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COMPANIES FORM No. 395

Particulars of a mortgage or charge

A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge.

CHFP025

Please do not write in this margin

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

*insert full name of Company

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 6)

For official use

Company number

[19]

02524595

Name of company

* British Mediterranean Airways Limited (the "Company").

Date of creation of the charge

22 March 2005

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

A deed of mortgage dated 22 March 2005 in respect of one (1) IAE V2533-A5 with engine serial number 11861 (the "Engine") between the Company and The Royal Bank of Scotland plc (the "Mortgagee") (the "Deed").

Amount secured by the mortgage or charge

Any and all moneys, liabilities and obligations (whether actual or contingent, whether now existing or arising, whether or not for the payment of money, and including, without limitation, any obligation or liability to pay damages, costs and expenses) which are on 22 March 2005 or which may at any time and from time to time thereafter be due, owing, payable or incurred or be expressed to be due, owing, payable or incurred from or by the Company to any one or more of the Beneficiaries under any Transaction Document or as a consequence of any breach, non performance, disclaimer or repudiation by the Company (or by a liquidator, receiver, administrative receiver, administrator examiner or any similar officer in respect of the Company) of any of the Company's obligations owed to any of the Beneficiaries under any Transaction Document (and any and all such monies, liabilities and obligations of the Company shall form part of the Secured Obligations (the "Secured Obligations").

Please see attached Schedule 1 (Definitions)

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

The Royal Bank of Scotland plc, 36 St. Andrew Square, Edinburgh, Scotland.

Postcode EH2 2YB

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

Clifford Chance Limited
Via CH London Counter
10 Upper Bank Street
London
E14 5JJ

For official Use (02/00)
Mortgage Section

Post room



Time critical reference

Short particulars of all the property mortgaged or charged

By Clause 2 of the Deed, in order to secure the full and punctual payment, performance and discharge of the Secured Obligations, the Company with full title guarantee mortgaged to the Mortgagee, as security trustee for and on behalf of the Beneficiaries, all the Company's right, title and interest, present and future, in the Engine by way of first priority legal mortgage.

The Deed contains covenants for further assurances and a negative pledge.

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

30 / 03 / 05

On behalf of ~~XXXXXX~~ [mortgagee/~~XXXXXX~~ †

A fee is payable to Companies House in respect of each register entry for a mortgage or charge. (See Note 5)

† 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 A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders must be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is: Companies House, Crown Way, Cardiff CF14 3UZ

SCHEDULE 1

DEFINITIONS

"Assignment of Insurances" means, the assignment of insurances entered into or, as the context may require, to be entered into between the Company and the Security Trustee in relation to, *inter alia*, the Insurances relating to the Engine.

"Beneficiaries" means each of the Facility Agent, the Lenders and the Security Trustee.

"Dollars", "US Dollars" or "\$" means the lawful currency from time to time of the United States of America.

"Engine Mortgage" means the first priority Lien granted to the Security Trustee by the Company, over the Engine, pursuant to an engine mortgage dated 22 March 2005 between the Security Trustee and the Company (and includes such mortgage).

"Engine Manufacturer" means IAE International Aero Engines AG, a joint stock company established organised and existing under the laws of Switzerland, having its principal place of business at IAE Building 400 Main Street, East Hartford 06018, Connecticut, USA.

"Engine Warranties" means the engine warranties in respect of the Engine provided by the Engine Manufacturer to the Company pursuant to clause 4.2.1, 4.2.2 and 4.2.3, Exhibit D-1 (V2500 Engines and Parts Service Policy), Exhibit D-2 (V2500 Nacelle and Parts Service Policy) and Exhibit D-3 (V2500 Non-Installed Items Warranty) of the General Terms Agreement as limited by the applicable terms of the General Terms Agreement, including all post delivery rights relating to such warranties, as more particularly set out in Schedule 3 of the Engine Warranty Agreement.

"Engine Warranty Agreement" means, in relation to the Engine, the engine warranty assignment agreement dated 22 March 2005 between the Company, the Engine Manufacturer (by way of consent and agreement thereto) and the Security Trustee in relation to the Engine Warranties relating to the Engine.

"Facility" means the Dollar (\$) loan facility granted to the Company in the Facility Agreement.

"Facility Agent" means The Royal Bank of Scotland plc.

"Facility Agreement" means the facility agreement dated 23 December 2004 and entered into between The Royal Bank of Scotland plc as Security Trustee, the Facility Agent and the Initial Lender and the Company as Company.

"Fee Letter" means the fee letter dated 23 December 2004 between RBS and the Company, setting out *inter alia* the amount payable by the Company to RBS as consideration for RBS having structured the Facility.

"General Terms Agreement" means the V2500 support agreement dated 26 February 2005 entered into by the Engine Manufacturer and the Company providing, amongst other things,

for support by the Engine Manufacturer to the Company in relation to the Engine as the same may be amended from time to time.

"Initial Lender" means The Royal Bank of Scotland plc.

"Insurances" means all policies and contracts of insurance (including re-insurance) required to be effected and maintained from time to time in respect of the Engine pursuant to the Facility Agreement.

"Lender" means The Royal Bank of Scotland plc or any party which has become a party to the Facility Agreement in accordance with Clause 30.3 of the Facility Agreement and which has not ceased to be a party to the Facility Agreement in accordance with the terms of the Facility Agreement.

"Lien" any mortgage, charge, pledge, privilege, statutory right, right of possession, set-off, attachment or detention, title retention arrangement or any other encumbrance or security interest whatsoever, howsoever created or arising or any right or arrangement having a similar effect to any of the above.

"RBS" means The Royal Bank of Scotland plc.

"Security Documents" means in relation to the Engine (i) the Engine Mortgage, the Engine Warranty Agreement, and the Assignment of Insurances (ii) all notices, acknowledgements and other documents or instruments issued pursuant to any of the foregoing and (iii) any other document or instrument issued in favour of the Security Trustee or the Lenders and which is agreed in writing by the Company and the Facility Agent to constitute a "Security Document".

"Security Trustee" means The Royal Bank of Scotland plc.

"Transaction Documents" means (i) the Facility Agreement, the Security Documents, and the Fee Letter, (ii) all notices, acknowledgements and other documents or instruments issued pursuant to any of the foregoing and (iii) any other document, instrument or agreement which is agreed in writing by the Facility Agent and the Company to constitute a "Transaction Document".

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 401(2) of the Companies Act 1985

COMPANY No. 02524595

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEED OF MORTGAGE DATED THE 22nd MARCH 2005 AND CREATED BY BRITISH MEDITERRANEAN AIRWAYS LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO ANY ONE OR MORE OF THE BENEFICIARIES ON ANY ACCOUNT WHATSOEVER UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 31st MARCH 2005.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 5th APRIL 2005.

P DM



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES