



**Registration of a Charge**

Company name: **BRITISH AIRWAYS PLC**

Company number: **01777777**



X95UU66R

Received for Electronic Filing: **26/05/2020**

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**Details of Charge**

Date of creation: **26/05/2020**

Charge code: **0177 7777 0837**

Persons entitled: **CITIBANK, N.A., LONDON BRANCH**

Brief description: **48 AIRBUS AND BOEING AIRCRAFT AS MORE PARTICULARLY  
DETAILED IN SCHEDULE 1 OF THE INSTRUMENT.**

**Contains negative pledge.**

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**Authentication of Form**

This form was authorised by: **a person with an interest in the registration of the charge.**

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**Authentication of Instrument**

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT  
TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC  
COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION  
FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL  
INSTRUMENT.**

Certified by: **MILBANK LLP**



## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 1777777

Charge code: 0177 7777 0837

The Registrar of Companies for England and Wales hereby certifies that a charge dated 26th May 2020 and created by BRITISH AIRWAYS PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 26th May 2020 .

Given at Companies House, Cardiff on 27th May 2020

The above information was communicated by electronic means and authenticated  
by the Registrar of Companies under section 1115 of the Companies Act 2006



**Companies House**



**THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES**

I certify that, save for material redacted pursuant to s859G of the Companies Act 2006, this copy instrument is a correct copy of the original instrument:



Milbank LLP

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**DEED OF ASSIGNMENT AND FIRST PRIORITY  
AIRCRAFT MORTGAGE**

**BRITISH AIRWAYS PLC**  
as Mortgagor

and

**CITIBANK, N.A., LONDON BRANCH**  
as Security Trustee

In respect of certain aircraft

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**MILBANK LLP**  
**London**

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THIS DEED is dated 26 May 2020

**BETWEEN:**

- (1) **BRITISH AIRWAYS PLC**, a company incorporated and existing under the laws of England (Company No. 1777777) having its registered office at Waterside, P.O. Box 365, Harmondsworth, West Drayton, UB7 OGB, England (the “**Mortgagor**”); and
- (2) **CITIBANK, N.A., LONDON BRANCH**, as security trustee for the Finance Parties (the “**Security Trustee**”).

**WHEREAS:**

- (A) The Mortgagor and the Finance Parties have entered into the Facility Agreement.
- (B) As a condition to the making of the Utilisation under the Facility Agreement, the Mortgagor is required to execute this Deed.

**THIS DEED WITNESSES** as follows:

**1. DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

Except as otherwise defined herein, all words and expressions defined in the Facility Agreement shall have the same respective meanings when used herein and the following words and expressions shall have the following meanings:

“**Aircraft**” means, subject always to Clause 12.2 (*Release of the Aircraft*), each aircraft identified in Schedule 1 (*The Aircraft*) including in each case the relevant Airframe, Engines and all Parts from time to time comprising such Aircraft and, where the context so admits, the Technical Records relating thereto.

“**Airframe**” means:

- (a) each aircraft identified in Schedule 1 (*The Aircraft*) (excluding the Engines or any engines from time to time installed thereon);
- (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 Mortgagor; and
- (c) insofar as the same belongs to the Mortgagor, 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 Facility Agreement.

“**Assigned Property**” means all of the right, title, benefit and interest (present and future) of the Mortgagor in and to (a) the Insurances, (b) all claims of whatsoever nature thereunder (but this Deed does not constitute an assignment or charge of any policies of insurance or an assignment or charge of any benefits, rights, title, interests or proceeds thereunder relating to any other aircraft or engines covered thereby but only of the

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benefits, rights, title, interests or proceeds thereunder insofar as the same relate to the Aircraft), and (c) the Requisition Proceeds.

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

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

“**Cape Town Convention**” means the Convention on International Interests in Mobile Equipment (the “**Convention**”) opened for signature on 16 November 2001 at Cape Town, South Africa and the Protocol to the Convention on Matters Specific to Aircraft Equipment (the “**Protocol**”) opened for signature on 16 November 2001 at Cape Town, South Africa together with any protocols, regulations, rules, orders, agreements, instruments, amendments, supplements or revisions or otherwise, that have or will be subsequently made in connection with the Convention or the Protocol by the “Supervisory Authority” (as defined in the Protocol), the “International Registry” or “Registrar” (as defined in the Convention) or appropriate “registry authority” (as defined in the Protocol) or any other international, or national, body or authority.

“**Cape Town UK Regulations**” means the International Interests in Aircraft Equipment (Cape Town Convention) Regulations 2015 by which the Cape Town Convention has been implemented in the United Kingdom.

“**Compulsory Acquisition**” means, in respect of an Aircraft, its requisition for title or other compulsory acquisition, seizure, restraint, forfeiture, confiscation or detention for any reason (but excluding requisition for use or hire).

“**Consolidated Text**” means the Consolidated Text of the Cape Town Convention and the Protocol authorised and created pursuant to Resolution No. 1 of the Diplomatic Conference to Adopt a Mobile Equipment Convention and an Aircraft Protocol.

“**Deed of Release and Reassignment**” means a deed of release and reassignment substantially in the form of Schedule 4 (*Form of Deed of Release and Reassignment*).

“**Engine or Engines**” means:

- (a) any one or more or all (as the context may require) of the engines identified in Schedule 1 (*The Aircraft*), whether or not from time to time installed on an Airframe or any other airframe;
- (b) any other engine which may from time to time be installed upon or attached to an Airframe which is or becomes the property of the Mortgagor and subject to this Deed;
- (c) insofar as the same belong to the Mortgagor, any and all appliances, instruments or accessories or other equipment or Parts of whatever nature from time to time

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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 Mortgagor, 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 Facility Agreement.

**“Facility Agreement”** means the \$750,000,000 secured facility agreement dated 19 May 2020 between the Mortgagor, as borrower, Citibank International Limited as agent and the Security Trustee as security trustee, Citigroup Global Markets, Inc. as arranger and the financial institutions named therein as Lenders.

**“Finance Parties”** means the Agent, the Security Trustee, the Arranger and the Lenders.

**“Indemnitee”** means each Finance Party and their respective directors, officers, agents and employees.

**“Insurances”** means any and all contracts or policies of insurance and reinsurance (other than third party liability insurance) required to be effected and maintained in respect of each Aircraft in accordance with the Facility Agreement.

**“Insurance Brokers”** means the insurance and/or reinsurance brokers for the time being in relation to the Insurances.

**“Mortgaged Property”** means all the property from time to time mortgaged to the Security Trustee pursuant to Clause 2 (*Mortgage*) of this Deed.

**“Receiver”** means any receiver or receiver and manager or administrative receiver appointed by the Security Trustee hereunder or under any statutory power.

**“Requisition Proceeds”** means, in respect of an Aircraft, any moneys and/or other compensation received directly by any party hereto in respect of the Compulsory Acquisition of such Aircraft or requisition for hire or use thereof.

**“Secured Obligations”** means any and all moneys, liabilities and obligations (whether actual or contingent, whether now existing or hereafter arising, whether or not for the payment of money and including, without limitation, any obligation or liability to pay damages) from time to time owing to the Finance Parties or any of them by the Mortgagor pursuant to the Finance Documents.

**“Security Period”** means the period commencing on the date hereof and terminating on the date upon which all of the Secured Obligations have been fully discharged.

**“State of Registration”** means the United Kingdom of Great Britain and Northern Ireland.

**“Suitable Replacement”** means an engine or part of at least equivalent utility condition and value to the item for which it is substituted or which it replaces and in each case is (a) the property of the Mortgagor or such that on installation in an Aircraft title thereto is capable of vesting in the Mortgagor, and (b) free from Security (other than Permitted Security).

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**“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 each Aircraft or any part thereof.

**“Third Parties Act”** means the Contracts (Rights of Third Parties) Act 1999.

**“Total Loss Proceeds”** means the proceeds of the Insurances or any Requisition Proceeds or similar payment arising in respect of a Total Loss.

