M

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

To the Registrar of Companies
(Address overleaf—Note 5)

For official use

Company number 1777777

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

Name of company

* British Airways Plc (the "**Assignor**")

* insert full name of company

Date of creation of the charge

28 March 1995

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

Deed of Assignment (Insurances) (the "**Deed of Assignment**") dated 28 March 1995 between (1) the "**Assignees**" and (2) the "**Assignor**"

Amount secured by the charge

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

Definitions: Please see continuation sheet No.1

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

Dia Regent Ltd., ORIX Cosmos Corporation, TLC Poppy Ltd., Venus Leasing Ltd., Leo Leasing Ltd. and CL Flamingo Ltd. (the "**Assignees**" and each an "**Assignee**")

Postcode

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

Clifford Chance
200 Aldersgate Street
London EC1A 4JJ
CRL/M1304/1471/RXH
CRL$34$5.13

Time critical reference

For Official Use
Mortgage Section

Post Room

REGISTERED
-3 APR 1995

KLO *KFKLOA8A* 1714
COMPANIES HOUSE 03/04/95

Short particulars of all the property charged

As a continuing and independent security the Assignor hereby assigns and agrees to assign absolutely to the Assignees 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**"), and (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). For the avoidance of doubt the Deed of 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.

Continuation sheet no. 1

Please do not write in this margin

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

Particulars as to commission allowance or discount (note 3)

None

Signed Clifford Chance Date 31 March 1995

On behalf of [~~company~~] [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 The address of the Registrar of Companies is:-
Companies House, Crown Way, Cardiff CF4 3UZ

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Stat Plus Group plc
Revised January 1993

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

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Particulars of a mortgage or charge (continued)

1

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

Company number

1777777

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

Name of company

British Airways Plc (the "Assignor")

*delete if inappropriate

Limited*

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

Definitions:

"**Aircraft**" means (a) one Boeing 747-436 aircraft bearing manufacturer's serial number 25434 together with any one or more or all of the four (4) Rolls-Royce RB211-524H aircraft engines bearing the manufacturer's serial numbers 13342, 13343, 13344 and 13346 respectively, as more particularly described in the 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 28 March 1995 and made between (1) the Assignees, as owners, (2) the Representative Owner, and (3) 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 between the Assignor as hirer and each of the Assignees as owners dated 28 March 1995 whereby the Assignor agreed to sell and the Assignees agreed to purchase the Aircraft;

"**Airframe**" means (a) the aircraft described in Schedule 1 of the Lease Agreement with Purchase Option (together with all Seller Furnished Equipment 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 Assignees and (c) insofar as the same belongs to the Assignees, 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 Lease Agreement with Purchase Option;

"**Aviation Authority**" means all and any of the authorities, government departments, committees or agencies which under applicable law of the State of Registration may from time to time:

(i) have control or supervision of civil aviation in that state; or
(ii) have jurisdiction over the registration airworthiness or operation of, or other matters relating to, the Aircraft;

"**Banks**" means the Initial Banks and any other bank or financial institution to whom all or any part of the Initial Banks', or any other Bank's, rights are assigned and obligations are transferred pursuant to sub-clause 10.3 of the Loan Agreement and "**Bank**" shall be construed accordingly;

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

"**Event of Enforcement**" means the event referred to in sub-clause 7.1 of the Mortgage;

"**Facility Agent**" means The Mitsubishi Bank, Limited in its capacity as facility agent for the Banks;

"**Initial Banks**" means The Mitsubishi Bank, Limited, The Tokai Bank, Limited, The Dai-Ichi Kangyo Bank, Limited and The Bank of Tokyo, Ltd. acting through their respective branches as specified in Schedule 3 of the Loan Agreement;

"**Insurances**" means all policies and contracts of insurance from time to time in existence in respect of or relating to the Aircraft other than third party liability insurances (including, without limitation, all entries in a war risks association) and all the benefits of all such policies and contracts of insurance (including, without limitation, all claims of whatsoever nature thereunder);

