

# M

## COMPANIES FORM No. 395

00400107/13

### Particulars of a mortgage or charge

# 395

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

[ 1 1 8 ]

FC004087

Name of company

\* EL AL Israel Airlines Limited (the "Mortgagor")

Date of creation of the charge

21 January 2009

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

A supplemental aircraft mortgage and security agreement between the Mortgagor and HSH Nordbank AG, London Branch (the "Mortgagee") in respect of one (1) Boeing B747-400 aircraft bearing manufacturer's serial number 26055 (the "Aircraft") (the "Supplemental Aircraft Mortgage and Security Agreement").

Amount secured by the mortgage or charge

Any and all moneys, liabilities and obligations (whether actual or contingent, whether existing on 21 January 2009 or thereafter arising, whether or not for the payment of money, and including, without limitation, any obligation or liability to pay damages) which were on 21 January 2009 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 Mortgagor to any one or more of the Beneficiaries under any Transaction Document (including the Supplemental Aircraft Mortgage and Security Agreement) and shall include any Expenses together with interest thereon distributable to any of the Beneficiaries in accordance with the terms of the Loan Agreement (the "Secured Obligations").

Capitalised terms not otherwise defined in this form 395 are defined in Schedule 2 to this form 395.

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

HSH Nordbank AG, London Branch, Moorgate Hall, 155 Moorgate Hall, London, United Kingdom

Postcode EC2M 6UJ

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


Clifford Chance LLP  
10 Upper Bank Street  
London  
E14 5JJ

Time critical reference  
912259/10-40068806/CPSL

For official Use (06/2005)

Mortgage Section | Post room

WEDNESDAY



LD3 | "LBOK973Z" | 49

04/02/2009

COMPANIES HOUSE

Short particulars of all the property mortgaged or charged

Please see Schedule 1 for short particulars of all the property mortgaged or charged.

Capitalised terms not otherwise defined in this form 395 are defined in the Schedule 2 attached to this form 395.

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.

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

Signed *Clifford Chance LLP*

Date 3 February 2009

On behalf of ~~XXXXXXXX~~ (mortgagee) ~~XXXXXXXX~~ †

† 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

### PARTICULARS OF ALL PROPERTY MORTGAGED OR CHARGED

#### 1. Mortgage

In order to secure the full and punctual payment, performance and discharge of the Secured Obligations, the Mortgagor with full title guarantee has mortgaged to the Mortgagee, as security trustee for itself and on behalf of the Finance Parties, all the Mortgagor's right, title and interest, present and future, actual or contingent, to the Aircraft by way of first priority legal mortgage (the "**Mortgage**") by way of further assurance and subject to, and without prejudice to, the Security Interest created by the First Agreement.

#### 2. Assignment

In order to secure the full and punctual payment, performance and discharge of all of the Secured Obligations the Mortgagor with full title guarantee has assigned and agreed to assign absolutely by way of security the Assigned Property to an in favour of the Mortgagee (the "**Assignment**") by way of further assurance and subject to, and without prejudice to, the Security Interest created by the First Agreement.

#### 3. Charge

To the extent that any of the Assigned Property is not at any time assigned pursuant to clause 3.1 (*Assignment*) of the Supplemental Aircraft Mortgage and Security Agreement, the Mortgagor with full title guarantee, has by way of first fixed charge, charged and agreed to charge to, and created and agreed to create in favour of, the Mortgagee a general encumbrance in the Assigned Property to the fullest extent permitted by applicable law by way of further assurance and subject to, and without prejudice to, the Security Interest created by the First Agreement.

#### 4. Negative Pledge

The Supplemental Aircraft Mortgage and Security Agreement contains a negative pledge.

#### 5. Further Assurance

The Supplemental Aircraft Mortgage and Security Agreement contains covenants of further assurance.

## SCHEDULE 2

### DEFINITIONS

In this form 395:

"**Agent**" means the Mortgagee in its capacity as agent for an on behalf of the Finance Parties;

"**Aircraft**" means the Boeing B747-400 aircraft with manufacturer's serial number 26055 as more particularly described in schedule 1 (*Description of Aircraft*) of the Supplemental Aircraft Mortgage and Security Agreement including the Engines and all Parts installed thereon from time to time and all replacements and additions made thereto in accordance with the Supplemental Aircraft Mortgage and Security Agreement and, where the context so admits, the Aircraft Documents relating thereto;

"**Aircraft Documents**" means, in relation to an Aircraft, all manuals, log books, technical data and other records and documents relating to such Aircraft maintained as required by the Aviation Authority and any applicable law in the State of Registration.