## 1.2 Interpretation

Any reference in this Deed to:

- (a) the **“Security Trustee”** or any **“Finance Party”** shall be construed so as to include its and any subsequent successors and permitted transferees in accordance with their respective interests;
- (b) a **“law”** shall be construed as any law (including common or customary law), statute, constitution, decree, judgment, treaty, regulation, directive, bye-law, order or any other legislative measure of any government, supranational, local government, statutory or regulatory body or court;
- (c) a **“person”** shall be construed as a reference to any individual, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing;
- (d) the **“winding-up”**, **“dissolution”** or **“administration”** of a company or corporation shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such company or corporation is incorporated or any jurisdiction in which such company or corporation carries on business or maintains assets including the seeking of liquidation, bankruptcy, winding-up, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief of debtors;
- (e) any provision of the Cape Town Convention shall, as applicable, include reference to such provision as incorporated into English law by the Cape Town UK Regulations.

## 1.3 Currency Symbols

**“\$”** and **“dollars”** denote lawful currency of the United States of America.

## 1.4 Agreements and Statutes Any reference in this Deed to:

- (a) this Deed or any other agreement or document shall be construed as a reference to this Deed or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, amended, varied, novated or supplemented;
- (b) any **“Schedule”** shall be construed as a reference to such Schedule as incorporated in this Deed at the date hereof and any schedule that may be substituted therefor in accordance with the provisions of this Deed; and

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- (c) a statute or treaty shall be construed as a reference to such statute or treaty as the same may have been, or may from time to time be, amended or, in the case of a statute, re-enacted.

## **1.5 Headings**

Clause and Schedule headings are for ease of reference only.

## **1.6 Time**

Any reference in this Agreement to a time of day shall, unless a contrary indication appears, be a reference to London time.

## **2. MORTGAGE**

### **2.1 Mortgage**

As a continuing security for the payment and performance of the Secured Obligations, the Mortgagor, with full title guarantee, hereby mortgages to the Security Trustee, as security trustee for the Finance Parties, all of its right, title and interest, present and future, in and to each Aircraft, including for the avoidance of doubt the Technical Records relating thereto, by way of first priority legal mortgage.

### **2.2 Removal; Replacement**

- (a) Any Engine, Part or other item of equipment at any time removed from any Aircraft shall remain subject to the security created by this Deed until such time as a Suitable Replacement shall have become subject to the security created by this Deed whereupon such Engine, Part or other item shall be released from the security created by this Deed.
- (b) If a Suitable Replacement for any Engine, Part or other item of equipment which has been removed from an Aircraft shall be installed on that Aircraft, such Suitable Replacement shall thereupon, and without the need for any further act, become subject to the security created by this Deed.

### **2.3 Effective Time**

Where an Aircraft (or any Engine in respect of an Aircraft) is not located in England or Wales or in United Kingdom airspace above England or Wales at the time that this Deed is entered into the Security in respect of such Aircraft or Engine (as applicable) created pursuant to Clause 2.1 shall become effective at such time as such Aircraft or Engine (as applicable) enters United Kingdom airspace above England or Wales.

### **2.4 Charge; international interest**

As a continuing security for the punctual payment, performance of the Secured Obligations, the Mortgagor hereby charges with full title guarantee (subject to the mortgage created pursuant to Clause 2.1) to the Security Trustee as security trustee for the Finance Parties all its right, title and interest, present and future, in and to each Aircraft (including for the avoidance of doubt the Technical Records relating thereto) by way of first priority fixed charge. The security interest expressed to be created by this Clause 2.4 is intended to be and shall constitute an international interest over each Airframe and each

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Engine (each an aircraft object) in favour of the Security Trustee (as security trustee for the Finance Parties) as creditor and chargee for the purposes of the Cape Town Convention and the Cape Town UK Regulations. Further:

- (a) the Mortgagor and the Security Trustee agree and acknowledge as set out in paragraph 2 (*Agreement and Acknowledgement*) of Schedule 5 (*Cape Town Convention*) on the date of this Deed;
- (b) the Mortgagor gives the undertakings set out in paragraph 3 (*Undertakings*) of Schedule 5 (*Cape Town Convention*) to the Security Trustee for the duration of the Security Period;
- (c) the Mortgagor and the Security Trustee agree and acknowledge as set out in paragraph 4 (*Further Agreement and Acknowledgement*) of Schedule 5 (*Cape Town Convention*);
- (d) each Airframe is an aircraft object for the purposes of the Cape Town Convention; and
- (e) each Engine is an aircraft object for the purposes of the Cape Town Convention.

### 3. ASSIGNMENT

#### 3.1 Assignment

As a continuing security for the payment and performance of the Secured Obligations, the Mortgagor hereby assigns and agrees to assign, with full title guarantee, to the Security Trustee and all of its right, title and interest (present and future) in, to and under the Assigned Property.

#### 3.2 Charge

To the extent that any of the Assigned Property is not at any time assigned pursuant to Clause 3.1 (*Assignment*), the Mortgagor, with full title guarantee, by way of first fixed charge, hereby charges and agrees to charge to, and creates and agrees to create in favour of, the Security Trustee, as security trustee for the Finance Parties, a general encumbrance in the Assigned Property to the fullest extent permitted by law.

### 4. COVENANTS AND INDEMNITY

#### 4.1 Covenant to Pay

The Mortgagor hereby acknowledges to the Security Trustee and each of the other Finance Parties that the amount secured by this Deed and in respect of which this Deed and the security hereby created is enforceable is the full amount of the Secured Obligations for the time being and from time to time and hereby covenants with the Security Trustee and each of the other Finance Parties that the property hereby mortgaged is so mortgaged for the full payment, performance and discharge of the Secured Obligations.

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#### **4.2 Registration**

The Mortgagor agrees to register or procure the registration of this Mortgage with the Aviation Authority.

#### **4.3 Notice of Assignment of Insurances**

The Mortgagor shall as soon as possible after execution of this Deed give notice to the Insurers (through the Insurance Brokers) and the Insurance Brokers, substantially in the form set out in Schedule 2 (*Notice of Assignment to Insurers*) provided that the Security Trustee agrees not to give any notification as referred to in paragraph 2 of the form of notice set out in Schedule 2 (*Notice of Assignment to Insurers*) until it has commenced the exercise of its rights pursuant to Clause 7.2 (*Rights upon Enforcement*).

#### **4.4 Notice of Assignment of Requisition Proceeds**

At the request of the Security Trustee, the Mortgagor shall promptly give notice to such persons as may be indicated by the Security Trustee in respect of the assignment of the Requisition Proceeds substantially in the form set out in Schedule 3 (*Notice of Assignment*).

#### **4.5 Hull and Liability insurances**

- (a) The Mortgagor shall ensure that the terms of the hull insurances maintained by the Mortgagor in relation to each Aircraft name the Security Trustee as loss payee in respect of any Total Loss.
- (b) The Mortgagor shall, at its own cost, ensure that the terms of the liability insurances maintained by the Mortgagor in relation to each Aircraft:
  - (i) name each Indemnitee as an additional insured;
  - (ii) include a severability of interests clause which provides that the insurance (other than in respect of the limit of liability) will operate to give each insured the same protection as if there was a separate policy issued to each insured;
  - (iii) contain a provision that the policy is primary and without rights of contribution and that the liability of the insurers will not be affected by any other insurance of which any Indemnitee may have the benefit so as to reduce the amount payable to the additional insureds under such policy;
  - (iv) provide that, in relation to the interests of the Indemnities, such insurances will not be invalidated by any act or omission by the Mortgagor or any other member of the Group or any other person other than the respective Indemnities and shall insure the interests of each of the Indemnities regardless of any breach or violation by the Mortgagor or any other member of the Group or any other person other than the respective Indemnities seeking protection under any warranty, declaration or condition contained in such insurances;
  - (v) provide that the insurers will hold harmless and waive any right of contribution against any Indemnitee; and

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- (vi) provide that the Indemnitees will have no obligation or responsibility for the payment of any premiums due (but reserve the right to pay the same should any of them elect to do) and that the insurers will not exercise any right of set-off or counter-claim in respect of any premium due against the respective interests of the Indemnitees other than outstanding premiums relating to the Aircraft which is the subject of the relevant claim.
  - (c) The Security Trustee may require the Mortgagor to effect and to maintain (at no cost to the Finance Parties or the other Indemnities) insurance in respect of an Aircraft after the Security Period with respect to its liability under the indemnities in Clause 4.9 (*Operational Indemnity*) for such period as the Agent may reasonably require (but in any event for not more than 2 years or until completion of the next planned heavy maintenance event with respect to such Aircraft (whichever is the earlier to occur)), which provides for each Indemnatee to be named as additional insured.