"**Investor**" means any person entering into an Investor Participation Agreement with, and making a cash contribution to, an Assignee for the purposes of the lease with purchase option contemplated by the Lease Agreement with Purchase Option and the Aircraft Purchase Agreement and the transactions contemplated by the Lease Agreement with Purchase Option;

see continuation sheet no. 2

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)

Please do not write in this binding margin

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

Note that the Deed of Assignment contains a negative pledge in the following form:

The Assignor covenants that is shall:

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

Note that the Deed of Assignment contains a covenant of further assurance in the following form:

"The Assignor covenants that it will from time to time at the request of the Assignees do all such things and execute all such documents as the Assignees may reasonably consider necessary or desirable for giving full effect to this Deed or for securing the rights of the Assignees hereunder."

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

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Particulars of a mortgage or charge (continued)

2

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

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

Company number

1777777

Name of company

British Airways Plc (the "Assignor")

Limited*

*delete if inappropriate

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

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

"**Investor Participation Agreement**" means each agreement or arrangement entered into or, as the context may require, to be entered into, between an Assignee and any other person whereunder such Assignee and such other person agree to share in the profits and/or losses arising out of the acquisition, ownership or lease of, or otherwise in relation to, the Aircraft;

"**Lien**" includes any encumbrance or security interest whatsoever, howsoever created or arising, including (without prejudice to the generality of the foregoing) any security, mortgage, pledge, charge, lease, lien, statutory right in rem, hypothecation, title retention, attachment, levy, claim, right of possession or detention or right of set-off (but excluding any right of set-off arising in favour of a banker or by way of operation of law) and "**Liens**" shall be construed accordingly;

"**Loan Agreement**" means the loan agreement dated 28 March 1995 and made between (1) the Assignees, (2) the Representative Assignee, (3) the Initial Banks, (4) the Facility Agent and (5) the Mortgagee, as Security Trustee;

"**Manufacturer**" means either or both of The Boeing Company and Boeing Sales Corporation;

"**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 Owners but does not include any additional item of equipment as referred to in the proviso to Clause 14.4 of the Lease Agreement with Purchase Option which does not become the property of the Assignees;

"**Receiver**" means any receiver or receiver and manager appointed by the Mortgagee under the Mortgage or under any statutory power;

"**Representative Owner**" means Dia Regent;

"**Security Period**" means the period commencing on the 28 March 1995 and terminating on the date upon which the Owners shall have become entitled to require the release and discharge of the Mortgage pursuant to sub-clause 3.1 of the Mortgage;

"**Seller Furnished Equipment**" means all those appliances, parts, instruments, appurtenances, accessories, furnishings or other equipment detailed in the Third Schedule of the Aircraft Purchase Agreement;

"**State of Registration**" means the United Kingdom or any other state or territory from time to time with whose Aviation Authority the Aircraft is registered in accordance with the provisions of Clause 15 of the Lease Agreement with Purchase Option; and

"**Technical Records**" means all technical data, manuals, logbooks and other records (whether kept or to be kept in compliance with any regulation of the Aviation Authority or otherwise) relating to the Aircraft or any part thereof.

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)

Please do not write in this binding margin

Please complete legibly,preferably in black type, or 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 DEED OF ASSIGNMENT DATED THE 28th MARCH 1995 AND CREATED BY BRITISH AIRWAYS PLC FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO DIA REGENT LTD, ORIX COSMOS CORPORATION, TLC POPPY LTD, LEO LEASING LTD AND CL FLAMINGO LTD UNDER THE TERMS OF THE AIRCRAFT LEASE AGREEMENT WITH PURCHASE OPTION AND THIS CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 3rd APRIL 1995.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 5th APRIL 1995.

Fiona M. Sangster

FIONA M. SANGSTER

for the Registrar of Companies

COMPANIES HOUSE

HC026B