the corral area (LO592) to be granted by Gatwick Airport Limited pursuant to and in the form annexed to the Agreement for Lease.

"Agreement for Lease" means an agreement for lease dated 20th November, 1998 between Gatwick Airport Limited (1) and the Chargor (2) relating to the grant of a lease of Site LO589 Transfer Baggage Facility - Gatwick Airport and the grant of a lease of each of a call forward, stillage and additional corral area.

"Call Forward Lease" means the lease of the call forward area (LO593) granted or to be granted by Gatwick Airport Limited pursuant to and in the form annexed to the Agreement for Lease.

"Construction Contract" means the contract dated 20th November, 1998 between the Chargor and Logan Axima Limited relating to the carrying out of the Tenant's Works (as defined in the Agreement for Lease).

"Credit Agreement" means the credit agreement dated 20th November, 1998 between the Chargor as borrower, the Lenders and the Agent for a loan facility of up to £30,000,000.

"Equipment" means the Chargor's interest (from time to time) in all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery (but in each case not including any landlord's fixtures and fittings) on the Property or supplied to the Chargor pursuant to the Construction Contract.

"Facility" means the loan facility provided by the Credit Agreement.

"Finance Documents" means the Credit Agreement and the Deed.

"Insurances" means all contracts and policies of insurance in which the Chargor has an interest (from time to time) relating to the Property and/or the Equipment taken out by or on behalf of the Chargor pursuant to the Leases or otherwise.

"Leases" means the TBF Lease, the Call Forward Lease, the Stillage Lease and the Additional Lease or in the case of the Call Forward Lease, the Stillage Lease and the Additional Lease or such leases (if any) in substantially the same form as may from time to time replace them.

"Lender" means a lender listed in Schedule 1 of the Credit Agreement acting through the office appearing under its name on the signature pages or any other office which it may notify to the Agent pursuant to Clause 21.2 of the Credit Agreement. A lender which acquires a participation in the Facility by way of assignment or novation will become a "Lender" and will act through its office notified to the Agent.

The expression also includes a successor in title to a Lender. A Lender will cease to be a "Lender" if it novates its entire participation in the Facility.

"Premises" means the premises from time to time demised under the Leases being all the land and buildings known as Sites L0589 Transfer Baggage Facility - Gatwick Airport London and other ancillary land and buildings as more particularly described in the Leases.

"Property" means the leasehold property at Gatwick Airport as the same is demised by the Leases.

"Security" means a mortgage, pledge, charge, lien or other encumbrance created or existing over any asset or any other agreement or arrangement having the effect of conferring security. Security shall not include any lien arising by operation of law in the ordinary course of business and not overdue for payment.

"Stillage Lease" means the lease of the stillage area (L0592) granted or to be granted by Gatwick Airport Limited pursuant to and in the form annexed to the Agreement for Lease.

"TBF Lease" means the leases of the Site L0589 Transfer Baggage Facility granted or to be granted by Gatwick Airport Limited in respect of the Premises pursuant to and in the form annexed to the Agreement for Lease.

Please complete
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bold block lettering

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 DEED DATED THE 20th NOVEMBER 1998 AND CREATED BY BRITISH AIRWAYS PLC FOR SECURING £30,000,000 AND ALL OTHER PRESENT AND FUTURE OBLIGATIONS AND LIABILITIES OF THE COMPANY TO ROYAL BANK OF CANADA EUROPE LIMITED UNDER EACH FINANCE DOCUMENT (AS DEFINED) TO WHICH THE CHARGOR IS A PARTY WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 4th DECEMBER 1998.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 10th DECEMBER 1998.

A handwritten signature in cursive script, reading 'J. M. Evans'.

J. M. EVANS

for the Registrar of Companies



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

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