#### 4.6 Other Covenants

The Mortgagor hereby covenants with the Security Trustee (for the benefit of the Finance Parties) that:

- (a) if in the State of Registration of an Aircraft (or, if different, the jurisdiction of incorporation of the Mortgagor or the person with operational control of that Aircraft) there shall be, or be brought into force, any legislative or other provisions giving effect to the Cape Town Convention on the Protection of Interests in Mobile Equipment or otherwise relating to the recognition of rights in aircraft, the Mortgagor shall, if requested by the Security Trustee, procure at the Mortgagor's expense (provided that the Security Trustee has made reasonable efforts to mitigate any costs involved) that all acts as may be necessary to perfect recognition of the Security Trustee's and the other Finance Parties' title and interest in that Aircraft in accordance with such legislative or other provisions are effected by the Mortgagor as soon as reasonably practicable;
- (b) it shall not do any act or thing which is likely to jeopardise or otherwise prejudice the Security constituted by this Deed;
- (c) it shall not authorise or voluntarily permit any other person to (i) offer for sale or other disposal, (ii) solicit offers for the purchase or other acquisition of, (iii) sell, dispose of or transfer title to or (iv) take any other action of any nature whatsoever for or in connection with any sale and/or disposal and/or transfer of title to any Aircraft, unless it does so in accordance with the terms of the Finance Documents or it has first notified the person to whom such offer has been made of the existence of this Deed and the mortgage of that Aircraft hereunder or unless, in each case, the Security Trustee has given its prior written consent thereto and, if the Security Trustee has given such consent, the Mortgagor shall only do the same under such arrangements, for such price and in such manner and subject to such conditions, as the Security Trustee may have consent to and/or specified in writing; and

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- (d) it will not, without the prior written consent of the Security Trustee, sell or otherwise dispose of the Mortgaged Property and/or the Assigned Property or create or incur, nor shall it voluntarily permit the creation, incurr or existence of, any Security in or upon the Mortgaged Property and/or the Assigned Property, save for Permitted Security or otherwise in accordance with the terms of the Finance Documents.

#### **4.7 Security Trustee's Covenant of Quiet Enjoyment**

The Security Trustee undertakes that, save for the exercise of its remedies arising pursuant to clause 24 (Events of Default) of the Facility Agreement, it shall not, and will procure that no person acting by or through the Security Trustee shall, take any action which will interfere with the use, possession and quiet enjoyment of the Aircraft by the Mortgagor and the Security Trustee further undertakes, at the request and cost of the Mortgagor, to take such action as is reasonably available to it and reasonably agreed by it to protect the use, possession and quiet enjoyment of the Aircraft by the Mortgagor from interference by third parties.

#### **4.8 Intentionally blank**

#### **4.9 Operational Indemnity**

- (a) The Mortgagor agrees to indemnify each Indemnatee from and against all costs, charges, expenses, payments, charges, losses, demands, liabilities, claims, actions, proceedings, penalties, fines, damages, judgments, orders or other actions (together referred to in this Clause as Losses) from time to time suffered or incurred by any Indemnatee:
- (i) relating to or arising directly or indirectly in any manner or for any reason whatsoever out of, the design, manufacture, testing, delivery, import, export, ownership, registration, possession, control, use, operation, purchase, sale, leasing, sub-leasing, insurance, maintenance, repair, refurbishment, improvement, condition, service, overhaul, modification, loss, damage, removal, storage, re-delivery, disposal or replacement of, in or to any Aircraft or otherwise in connection with any Aircraft, or relating to loss or destruction of or damage to any property, death or injury of, or other loss of any nature suffered by, any person, caused by, relating to, or arising from or out of (in each case whether directly or indirectly) any of the foregoing matters;
  - (ii) which may, at any time, be brought on the ground that any design, article or material in any Aircraft or the operation or use thereof constitutes an infringement of any patent, intellectual property right or any other right whatsoever; or
  - (iii) which may at any time be incurred by an Indemnatee preventing or attempting to prevent the arrest, confiscation, seizure, taking in execution, impounding, forfeiture or detention of any Aircraft.
- (b) The Mortgagor shall not be required to indemnify an Indemnatee under paragraph (a) above to the extent that:

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- (i) the relevant Losses are caused by the fraudulent or wilful misconduct or gross negligence of such Indemnatee or its servants or agents (except where such agent is the Mortgagor);
  - (ii) the relevant Losses are a result of any failure on the part of such Indemnatee to comply with any of the express terms of any Finance Document;
  - (iii) the relevant Losses are a result of any representation or warranty made or given by such Indemnatee in any Finance Document being incorrect;
  - (iv) the relevant Losses are ordinary and usual operating or overhead expenses of such Indemnatee or are otherwise required to be borne by such Indemnatee pursuant to the terms of the Finance Documents;
  - (v) the relevant Losses represent a loss of future profits;
  - (vi) the relevant Losses represent a Tax;
  - (vii) the relevant Losses are solely a result of an assignment, transfer or other disposition by a Finance Party of any of its rights or obligations under the Finance Documents;
  - (viii) the relevant Losses arise solely as a result of the activities of any Indemnatee in any jurisdiction which are unrelated to any of the transactions and other matters contemplated by the Finance Documents;
  - (ix) the relevant Losses arise as a result of any acts of, or claims against any Finance Party that are not related in any respect to the Borrower or the transactions contemplated by any of the Finance Documents; or
  - (x) the relevant Losses relate to a loss, expense, cost or other liability which is already payable by the Mortgagor under another provision of the Finance Documents.
- (c) Without prejudice to the Mortgagor's obligations under this Clause 4.9, the Security Trustee shall promptly after it has obtained actual knowledge of any Losses in relation to which it or any Indemnatee is seeking to be indemnified by Mortgagor and the Finance Parties agree that the Mortgagor may take reasonable actions to contest, defend or avoid such Losses or to recover the same from a third party (including without limitation, a manufacturer, supplier or insurer). With the consent of the relevant Indemnatee the Mortgagor can require the relevant Indemnatee to join such action and do all reasonable things as may be available to it which are necessary or desirable and which may reasonably be requested by the Mortgagor in connection with such Losses, provided that the obligations of the Indemnatee under this paragraph are subject to the following conditions being met:
- (i) the Mortgagor shall have notified the Security Trustee prior to taking any action to contest, defend or avoid such Losses;

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- (ii) such Indemnitee shall have been indemnified or secured to its satisfaction (acting reasonably) against all Losses which may be incurred by reason of any action on the part of the Mortgagor;
  - (iii) such action will not result in any material risk of the sale, forfeiture or other loss of the relevant Aircraft or any interest therein or in the creation of any Security (other than Permitted Security) in respect of the relevant Aircraft;
  - (iv) such action does not involve any risk of criminal liability or unindemnified civil penalties on the part of any Indemnitee;
  - (v) such actions are permitted by applicable law and regulation;
  - (vi) no Event of Default shall have occurred and be continuing; and
  - (vii) the Mortgagor shall from time to time provide the Indemnitee with such information as that Indemnitee may reasonably request in relation to the relevant action.

For the avoidance of doubt, where the Mortgagor has made a payment under this Clause 4.9 on behalf of an Indemnitee, the Mortgagor shall be subrogated to the rights of that Indemnitee to pursue a counterclaim against the claimant.