"**Airframe**" means an Aircraft (excluding the Engines or any engines from time to time installed thereon) and the Parts thereof for the time being;

"**Assigned Insurance Rights**" means all the right, title and interest, present and future, of the Mortgagor in and to the benefit of the Insurances (other than third party liability insurances), including, without limitation, the right to compel performance by the insurers of their obligations in respect of the Insurances;

"**Assigned Property**" means (i) the Assigned Insurance Rights; and (ii) the Requisition Proceeds;

"**Aviation Authority**" means any person who shall from time to time be vested with the control and supervision of, who has jurisdiction over the registration, airworthiness and operation of the Aircraft or other matters relating to civil aviation in the State of Registration.

"**Beneficiaries**" means each of the Finance Parties;

"**Borrower**" means EL AL Israel Airlines Limited, a company incorporated and existing under the laws of the Israel, having its registered office at Ben Gurion International Airport, 70100, Israel;

"**Delegate**" means any delegate, agent, attorney or co trustee appointed by the Security Trustee;

"**Deregistration Power of Attorney**" means the irrevocable deregistration and export power of attorney executed or, as the context may require, to be executed by the Owner in favour of the Security Trustee in respect of each Aircraft, substantially in the form set out in schedule 13 (*Form of Power of Attorney*) of the Facility Agreement;

**"Engine"** or **"Engines"** means, in respect of the Aircraft (a) either or both (as the context may require) of the four (4) Pratt & Whitney PW4056 engines, having the manufacturer's serial number 724502, 727435, 727889 and 727447 whether or not from time to time installed on such Airframe or any other airframe, (b) any other engine which may from time to time be installed upon or attached to such Airframe which is or becomes the property of the Borrower and subject to the relevant Mortgage and (c) insofar as the same belong to the Mortgagee, any and all appliances, instruments or accessories or other equipment or Parts of whatever nature from time to time relating to an engine referred to in (a) and (b) above whether or not installed on or attached to such engine and (d) insofar as the same belong to the Mortgagee, 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 Loan Agreement (but excluding any engine which has ceased to be an **"Engine"** and ceased to be subject to the Supplemental Aircraft Mortgage and Security Agreement in accordance with the terms of the Loan Agreement);

**"Expenses"** means in relation to the Security Documents, the costs and expenses referred to therein;

**"Facility A"** means the term loan facility made available under the Facility Agreement in respect of the Aircraft;

**"Facility A Loan"** means the loan made or to be made under Facility A or the principal amount outstanding for the time being of that loan;

**"Facility B"** means the term loan facility made available under the Facility Agreement in respect of the Second Aircraft;

**"Facility B Loan"** means a loan made or to be made under Facility B or the principal amount outstanding for the time being of that loan;

**"Facility C"** means the term loan facility made available under the Facility Agreement in respect of the additional loan amount for the Aircraft;

**"Facility C Loan"** means a loan made or to be made under Facility C or the principal amount outstanding for the time being of that loan;

**"Facility D"** means the term loan facility made available under the Facility Agreement in respect of the additional loan amount for the Second Aircraft;

**"Facility D Loan"** means a loan made or to be made under Facility D or the principal amount outstanding for the time being of that loan;

**"Facility Agreement"** means the Loan Agreement;

**"Final Repayment Date"** means, in respect of a Facility, the final scheduled repayment date set out in the applicable Repayment Schedule;

**"Finance Parties"** means each of the Lenders, the Agent and the Mortgagee and **"Finance Party"** means any of them;

"**First Agreement**" means the aircraft mortgage and security agreement dated 29 November 2006 between the Mortgagee as security trustee and the Mortgagor in respect of the Aircraft;

"**Habitual Base**" means, in respect of an Aircraft, the jurisdiction in which the person with operational control maintains as the principal operational base of the Aircraft, which (unless consented to by the Agent) shall be Israel;

"**Insurances**" has the same meaning given to it in the Master Definitions Schedule;

"**Lender**" means:

- (a) any Original Lender; and
- (b) any bank, financial institution, trust, fund or other entity which has become a Party in accordance with clause 21 (*Changes to the Lenders*) of the Loan Agreement,

which in each case has not ceased to be a Party in accordance with the terms of the Loan Agreement;

"**Loan**" means a Facility A Loan, a Facility B Loan, Facility C Loan and a Facility D Loan, as the context may require;

"**Loan Agreement**" means the agreement dated 5 October 2006 between the Mortgagee as lender, facility agent and security trustee and the Mortgagor as borrower in respect of the Aircraft;

"**Master Definitions Schedule**" means the master definitions schedule in schedule 2 (*Master Definitions Schedule*) in the Proceeds Deed;

"**Mortgage**" means, in respect of any Aircraft, (i) the Supplemental Aircraft Mortgage and Security Agreement (ii) any other mortgage, pledge or other instrument creating Security over the relevant Aircraft executed from time to time by the relevant Owner in favour of the Security Trustee and/or the Finance Parties;

"**Operator**" means, in respect of an Aircraft, the Owner of such Aircraft or if the Owner has entered into a lease agreement in respect of such Aircraft pursuant to schedule 11 (*Operational Covenants*) of the Facility Agreement the relevant Permitted Lessee;

