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COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

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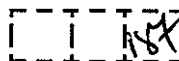
Pursuant to section 395 of the Companies Act 1985

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 ("BA")

* insert full name
of company

Date of creation of the charge

28th March 1996

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

DEED OF ASSIGNMENT OF INSURANCES (the "Deed") dated 28th March, 1996 relating to One Boeing Model 757-236 Aircraft with manufacturer's serial number 23975 between Forward Leasing (AF) Limited (the "Owner") and BA.

Amount secured by the mortgage or charge

All monies from time to time due and owing, whether actually or contingently, by BA to the Owner under an Agreement (the "Lease") dated 18th September, 1987 originally made between the Owner and Chemco Equipment Finance Limited ("Chemco") in respect of the Aircraft, as amended and restated by an assumption and amendment agreement of even date herewith between the Owner, Chemco, BA, the Banks and Chemical Bank (the "Assumption and Amendment Agreement").

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

Forward Leasing (AF) Limited,

145 City Road,

London.

Postcode

EC1V 1JY

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

Slaughter and May
35 Basinghall Street
London EC2V 5DB

Ref: TAK/HLD

Time critical reference

For official use
Mortgage Section

Post room



BA as beneficial owner assigns and agrees to assign to and in favour of the Owner all its right, title and interest, present and future, to, and in respect of proceeds arising, under:

(a) all Insurances in respect of all risks of physical loss or damage (including, but not limited to, war risks) effected in relation to the Aircraft and all benefits thereof (but for the avoidance of doubt the Deed does not constitute an assignment of any policies of insurance but only of the benefit, rights, title, interest and proceeds thereunder insofar as the same relate to the Aircraft); and

(b) any Requisition Compensation (Provided that, unless and until the Aircraft becomes a Total Loss, the assignment herein contained of Requisition Compensation shall be subject to the prior entitlement of BA under clauses 19.2 and 19.4 of the Lease);

TO HOLD the same unto the Owner as continuing security for the payment and discharge to the Owner of the Secured Indebtedness.

(Please see continuation sheet)

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

Particulars as to commission allowance or discount (note 3)

None

Signed

Slaughter and May

Date

11th April 1996

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

† delete as
appropriate

- 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.

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Particulars of a charge (continued)

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

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

Company Number

Name of Company

BRITISH AIRWAYS PLC ("BA")

Limited*

* delete if
inappropriate

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

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Amount due or owing on the charge (continued)

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bold block lettering

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Names and addresses of the persons entitled to the charge (continued)

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

BA represents and warrants to the Owner that BA has not (save as constituted by Section 11 of the British Airways Board Act 1977) prior to the execution of the Deed assigned, pledged, charged or otherwise encumbered the Assigned Property to or in favour of any person other than the Owner.

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

The security created by BA pursuant to the Deed shall be a continuing security for the payment of the Secured Indebtedness and accordingly the security so created shall not be satisfied by any intermediate payment or satisfaction of any part of the Secured Indebtedness.

The security so created shall be in addition to and shall not in any way prejudice or affect the security created by any deposit of documents, or any guarantee, lien, bill, note, mortgage or other security hereafter held by the Owner or any right or remedy of the Owner thereunder, and shall not be in any way prejudiced or affected thereby, or by the invalidity or unenforceability thereof, or by the Owner releasing, modifying or refraining from perfecting or enforcing any of the same or granting time or indulgence or compounding with any person liable.

Definitions:

"Aircraft" means one Boeing 757-236 aircraft bearing manufacturer's serial number 23975 and United Kingdom registration mark G-BMRB, as is more particularly described in the Lease;

"Assigned Property" means all the rights and interests of BA from time to time assigned pursuant to clause 3.1 of the Deed;

"Banks" means the financial institutions set out in Schedule 1 to the Assumption and Amendment Agreement;

"Lease" means an agreement dated 18 September 1987 originally made between the Owner and Chemco Equipment Finance Limited ("Chemco") in respect of the Aircraft, as amended and restated by an assumption and amendment agreement of even date herewith between the Owner, Chemco, BA, the Banks and Chemical Bank (the "Assumption and Amendment Agreement");

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

"Secured Indebtedness" means all monies from time to time due and owing, whether actually or contingently, by BA to the Owner under the Lease.

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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 OF INSURANCES DATED THE 28th MARCH 1996 AND CREATED BY BRITISH AIRWAYS PLC FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO FORWARD LEASING (AF) LIMITED ON ANY ACCOUNT WHATSOEVER UNDER AN AGREEMENT (THE LEASE) DATED 18th SEPTEMBER 1987 WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 11th APRIL 1996.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 15th APRIL 1996.

JENNIFER V TONKS

for the Registrar of Companies

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

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