## **5. CONTINUING SECURITY**

### **5.1 Continuing Security**

Throughout the Security Period, the Security constituted by this Deed shall:

- (a) be a continuing security for the payment, satisfaction and discharge in full of the Secured Obligations;
- (b) unless otherwise released in accordance with this Deed, not be considered as satisfied or discharged or prejudiced by any intermediate payment, satisfaction or settlement of the whole or any part of the Secured Obligations or any other matter or thing whatsoever other than the full payment and discharge of the Secured Obligations;
- (c) be in addition to and shall not operate so as in any way to prejudice or affect or be prejudiced or affected by any Security, guarantee, indemnity or other right or remedy which the Security Trustee or any other Finance Party (or any person on its behalf) may now or at any time hereafter hold for or in respect of the Secured Obligations or any part thereof; and
- (d) not be prejudiced by any time or indulgence granted to any person, or any abstention or delay by the Security Trustee in perfecting or enforcing any Security, securities, guarantees, rights or remedies that the Security Trustee may now or hereafter have from or against the Mortgagor or any other person, or any waiver, act, omission, unenforceability or invalidity of any such Security, security, guarantee, right or remedy.

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## **5.2 No Assumption**

- (a) The Mortgagor shall at all times remain liable to perform all duties and obligations expressed to be assumed by it under or in respect of the Mortgaged Property and the Assigned Property and no exercise by the Security Trustee of any rights under this Deed shall constitute or be deemed to constitute an assumption or acceptance by the Security Trustee of any obligation of the Mortgagor.
- (b) The Security Trustee shall not be obliged to make any enquiry as to the nature or sufficiency of any payment received by it under this Deed or to make any claim or take any other action to collect any moneys or enforce any rights and benefits hereby assigned to the Security Trustee or to which the Security Trustee may at any time be entitled to hereunder.

## **5.3 Additional Security**

The security created by this Deed is in addition to, and shall not be prejudiced by, any other security, guarantee or other assurance now or subsequently held by any Finance Party for all or any part of the Secured Obligations.

## **5.4 Exercise of Rights**

No Finance Party need before the Security Trustee exercises any of the rights, power or remedies conferred upon it by this Deed or by law:

- (a) take action or obtain judgment against the Mortgagor or any other person in any court of otherwise;
- (b) make or file a claim or proof in a winding-up, liquidation, bankruptcy, insolvency, administration, dissolution, reorganisation or amalgamation of, or other analogous event of or with respect to, the Mortgagor or any other person; or
- (c) enforce or seek to enforce the payment or performance of, or the recovery of, any of the moneys, obligations and liabilities hereby secured or any other security, guarantee or other assurance for all or any of the Secured Obligations.

## **5.5 Security not Discharged**

The security created by this Deed shall not be discharged, impaired or otherwise affected by:

- (a) any failure by any Finance Party to take or enforce any other security, guarantee or other assurance taken or agreed to be taken or given for all or any of the Secured Obligations under or pursuant to any Finance Document or otherwise;
- (b) any time or other indulgence given or agreed by any Finance Party to the Mortgagor or any other person in respect of the Secured Obligations or in respect of the Mortgagor's or such other person's obligations under any security or guarantee relating thereto;
- (c) any amendment, modification, variation, supplement, novation, restatement or replacement of all or any part of the Secured Obligations or any Finance Document;

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- (d) any release or exchange of any other security, guarantee or other assurance now or hereafter held by or enuring to the benefit of any Finance Party for all or any part of the Secured Obligations; or
  - (e) any other act, fact, matter, event, circumstance, omission or thing (other than a discharge in accordance with the express terms of this Deed) which, but for this provision, might operate or impair or discharge the rights of any Finance Party under this Deed or under any other Finance Document or which, but for this provision, might constitute a legal or equitable discharge of the security hereby created.

## **5.6 Consolidation**

Neither Section 93 (Restriction on Consolidation of Mortgagee) nor Section 103 (Regulation of Exercise of Power of Sale) of the Law of Property Act 1925 shall apply to this Deed.

## **6. APPLICATION OF PROCEEDS**

### **6.1 Application of Proceeds**

All moneys in respect of the Mortgaged Property or the Assigned Property, as the case may be, received by a Receiver or the Security Trustee or either of them by reason of this Deed shall be applied in or towards discharge of the Secured Obligations accordance with the provisions of the Facility Agreement.

### **6.2 Insurance and Requisition Proceeds**

- (a) Any Total Loss Proceeds received by the Security Trustee shall be applied as follows:
  - (i) if a prepayment of the Utilisation then outstanding is required pursuant to clause 9.3(a) (*Total Loss*) of the Facility Agreement (after the application (if any) of clause 9.3(b) of the Facility Agreement), the Security Trustee shall apply such Total Loss Proceeds (or any portion thereof) in or towards satisfaction of the Mortgagor's obligations under clause 9.3(a) (*Total Loss*) of the Facility Agreement and provided no Event of Default has occurred and is continuing any surplus after such application of such sums shall be paid to the Mortgagor;
  - (ii) if no prepayment of the Utilisation then outstanding is required pursuant to clause 9.3(a) (*Total Loss*) of the Facility Agreement (after the application (if any) of clause 9.3(b) of the Facility Agreement), the Security Trustee shall provided no Event of Default has occurred and is continuing pay such Total Loss Proceeds to the Mortgagor as soon as practicable but in any event within two (2) Business Days after receipt.
- (b) After the occurrence of an Event of Default which is continuing any Insurance proceeds (other than in respect of third party liability insurances) shall be applied by the Security Trustee in the manner provided in Clause 6.1 (*Application of Proceeds*).

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- (c) All Requisition Proceeds received in respect of a Compulsory Acquisition of an Aircraft shall be paid to the Security Trustee and applied in accordance with the provisions of the Facility Agreement. All other Requisition Proceeds shall for so long as no Event of Default has occurred and is continuing be paid to the Mortgagor. All other Requisition Proceeds received after the occurrence of an Event of Default which is continuing shall be paid to the Security Trustee and be applied in accordance with the provisions of Clause 6.1 (*Application of Proceeds*).

## **7. ENFORCEABILITY OF SECURITY**

### **7.1 Time of Enforcement**

The security constituted by this Deed shall be immediately enforceable and exercisable upon and at any time after the occurrence of an Event of Default which is continuing.

### **7.2 Rights upon Enforcement**

When and at any time after the security constituted by this Deed has become enforceable the Security Trustee may exercise any and all rights in the Mortgaged Property and the Assigned Property and at all times thereafter the Security Trustee shall be entitled without notice or further demand, and without the restrictions contained in Section 103 (Regulation of Exercise of Power of Sale) of the Law of Property Act 1925 or Section 109(1) of the Law of Property Act 1925:

- (a) exercise all the powers and rights conferred on mortgagees by the Law of Property Act 1925, as varied and extended by this Deed and all powers and rights which may be exercisable by the beneficial owner of the Assigned Property;
- (b) to apply to any authority in the country in which the Mortgaged Property or any part thereof is located for an enforcement and attachment order in respect of the Mortgaged Property or any such part thereof;
- (c) to take possession of the Mortgaged Property or any part thereof and for that purpose to enter upon any premises where the Mortgaged Property or such part thereof may be located;
- (d) to sell, call in, collect and convert into money the Mortgaged Property or the Assigned Property, as the case may be, or any part thereof by public or private contract at any place in the world with or without advertisement or notice to the Mortgagor with all such powers in that respect as are conferred by law and by way of extension thereof such sale, calling in, collection and conversion may be made for such consideration and with such person (including any Finance Party or any Affiliate thereof) as the Security Trustee shall deem reasonable, whether the same shall consist of cash or shares or debentures in some other company or companies or other property of whatsoever nature or the assumption of any or all of the Mortgagor's obligations under any of the Finance Documents or partly of one and partly of some other species of consideration and whether such consideration shall be presently payable or by instalments or at some future date and whether such deferred or future payments shall be secured or not in all other respects and manner

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and for any other consideration as the Security Trustee shall think fit and so that Section 103 (Regulation of Exercise of Power of Sale) of the Law of Property Act 1925 shall not apply to this Deed or to the power of sale, calling in, collecting or conversion herein contained, without being liable to account for any loss of or deficiency in such consideration;