"**Original Lenders**" means the financial institutions listed in schedule 1 (*The Original Lenders*) of the Facility Agreement as lenders;

"**Owner**" means, in respect of an Aircraft and any Loan related to that Aircraft, the Borrower;

"**Parts**" means any appliance, accessory, instrument, navigational and communications equipment, furnishing, module, component, and other parts and equipment of whatever nature (other than complete Engines or engines), that may from time to time be incorporated or installed in or attached to any Airframe or Engine title to which is vested in the Owner;

**"Party"** means, in respect of any Transaction Document, a party to such Transaction Documents;

**"Permitted Lessee"** means any solvent and duly certified commercial passenger or cargo airline whose jurisdiction of incorporation and Habitual Base are each not a Prohibited Country;

**"Proceeds Deed"** means the proceeds deed dated 5 October 2006 between the Mortgagor, the Mortgagee, the Agent and the Lenders named therein;

**"Prohibited Country"** means, in relation to an Aircraft, any country:

- (a) to which the export and/or use of such Aircraft or an aircraft of the same model as such Aircraft with engines of the same model as are attached thereto is prohibited under (i) any United Nations sanctions; (ii) the Council Regulation (EC) No. 149/2003 which updates and amends Council Regulation (EC) 1334/2000 or equivalent European Union Sanction; (iii) the United States Export Administration Act 1979 (as amended) or any successor legislation and/or the Export Administration Regulations promulgated thereunder; (iv) where applicable, the various regulations administered from time to time by the Office of Foreign Assets Control of the U.S. Treasury Department or any similar or corresponding legislation then in effect in the United States, the United Kingdom, France or Germany;
- (b) that imposes absolute or strict liability for financiers of aircraft, as notified by the Agent to the Borrower from time to time, or to which the Borrower is actual aware imposes absolute or strict liability for financiers of aircraft;

**"Receiver"** means a receiver or receiver and manager appointed by the Mortgagee under the Supplemental Aircraft Mortgage and Security Agreement or under any statutory power;

**"Requisition Proceeds"** means, in respect of any Aircraft, any moneys or other compensation receivable by the Owner or the Operator from any government (whether civil, military or *de facto*) or public or local authority in relation to the Aircraft, any Engine or Part in the event of its requisition for title, confiscation, restraint, detention, forfeiture or any compulsory acquisition or seizure or requisition for hire by or under the order of any such government or public or local authority;

**"Second Aircraft"** means the 1994-vintage Boeing 747-400 aircraft bearing manufacturer's serial number 26056 and Israeli registration mark 4X-ELB, including the Engines and all Parts installed thereon from time to time and all additions made thereto in accordance with the terms of the Transaction Documents and, where the context so admits, the Aircraft Documents relating thereto;

**"Secured Parties"** means the Security Trustee, any Receiver or Delegate, the Agent and each Lender;

**"Security"** means any mortgage, pledge, lien or charge or any security or preferential interest or arrangement of any kind or any other rights of, or arrangement with, any creditor to have

Schedule 1 to Form 395 in respect of a Supplemental Aircraft Mortgage and Security Agreement dated 21 January 2009 between EL AL Israel Airlines Limited and HSH Nordbank AG, London Branch in respect of one (1) Boeing B747-400 aircraft bearing manufacturer's serial number 26055.

its claims satisfied in priority to other creditors with, or from the proceeds of, any asset, or any other agreement or arrangement having a similar effect;

"**Security Documents**" means (i) each Mortgage and each Deregistration Power of Attorney and (ii) any other document, instrument or agreement which is agreed from time to time by a Borrower and the Agent to be a "**Security Document**" (including, in each case, all notices, official or court notifications, recordings, acknowledgements and consents required to be issued in accordance with the terms thereof or in order to perfect any of the foregoing agreements);

"**Security Interest**" means any mortgage, pledge, lien, charge, encumbrance, lease, exercise of rights, security interest, claim or other preferred arrangement of any kind, and/or any other arrangement having the effect of creating a security interest or right of possession.

"**Security Trustee**" means the Mortgagee in its capacity as security trustee for the Secured Parties;

"**State of Registration**" means the state of registration in which the Aircraft are registered from time to time; and

"**Transaction Document**" has the meaning given to it in the Master Definitions Schedule.





**CERTIFICATE OF THE REGISTRATION  
OF A MORTGAGE OR CHARGE**

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

**COMPANY NO. FC4087  
CHARGE NO. 8**

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES  
HEREBY CERTIFIES THAT A SUPPLEMENTAL AIRCRAFT  
MORTGAGE AND SECURITY AGREEMENT DATED 21 JANUARY  
2009 AND CREATED BY "EL AL" ISRAEL AIRLINES 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 4 FEBRUARY 2009

GIVEN AT COMPANIES HOUSE, CARDIFF THE 6 FEBRUARY  
2009

