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

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

* **BRITISH AIRWAYS Plc**

* insert full name of company

Date of creation of the charge

23 April 1997

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

A Deed of Assignment (Insurances) (the "Deed") dated 23 April 1997 and made between the Assignor and the Assignee.

Amount secured by the mortgage or charge

All amounts due from the Assignor to the Assignee under the Aircraft Lease Agreement with Purchase Option.

All defined terms used in this Form 395 are defined in the attached continuation sheets.

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

ORIX Hydra Corporation, 2-4-1 Hamamatsu-cho, Minato-ku, Tokyo 105, Japan, a corporation organised and existing under applicable law of Japan (the "**Assignee**").

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

Clifford Chance
200 Aldersgate Street
London EC1A 4JJ
SS/M1458/866/MBC
SS$$04$7.19

Time critical reference

For official use
Mortgage Section | Post room

KLO *KDTKGVH2* 333
COMPANIES HOUSE 07/05/97

Short particulars of all the property mortgaged or charged

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Property Charged

The Assignor has assigned and agreed to assign absolutely to the Assignee all of its present and future rights, title and interest in and to (1) all policies and contracts in respect of the Insurances, other than Insurances in respect of liabilities to third parties (the "**Relevant Insurances**"), (2) all the benefits of such policies and contracts in respect of the Relevant Insurances (including all claims of whatsoever nature thereunder and returns of premiums in respect thereof) and (3) all Requisition Compensation. For the avoidance of doubt such assignment does not constitute an assignment of any policy of insurance but only of the benefit, rights, title, interest and proceeds thereunder insofar as the same relates to the Aircraft.

Further Assurance

The Assignor has covenanted that it will from time to time at the request of the Assignee do all such things and execute all such documents as the Assignee may reasonably consider necessary or desirable for giving full effect to the Deed or for securing the rights of the Assignee thereunder.

Particulars as to commission allowance or discount (note 3)

None

Signed _____ Date 7th May 1997

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.

COMPANIES FORM No. 395 (Cont.) AND FORM No. 410 (Scot)(Cont.)

Please do not write in this binding margin

Particulars of a mortgage or charge (continued)

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

CHA 116

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

Company Number

1777777

Name of Company

BRITISH AIRWAYS Plc ~~Limited~~*

* delete if inappropriate

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

Please do not write in this binding margin

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

In this Form 395:

"**Aircraft**" means the one (1) Boeing 757-200ER Aircraft, registration mark G-CPEN bearing manufacturer's serial number 28666 together with any one or more or all of the two (2) Rolls-Royce RB211-535E4 aircraft engines bearing the manufacturer's serial numbers 31463 and 31464 respectively, (whether or not any of the engines may from time to time be installed on the Airframe), as described in the Aircraft Lease Agreement with Purchase Option;

"**Aircraft Lease Agreement with Purchase Option**" means the aircraft lease agreement with purchase option in relation to the Aircraft executed and dated 15 April 1997 and made between (1) the Assignee, as owner and (2) the Assignor, as hirer, as the same may be amended, modified, supplemented or superseded from time to time;

"**Aircraft Purchase Agreement**" means the Aircraft Purchase Agreement dated 15 April 1997 made between (1) the Seller and (2) the Buyer;

"**Airframe**" means (a) the aircraft described in the Aircraft Lease Agreement with Purchase Option but excluding the Engines or any engines from time to time installed thereon and (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 Owner and (c) insofar as the same belongs to the Owner, 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 Aircraft Lease Agreement with Purchase Option;

"**Assignor**" means British Airways Plc, a company incorporated and existing under applicable law of England having its registered office at Speedbird House, Heathrow Airport (London), Hounslow, Middlesex TW6 2JA, England;

"**Buyer**" means the Assignee;

"**Delivery**" means the sale and transfer of title to the Aircraft to the Owner pursuant to the Aircraft Purchase Agreement;

"**Engine**" or "**Engines**" means (a) any and all (as the context may require) of the two (2) Rolls-Royce RB211-535E4 engines bearing Engine Serial Numbers 31463 and 31464 originally installed on the Airframe at Delivery, whether or not from time to time thereafter installed on the Airframe or any other airframe and (b) any other engine which may from time to time be installed upon or attached to the Airframe which becomes the property of the Owner in accordance with the Aircraft Lease Agreement with Purchase Option and (c) insofar as the same belong to the Owner, 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 Owner, 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 Lease Agreement with Purchase Option;

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Power of Attorney

The Assignor has irrevocably by way of security and for so long as any Secured Obligations remain undischarged appointed the Assignee its attorney for and on its behalf and in its name and as its act and deed to execute, seal and otherwise perfect any document as is referred to in Clause 4 of the Deed (*Further Assurance*) and to do all such acts and execute all such documents necessary or desirable for the purpose of fully exercising its rights under the Deed as it itself could have done or executed in relation to any Relevant Insurances taken out in respect of the Aircraft or in respect of any Requisition Compensation arising in respect of the Aircraft ***provided that*** the Assignee shall not exercise the authority conferred on it in that Clause unless a Termination Event has occurred and is continuing.

Negative Pledge

The Assignor has covenanted that it shall:

not further assign, pledge or charge (other than any charge constituted by Section 11 of the British Airways Board Act 1977) its right, title and interest in and to the Relevant Insurances or the Requisition Compensation assigned by the Deed or any proceeds thereof to anyone other than the Assignee.

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

Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

COMPANIES FORM No. 395 (Cont.) AND FORM No. 410 (Scot)(Cont.)

Please do not write in this binding margin

Particulars of a mortgage or charge (continued)

Continuation sheet No 2
to Form No 395 and 410 (Scot)

CHA 116

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

Company Number

1777777

Name of Company

BRITISH AIRWAYS Plc ~~Limited*~~

* delete if inappropriate

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

Please do not write in this binding margin

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"**Hirer**" means the Assignor

"**Insurances**" means any and all contracts or policies of insurance required to be effected and maintained under the Lease Agreement with Purchase Option;

"**Owner**" means the Assignee.

"**Parts**" means 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 Owner but does not include any additional item of equipment as referred to in the proviso to Clause 14.4 (*Engines or Parts of Airframe or Engines*) of the Aircraft Lease Agreement with Purchase Option which does not become the property of the Owner;

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

"**Secured Obligations**" means the obligations of the Assignor to the Assignee under the Aircraft Lease Agreement with Purchase Option and the payment of all amounts due thereunder;

"**Seller**" means the Assignor;

"**Termination Event**" means any of the events or circumstances described in Clause 21 of the Aircraft Lease Agreement with Purchase Option.

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Please do not write in this binding margin

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

Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

Short particulars of all the property mortgaged or charged (continued)

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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 DEED OF ASSIGNMENT (INSURANCES) DATED THE 23rd APRIL 1997 AND CREATED BY BRITISH AIRWAYS PLC FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO ORIX HYDRA CORPORATION UNDER THE AIRCRAFT LEASE AGREEMENT WITH PURCHASE OPTION (AS DEFINED) WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 7th MAY 1997.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 12th MAY 1997.

R. N. Owens.

RICHARD NEIL OWENS

for the Registrar of Companies

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COMPANIES HOUSE

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