- (e) to repair and keep in repair each Aircraft;
- (f) to insure each Aircraft against loss or damage in such sums as the Security Trustee shall think fit;
- (g) to settle, arrange, compromise or submit to arbitration any accounts, claims, questions or disputes whatsoever which may arise in connection with the Mortgaged Property and/or the Assigned Property or in any way relating to this Deed and execute releases or other discharges in relation thereto;
- (h) to bring, take, defend, compromise, submit to arbitration or discontinue any actions, suits or proceedings whatsoever, civil or criminal, in respect of the Mortgaged Property and/or the Assigned Property;
- (i) to lease or charter each Aircraft for such terms, at such rents and generally in such manner and upon such conditions and stipulations as the Security Trustee shall think fit;
- (j) to execute and do all such acts, deeds and things with respect to the Mortgaged Property and/or the Assigned Property which are necessary for or in relation to any of the purposes aforesaid;
- (k) to apply to a court of competent authority for an order for foreclosure absolute so as to vest all of the Mortgagor's right, title and interest in the Mortgaged Property in the Security Trustee; and/or
- (l) to appoint a Receiver of all or any part of the Mortgaged Property and/or the Assigned Property upon such terms as to remuneration and otherwise as the Security Trustee shall deem fit and the Security Trustee may from time to time remove any receiver so appointed and appoint another in his stead and to fix (at or after the time of his appointment) the remuneration of any such Receiver. A Receiver so appointed shall be the agent of the Mortgagor in respect of the Mortgaged Property and/or the Assigned Property but not otherwise. Nothing herein contained shall render any of the Finance Parties liable to any such Receiver for his remuneration, costs, charges or expenses or otherwise.

### **7.3 Implied Rights**

Without limiting, and as an addition to, the powers conferred upon the Security Trustee or any Finance Parties by the laws of England or of any other jurisdiction, the Security Trustee (on behalf of itself and the other Finance Parties) may at any time after the occurrence of an Event of Default, and for so long as such Event of Default is continuing, exercise against or in respect of the Mortgaged Property and/or the Assigned Property any of the rights, powers, privileges or discretions conferred from time to time by the laws of

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the State of Registration or any other applicable jurisdiction upon mortgagees or assignees of property such as the Mortgaged Property and/or the Assigned Property.

## **8. RECEIVER**

### **8.1 Power of Receiver**

The appointment of a Receiver pursuant to Clause 7.2(a) shall be deemed to be subject to the following provisions:

- (a) the Receiver shall be the agent of the Mortgagor, and the Mortgagor alone shall be responsible for his acts, defaults and remuneration;
- (b) neither the Security Trustee nor any Receiver shall be liable to account as a mortgagee of the Mortgaged Property or assignee of the Assigned Property and neither the Security Trustee nor any Receiver shall be liable for any loss arising from or in connection with the realisation of the Mortgaged Property and/or the Assigned Property or otherwise for any act, neglect, default or omission for which a mortgagee might be liable as such;
- (c) any Receiver shall have and be entitled to exercise all such powers as would be conferred on him had he been duly appointed under the Law of Property Act 1925 (save that Section 103 (Regulation of Exercise of Power of Sale) of the Law of Property Act 1925 shall not apply) and shall in any event have and be entitled to exercise all the rights, powers and remedies conferred upon the Security Trustee by this Deed and by law, including, without limitation, the powers specified in Schedule 1 of the Insolvency Act (to extent applicable and whether or not the Receiver is an administrative receiver within the meaning of that act), with respect to the Mortgaged Property and the Assigned Property or any part thereof;
- (d) the Receiver shall have power to make any payment and incur any expenditure which the Security Trustee is by this Mortgage expressly or impliedly authorised to make or incur. Any expenses incurred by the Receiver in the exercise of any of his powers hereunder may be paid or retained by him out of any moneys coming into his hands as receiver as may be paid by the Security Trustee in which case they shall be treated as expenses properly incurred by the Security Trustee;
- (e) the Receiver shall in the exercise of his powers, authorities and discretions conform with the directions from time to time made and given by the Security Trustee;
- (f) the Security Trustee may at any time require security to be given for the due performance of the Receiver's duties as receiver at the cost of the Mortgagor;
- (g) the Security Trustee may from time to time determine what funds the Receiver shall be at liberty to keep in hand with a view to the performance of his duties as receiver; and
- (h) such appointment may be made either before or after the Security Trustee shall have exercised any of its rights pursuant to this Deed.

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## 8.2 Statutory Powers and Duties

Sections 103 (Regulation of Exercise of Power of Sale), 109(6) and 109(8) of the Law of Property Act 1925 shall not apply in relation to any Receiver appointed pursuant to Clause 7.2(a).

## 8.3 No Liability to Account

Neither the Security Trustee nor the Receiver shall be liable to account as a mortgagee in possession of the Aircraft and neither the Security Trustee nor any Receiver shall be liable for any loss arising from or in connection with the realisation of the Mortgaged Property or otherwise for any act, neglect, default or omission for which a mortgagee in possession might be liable as such.

## 8.4 Powers Additional

The foregoing powers of appointment of a Receiver shall be in addition to any statutory or other powers of the Security Trustee under the Law of Property Act 1925 and the Receiver shall in any event have and be entitled to exercise all the rights, power and remedies conferred upon the Security Trustee by this Mortgage and by law with respect to the Mortgaged Property and/or the Assigned Property.

## 8.5 Application of Proceeds by Receiver

- (a) All moneys received by a Receiver in exercise of the rights, power and remedies conferred upon a Receiver by this Mortgage or by law shall (subject to the claims of creditors ranking in priority to the Security Trustee) be applied:
  - (i) first, in or towards payment of all costs, charges and expenses of, and incidental to the appointment of, such Receiver or incurred by such Receiver in or about or in pursuance of the exercise by such Receiver of the said rights, powers and remedies;
  - (ii) second, in or towards payment of all outgoings paid by such Receiver in or about in pursuance of the exercise by such Receiver of the said rights, powers and remedies;
  - (iii) third, in or towards payment to such Receiver of remuneration at such rate as may be agreed between such Receiver and the Security Trustee; and
  - (iv) fourth, in accordance with the provisions of Clause 6 (*Application of Proceeds*).
- (b) During the Security Period, the Security Trustee may:
  - (i) refrain from applying or enforcing any moneys, Security or rights held or received by it (or any trustee or agent on its behalf) in respect of the Secured Obligations; or
  - (ii) hold in an interest-bearing suspense account any moneys received from the Mortgagor or on account of the Secured Obligations.

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## 8.6 Remuneration of Receiver

Any Receiver appointed hereunder shall be entitled to remuneration for his services at a rate to be fixed by agreement between him and the Security Trustee (or, failing such agreement, to be fixed by the Security Trustee) appropriate to the work and responsibilities involved upon the basis of charging from time to time adopted in accordance with his current practice or the current practice of his firm and without being limited to the maximum rate specified in Section 109(6) of the Act.

## 9. THIRD PARTIES

### 9.1 Third Parties

No person dealing with the Security Trustee or any Receiver shall be concerned to enquire whether an Event of Default has occurred and is continuing or whether the power which the Security Trustee or such Receiver is purporting to exercise has become exercisable or whether any money remains due on the security of this Deed or otherwise as to the propriety or regularity of any sale or other dealing by the Security Trustee or such Receiver with the Mortgaged Property and/or the Assigned Property and all the protections to purchasers conferred by law shall apply to such persons dealing with the Security Trustee or such Receiver.

### 9.2 Receipt of Purchase Moneys

The receipt of the Security Trustee or such Receiver for the purchase moneys shall effectively discharge the purchaser who shall not be concerned with the manner of application of the same or be in any way answerable therefor.

### 9.3 Meaning of ‘purchaser’

For the purpose of Clause 9.1 (*Third Parties*) and Clause 9.2 (*Receipt of Purchase Moneys*), a reference to ‘purchaser’ includes any Person acquiring, for money or money’s worth, any lease of, or Security over, or any other right or interest whatsoever in relation to the Mortgaged Property and/or the Assigned Property.

## 10. DELEGATION

The Security Trustee shall be entitled, at any time and as often as may be expedient, to delegate all or any of the powers and discretions vested in it by this Deed (including the power vested in it by virtue of Clause 13 (*Power of Attorney*)) in such manner, upon such terms and to such persons as the Security Trustee in its discretion may think fit.

## 11. CONDITIONAL DISCHARGE ONLY

Any settlement or discharge between the Security Trustee and the Mortgagor shall be conditional upon no security or payment to the Security Trustee or any other Finance Party being avoided or set aside or ordered to be refunded or reduced by virtue of any provision or enactment relating to bankruptcy, liquidation, winding-up, insolvency, dissolution, reorganisation, amalgamation or other analogous event or proceedings for the time being in force.

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## 12. RELEASE AND PARTIAL RELEASE OF MORTGAGE

### 12.1 Release of the Mortgaged Property and the Assigned Property

Following the full and unconditional discharge of the Secured Obligations (and provided that the Security Trustee shall not have been advised by insolvency counsel that having regard to the facts then existing and by reason of any bankruptcy, administration, insolvency or other laws affecting creditors' rights and discharge of obligations, the Security Trustee or any of the Finance Parties will or will become likely to be obliged to pay to or to account to the Mortgagor or any liquidator, administrator or trustee in bankruptcy or any of them any amount corresponding to all or any part of the amount paid in or towards such discharge), the Security Trustee shall, at the request and at the cost of the Mortgagor, release and re-assign to the Mortgagor without recourse or warranty, such right, title and interest as the Security Trustee may then have in and to the Mortgaged Property and the Assigned Property.

### 12.2 Release of the Aircraft

(i) Where the Mortgagor has delivered a Security Release Request in respect of the Mortgaged Property and the Assigned Property relating to an Aircraft and the Agent has notified the Security Trustee that the conditions set out in clause 23.8 (*Security*) of the Facility Agreement are satisfied, or (ii) following the occurrence of a Total Loss of an Aircraft, or (iii) following Mortgagor's request to release the Security in respect of an Aircraft in accordance with, and subject to, the provisions of clause 9.4 (*Operational requirements*) of the Facility Agreement, the Security Trustee hereby agrees that it shall, at the cost of the Mortgagor, release and re-assign to the Mortgagor, without recourse or warranty, such right, title and interest as the Security Trustee may then have in and to that Aircraft and the Assigned Property by executing and delivering to the Mortgagor a Deed of Release and Reassignment in respect of that Aircraft.

### 12.3 Further Assurance

The Security Trustee agrees that upon any release and discharge of the nature contemplated in Clause 12.1 (*Release of the Mortgaged Property and the Assigned Property*) or Clause 12.2 (*Release of the Aircraft*) it shall, at the cost and expense of the Mortgagor, from time to time sign, seal, execute, acknowledge, deliver, file and register any additional documents, instruments, notices, agreements, certificates, consents and assurances and do such other acts and things as the Mortgagor may reasonably request as being necessary to evidence and give effect to such release and discharge.

## 13. POWER OF ATTORNEY

### 13.1 Power of Attorney

The Mortgagor hereby by way of security for the payment and performance of the Secured Obligations irrevocably appoints the Security Trustee to be its true and lawful attorney (with full power of substitution and delegation) for the Mortgagor and in its name or otherwise and on its behalf and as its act and deed to sign, seal, execute, deliver and do all such assurances, acts and things which the Security Trustee may deem to be necessary or advisable in order to give full effect to the purposes of this Deed including, without

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limitation, (a) to ask, require, demand, receive, compound and give acquaintance for any and all moneys and claims for any and all moneys due under or arising out of the Mortgaged Property and/or the Assigned Property, (b) to endorse any cheque, draft or other document, instrument or order in connection therewith, (c) to deliver any documents, instruments or certificate with such amendments thereto (if any) which may be required to obtain de-registration of the Aircraft from the register of aircraft maintained by the Aviation Authority and the export of each Aircraft from the United Kingdom and (d) to make any claim or to take any action or to institute any suit, legal action or other proceeding which the Security Trustee may consider to be necessary or advisable in connection with the Mortgaged Property and/or the Assigned Property, and generally in the Mortgagor's name and on its behalf to exercise all or any of the powers, authorities and discretions conferred by or pursuant to this Deed or law on the Security Trustee and, without prejudice to the generality of the foregoing, to seal and deliver and otherwise perfect any deed, assurance, agreement, instrument, act or thing which the Security Trustee may deem appropriate for the purpose of exercising any of such powers, authorities and discretions provided that the power of attorney granted pursuant to this Clause 13.1 shall only become exercisable following the occurrence of an Event of Default which is continuing.

### **13.2 No Obligation to Exercise Power**

The Security Trustee shall not have any obligation to exercise any of the powers hereby conferred on it. No action taken by or omitted to be taken by the Security Trustee in the proper exercise of the power conferred on it pursuant to Clause 13.1 (*Power of Attorney*) shall give rise to any defence, counterclaim or set-off in favour of the Mortgagor or otherwise affect any of the Secured Obligations.

### **13.3 Ratification**

The Mortgagor hereby unconditionally and irrevocably ratifies and confirms and agrees to ratify and confirm whatever any such attorney appointed pursuant to Clause 13.1 (*Power of Attorney*) shall do or purport to do, in good faith, in the exercise or purported exercise of all or any of the powers, authorities and discretions conferred pursuant to Clause 13.1 (*Power of Attorney*).

## **14. FURTHER ASSURANCES AND PROTECTION OF SECURITY**

### **14.1 Further Assurance**

The Mortgagor shall from time to time sign, seal, execute, acknowledge, deliver, file and register any additional documents, instruments, notices, agreements, certificates, consents and assurances and do such other acts and things as the Security Trustee may reasonably request as being necessary from time to time to perfect the security granted by this Deed or to establish, maintain, protect or preserve the rights of the Security Trustee under this Deed and the Security intended to be constituted by this Deed and/or in respect of the Assigned Property.

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## **14.2 Protection of Interests**

The Security Trustee shall, without prejudice to its other rights and powers under this Deed, be entitled (but shall be under no obligation) at any time and as often as may be necessary, to take any such action as it in its discretion thinks fit for the purpose of protecting the Security constituted by this Deed and/or in respect of the Mortgaged Property or the Assigned Property.

## **15. SUCCESSORS AND ASSIGNS**

### **15.1 Benefit of Deed**

This Deed shall be binding upon and inure to the benefit of the Mortgagor, the Security Trustee and each of the other Finance Parties and their respective successors and permitted assigns and transferees.

### **15.2 No Assignment**

The Mortgagor may not assign any of its rights or transfer or purport to transfer any of its obligations hereunder without the prior written consent of the Security Trustee.

## **16. NOTICES**

Each communication to be made or document to be delivered hereunder shall be made and/or delivered in the manner and to the addressees and numbers and with copies and shall be effective as determined pursuant to Clause 33 (*Notices*) of the Facility Agreement.

## **17. MISCELLANEOUS**

### **17.1 Counterparts**

This Deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute an original, but all counterparts shall together constitute but one and the same instrument.

### **17.2 Waiver**

No failure to exercise, nor any delay in exercising, on the part of any party hereto, any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.

### **17.3 Partial Invalidity**

If, at any time, any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.

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#### 17.4 Amendments

This Deed may not be amended, varied, modified or supplemented except by a deed in writing executed by the Mortgagor and the Security Trustee.

### 18. THIRD PARTIES

#### 18.1 Third Parties

Subject to this Clause 18, a person who is not a party to this Deed has no right under the Third Parties Act to enforce any provision of this Deed but this does not affect any right or remedy of a third party which exists or is available apart from under the Third Parties Act.

#### 18.2 Receiver

A Receiver appointed pursuant to Clause 7.2(k) may enforce the terms of Clause 8 (*Receiver*) subject to and in accordance with the other terms of this Deed and the provisions of the Third Parties Act.

### 19. GOVERNING LAW

This Deed and all matters arising from or connected with it are governed by English law.

### 20. JURISDICTION

#### 20.1 English Courts

The courts of England have jurisdiction to settle any dispute (a “**Dispute**”) arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed or the consequences of its nullity).

#### 20.2 Appropriate Forum

The parties agree that the courts of England are the most appropriate courts to settle Disputes between them and, accordingly, that they will not argue to the contrary.

#### 20.3 Non-Exclusive Jurisdiction

Clause 20.1 (*English Courts*) does not prevent the Security Trustee from taking proceedings relating to a Dispute (“**Proceedings**”) in any other courts with jurisdiction **provided that** such Proceedings are commenced in the relevant jurisdiction in connection with the enforcement of the security constituted pursuant to this Deed. To the extent allowed by law, the Security Trustee may take concurrent Proceedings in any number of jurisdictions.

#### 20.4 Waiver of Immunity

The Mortgagor waives generally all immunity it or its assets or revenues may otherwise have in any jurisdiction, including immunity in respect of:

- (a) the giving of any relief by way of injunction or order for specific performance or for the recovery of assets or revenues; and

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- (b) the issue of any process against its assets or revenues for the enforcement of a judgment or in an action *in rem* for the arrest, detention or sale of any of its assets and revenues.

**IN WITNESS WHEREOF** this Deed has been executed by the parties hereto and is intended to be and is hereby delivered on the date first above written.

**Schedule 1**  
**The Aircraft**

No.	Aircraft Type	Serial Number	Registration	Manufacture Date	MTOW (lbs)	Engine Type	ESN 1	ESN 2
1	A318-100	4007	G-EUNA	Aug-2009	149913	CFM56-5B9/3	699502	699506
2	A318-100	4039	G-EUNB	Sep-2009	149913	CFM56-5B9/3	699541	699542
3	A319-100	1440	G-EUPW	Mar-2001	141096	V2522-A5	V10915	V10916
4	A319-100	1574	G-EUOE	Sep-2001	141096	V2522-A5	V11056	V11054
5	A319-100	1590	G-EUOF	Oct-2001	141096	V2522-A5	V11069	V11070
6	A319-100	1594	G-EUOG	Oct-2001	141096	V2522-A5	V11080	V11078
7	A320-200	1418	G-MIDT	Mar-2001	169757	V2527-A5	V10910	V10914
8	A320-200	1708	G-EUUL	Dec-2002	169757	V2527-A5	V10893	V11340
9	A320-200	1760	G-EUUD	Apr-2002	169757	V2527-A5	V11217	V11219
10	A320-200	1782	G-EUUE	May-2002	169757	V2527-A5	V11228	V11240
11	A320-200	1910	G-EUUN	Jan-2003	169757	V2527-A5	V11383	V11386
12	A320-200	1958	G-EUJO	Apr-2003	169757	V2527-A5	V11422	V11427
13	A320-200	1987	G-MIDO	Apr-2003	169757	V2527-A5	V11450	V11452
14	A320-200	2038	G-EUUP	Jun-2003	169757	V2527-A5	V11483	V11485
15	A320-200	2040	G-EUUR	Jul-2003	169757	V2527-A5	V11026	V11488
16	A320-200	3301	G-EUUS	Dec-2007	169757	V2527-A5	V12735	V12729
17	A320-200	3314	G-EUUT	Dec-2007	169757	V2527-A5	V12755	V12761
18	A320-200	3351	G-EUUU	Mar-2008	169757	V2527-A5	V12810	V12816
19	A320-200	3468	G-EUUV	Apr-2008	169757	V2527-A5	V12896	V12898
20	A320-200	3499	G-EUUW	Jun-2008	169757	V2527-A5	V12939	V12940
21	A320-200	3550	G-EUUX	Jul-2008	169757	V2527-A5	V12983	V12978
22	A320-200	3607	G-EUUY	Sep-2008	169757	V2527-A5	V13022	V13026
23	A320-200	3649	G-EUUZ	Oct-2008	169757	V2527-A5	V13055	V13057
24	A320-200	3697	G-EUYA	Nov-2008	169757	V2527-A5	V13089	V13091
25	A320-200	3703	G-EUYB	Nov-2008	169757	V2527-A5	V15017	V15018
26	A320-200	3721	G-EUYC	Dec-2008	169757	V2527-A5	V15016	V15022
27	A320-200	3726	G-EUYD	Dec-2008	169757	V2527-A5	V15019	V15025
28	A320-200	3912	G-EUYE	Jun-2009	169757	V2527-A5	V15046	V15066
29	A320-200	4185	G-EUYF	Jan-2010	169757	V2527-A5	V15331	V15334
30	A320-200	4238	G-EUYG	Mar-2010	169757	V2527-A5	V15378	V15375
31	A321-200	2190	G-MEDJ	Apr-2004	196210	V2533-A5	V11638	V11675
32	A321-200	2305	G-EUXC	Oct-2004	182984	V2533-A5	V11754	V11756
33	A321-200	2320	G-EUXD	Oct-2004	182984	V2533-A5	V11783	V11785
34	A321-200	2323	G-EUXE	Oct-2004	182984	V2533-A5	V11787	V11776
35	A321-200	2324	G-EUXF	Nov-2004	182984	V2533-A5	V11791	V11780
36	A321-200	2351	G-EUXG	Dec-2004	182984	V2533-A5	V11794	V11804
37	A321-200	2363	G-EUXH	Dec-2004	182984	V2533-A5	V11812	V11814
38	A321-200	2536	G-EUXI	Aug-2005	182984	V2533-A5	V12008	V12010
39	A321-200	3081	G-EUXJ	Apr-2007	182984	V2533-A5	V12562	V12564
40	A321-200	3926	G-MEDU	Jul-2009	196210	V2533-A5	V13161	V13163

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41	B777-200ER	30311	G-YMMJ	Dec-2000	656000	RR Trent 895	51263	51317
42	B777-200ER	30312	G-YMMK	Dec-2000	656000	RR Trent 895	51265	51266
43	B777-200ER	30313	G-YMML	Apr-2001	656000	RR Trent 895	51307	51299
44	B777-200ER	30315	G-YMMP	Oct-2001	656000	RR Trent 895	51344	51345
45	B777-200ER	36516	G-YMMR	Mar-2009	656000	RR Trent 895	51533	51534
46	B777-300ER	43702	G-STBI	Jan-2014	775000	GE90-115B	907-461	907-462
47	B777-300ER	43703	G-STBJ	Mar-2014	775000	GE90-115B	907-487	907-488
48	B787-9	38625	G-ZBKI	Mar-2016	545000	Trent 1000-J2	10388	10394

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**Schedule 2**  
**Notice of Assignment to Insurers**

To: Marsh Ltd and Willis Limited

Dated:

**Deed of Assignment and First Priority Mortgage dated \_\_\_\_ May 2020 (the “Deed”) between British Airways Plc (the “Mortgagor”) and Citibank, N.A., London Branch in its capacity as security trustee (the “Security Trustee”)**

1. We hereby give you notice that pursuant to the Deed, a copy of which is attached hereto, we have assigned and agreed to assign absolutely to the Security Trustee all our right, title and interest in and to the proceeds under the Insurances in respect of each Aircraft.
2. Until you are notified to the contrary by the Security Trustee you should continue to deal with the Mortgagor in respect of all matters relating to the making and settlement of claims under the Insurances relating to each Aircraft or any of them as though such assignment had not been made.
3. This Notice and the instructions herein contained are irrevocable. Please acknowledge receipt of this Notice to the Security Trustee by signing the enclosed duplicate of this Notice.
4. Terms defined in the Deed (including terms defined therein by reference to another document) shall have the same meanings herein.

**BRITISH AIRWAYS PLC**

By:

Title:

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**Schedule 3**  
**Notice of Assignment**

To: [●]

Dated: [●]

**Deed of Assignment and First Priority Mortgage dated [●] (the “Deed”) between British Airways Plc (the “Mortgagor”) and Citibank, N.A., London Branch in its capacity as security trustee (the “Security Trustee”)**

**One (1) [●] Aircraft msn [●] (the “Aircraft”)**

1. We hereby give you notice that pursuant to the Deed, a copy of which is attached hereto, we have assigned and agreed to assign absolutely to the Security Trustee all our right, title and interest in and to all Requisition Proceeds in respect of the Aircraft.
2. All Requisition Proceeds in respect of the Aircraft shall be paid to the Security Trustee or to its order.
3. All dealings in respect of the Requisition Proceeds in respect of the Aircraft shall be made with the Security Trustee and you shall perform your obligations thereunder in favour of the Security Trustee instead of, and to the exclusion of, the Mortgagor.
4. This Notice and the instructions herein contained are irrevocable. Please acknowledge receipt of this Notice to the Security Trustee by signing the enclosed duplicate of this Notice.
5. Terms defined in the Deed (including terms defined therein by reference to another document) shall have the same meanings herein.

**BRITISH AIRWAYS PLC**

By:

Title:

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**Acknowledgement**

We acknowledge receipt of the foregoing notice and agree to be bound by its terms.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_

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**Schedule 4**  
**Form of Deed of Release and Reassignment**

**THIS DEED OF RELEASE AND REASSIGNMENT** (this “**Release**”) is made on [●] by **CITIBANK, N.A., LONDON BRANCH** (the “**Security Trustee**”) pursuant to a Deed of Assignment and First Priority Mortgage (the “**Deed**”) dated [●] between the Mortgagor and the Security Trustee.

1. Capitalised terms used in this Release shall have the meanings given to them in the Deed.

2. **Aircraft Details**

This Release is made in respect of the following Aircraft:

- (a) Aircraft Type: [●]
- (b) Aircraft Serial Number: [●]
- (c) Registration Mark: [●]
- (d) Airframe Manufacturer: [●]
- (e) Engine Type: [●]
- (f) Engine Serial Numbers: [●]

3. **Release**

- (a) The Security Trustee, as security trustee for the Finance Parties, hereby releases from the mortgage constituted by the Deed all of its right, title and interest, present and future, in and to the Aircraft referred to in this Release without recourse to or by warranty by any of the Finance Parties.
- (b) As and from the date of this Release, the Aircraft referred to in this Release shall cease to be subject to the terms and conditions of the Deed.

4. **Reassignment**

The Security Trustee, as security trustee for the Finance parties, hereby re-assigns and agrees to re-assign to the Mortgagor, without recourse to or warranty by any Finance Party, all of its right, title and interest in and to the Assigned Property insofar as the same relates to the Aircraft the subject of this Release.

5. **Governing Law**

This Release shall be governed by and construed in accordance with English law.

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IN WITNESS WHEREOF this Release has been executed by the Security Trustee and is intended to be and is hereby delivered on the date set first above written.

**EXECUTED AS A DEED BY** )  
**CITIBANK, N.A., LONDON BRANCH** )  
acting by: )  
in the presence of: )

Witness: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

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## **Schedule 5**

### **Cape Town Convention**

#### **1. Definitions**

In this Schedule 5, in the context of any references to the Cape Town Convention, the following expressions have the respective meanings given to them in Article 1 of the Consolidated Text and in the context of any references to the Cape Town UK Regulations, such expressions have the respective meanings given to them in Regulation 5 of the Cape Town UK Regulations:

- (a) aircraft engines
- (b) aircraft object
- (c) aircraft register
- (d) airframe
- (e) applicable law
- (f) creditor
- (g) default
- (h) international interest
- (i) International Registry
- (j) non-consensual right or interest
- (k) prospective international interest
- (l) prospective sale
- (m) sale
- (n) security agreement
- (o) security interest
- (p) State of registry

and the expression “situated” will have the meaning given to it in Article 4 of the Consolidated Text.

#### **2. Agreement and Acknowledgement**

The Mortgagor and the Security Trustee acknowledge and agree on the date of this Deed as set out below:

- (a) Each Airframe is registered in the aircraft register of the United Kingdom, which is the State of Registry of each Airframe for the purposes of Article 3(3) of the Consolidated Text.

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- (b) Each Airframe is an airframe and accordingly an aircraft object for the purposes of Article 10 of the Consolidated Text.
  - (c) Each Engine is an aircraft engine and accordingly an aircraft object for the purposes of Article 10 of the Consolidated Text.
  - (d) Subject to the Finance Documents, the Mortgagor has the power to dispose of each Airframe and each Engine for the purposes of Article 10 of the Consolidated Text.
  - (e) This Deed is a security agreement and the security interest constituted by Clause 2.4 (*Charge; international interest*) of this Deed is effective to constitute a valid international interest in favour of the Security Trustee as creditor and chargee over each Airframe and each Engine for the purposes of the Cape Town Convention.

### 3. Undertakings

The Mortgagor gives the following undertakings in favour of the Security Trustee for the duration of the Security Period:

- (a) the Mortgagor shall co-operate with the Security Trustee and will take all actions as may be reasonably requested of it by the Security Trustee for the purposes of effecting the registration of any international interest in relation to any Airframe or any Engine that is constituted from time to time in favour of the Security Trustee as creditor and chargee pursuant to Clause 2.4 (*Charge; international interest*) of this Deed on the International Registry, in priority to all other registrable interests, and shall do (or authorise) all such acts and execute (or authorise the execution of) all such documents as may be necessary to perfect and preserve such priority filings and in order to receive the benefit of all the rights, powers and remedies permitted by the Cape Town Convention (including as incorporated into English law pursuant to the Cape Town UK Regulations); and
- (b) if either of the Engines is replaced by a Suitable Replacement in accordance with Clause 2.2 (*Removal; Replacement*), the Mortgagor and the Security Trustee shall take such steps as shall be available to them under the terms of the Cape Town Convention (including as incorporated into English law pursuant to the Cape Town UK Regulations) and as are necessary:
  - (i) to constitute in favour of the Security Trustee as a creditor and a chargee, an international interest in the Suitable Replacement; and
  - (ii) to register such international interest in accordance with Chapter V of the Consolidated Text (including as incorporated into English law pursuant to Regulation 14 of the Cape Town UK Regulations).

### 4. Further Agreement and Acknowledgement

The Mortgagor and the Security Trustee each agree and acknowledge as follows:

- (a) each international interest constituted in favour of the Security Trustee as creditor and chargee pursuant to this Deed in respect of the Airframe and the Engines will

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be registered as an international interest in the International Registry with the consent of each of the Mortgagor and the Security Trustee;

- (b) each Event of Default shall constitute a default under this Deed for the purposes of Article 17(1) of the Consolidated Text (including as incorporated into English law pursuant to Regulation 18 of the Cape Town UK Regulations);
- (c) without prejudice to any other rights the Security Trustee may have under the Finance Documents or applicable law, upon the occurrence of an Event of Default and whilst the same is continuing, the Security Trustee will be entitled to exercise the remedies referred to in Articles 12(1), 15(1) and 20(1) (including 20(1)(e)) of the Consolidated Text (including as incorporated into English law pursuant to Regulations 19, 20, 22, 23 and 25 of the Cape Town UK Regulations); and
- (d) to the extent applicable, Article 20(4) of the Consolidated Text will not apply to any exercise of the rights of the Security Trustee under this Mortgage pursuant to Article 20(1) (including 20(1)(e)) of the Consolidated Text.

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**SIGNATORIES**

**The Mortgagor**

**EXECUTED AS A DEED BY** )

**THE COMMON SEAL OF** )

**BRITISH AIRWAYS PLC** )

being hereunto affixed )

in the presence of: )

*Secretary*  
~~Director~~

Name: \_\_\_\_\_

Andrew Fleming  
Head of Legal and Company Secretary  
British Airways Plc  
Waterside, PO Box 365,  
Harmondsworth, UB7 0GB  
United Kingdom

**The Security Trustee**

**EXECUTED AS A DEED BY  
CITIBANK, N.A., LONDON BRANCH**

acting by:

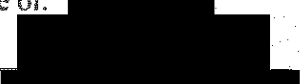
in the presence of:

)  
)  
)  
)



**Justin Ng  
Director**

Witness:



Name:

JAYON JAMES