

## New Airways Pension Scheme

### Schedule of Contributions

Name of Employer: British Airways plc (“BA”) as the Principal Employer for and on behalf of the Participating Employers of the Scheme

This Schedule of Contributions has been prepared in accordance with Part 3 of the Pensions Act 2004 and the Occupational Pension Schemes (Scheme Funding) Regulations (SI 2005/3377). It sets out the contributions payable to the New Airways Pension Scheme (“the Scheme”) over the period of 5 years from the date that the Actuary certifies the Schedule.

It also shows the contributions that are payable to the Scheme between the effective date of the valuation (31 March 2018) and the date that the Actuary certifies the Schedule.

New Airways Pension Scheme Trustee Limited, the Trustee of the Scheme, and BA have agreed this Schedule, as indicated below by authorised signatories (all other Participating Employers of the Scheme have nominated the Principal Employer to agree the Schedule of Contributions on their behalf).

#### Deficit reduction contributions payable by BA

The table below sets out the deficit reduction contributions payable by BA. In a separate legal agreement, the Trustee has agreed that some of the deficit reduction contributions payable under the previous Schedule of Contributions dated 25 October 2019 can be deferred and each of the contributions should be labelled as either Non-Deferred DRCs, Deferred DRCs or Interest payments for the purpose of this Schedule of Contributions. As part of this separate legal agreement, BA has granted the Trustee security for the deferral and in certain circumstances, the Deferred DRCs set out in this Schedule of Contributions can be accelerated.

Timing	Amount	Frequency		Type
1 April 2018 to 31 March 2019	£450m	Payable in equal monthly instalments of £25m in arrears, plus a lump sum payment of £150m payable in June 2018.	(Paid)	Non-Deferred DRCs
1 April 2019 to 30 September 2019	£300m	Payable in equal monthly instalments of £25m in arrears, plus a lump sum payment of £150m payable in June 2019.	(Paid)	Non-Deferred DRCs
31 December 2019	£250m	Lump sum payment of £250m (defined as the Special Contribution in and subject to the terms of the separate legal agreement referred to below)	(Paid)	Non-Deferred DRCs

Timing	Amount	Frequency		Type
1 October 2019 to 31 March 2020	£150m	Payable in equal monthly instalments of £25m in arrears.	(Paid)	Non-Deferred DRCs
1 April 2020 to 31 August 2020	£450m pa	Payable in equal monthly instalments of £37.5m in arrears.	(Paid)	Non-Deferred DRCs
1 September 2021 to 31 March 2023	£450m pa	Payable in equal monthly instalments of £37.5m in arrears.		Non-Deferred DRCs
1 April 2023 to 31 March 2024	£450m pa	Payable in equal monthly instalments of £37.5m in arrears.		Deferred DRCs
April 2024	£36.3m	Lump sum payment of £36.3m.		Interest

In relation to the above Non-Deferred DRCs, the Trustee and BA have agreed a mechanism whereby:

- If the Technical Provisions funding level equals or exceeds 97%, some of the above contributions may be paid into an escrow account rather than the Scheme.
- The funds in escrow would subsequently be paid to the Scheme or returned to BA depending on whether the Scheme is fully funded against its Technical Provisions at future assessment points.
- Payments may cease if the Scheme is funded above 100% of Technical Provisions over the recovery plan period and would restart if a funding deficit re-emerges.

This mechanism is documented in separate legal agreements.

### Other payments

In addition to the deficit recovery payments, BA will pay:

- any additional contributions as decided by the Trustee, on the advice of the Actuary, and in accordance with the Scheme Rules, to meet benefit augmentations;
- between 1 April 2018 and 30 September 2019, £600,000 each calendar month as an allowance for recurring administrative and non-investment expenses. Invoices for expenses incurred over this period in excess of this allowance shall be submitted for reimbursement by BA Pensions no less frequently than quarterly and, subject to being properly incurred by the Trustee, will be settled by BA within one calendar month; and
- all Pension Protection Fund levies, either directly or by reimbursing the Scheme.

The separate legal agreement that provided for the deferral of certain deficit reduction contributions as referred to above, also contains provisions that may require BA to make additional payments to the Scheme on the happening of specific events. For example,

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costs related to the security provided in favour of the Trustee or where some dividends are paid by BA. The legal agreement documents how those additional payments should be treated for the purposes of this schedule, for example, as pre-payment of Deferred DRCs or pre-payment of other fixed deficit contributions which are still due for payment and payable under the Recovery Plan.

The Trustee and BA have separately agreed a package of additional security and other measures aimed at further improving the funding position and members' benefit security over time, which are documented in a separate legal agreement. Under these arrangements, additional payments may be made to the Scheme from time to time, on dates determined pursuant to that agreement, including as mitigation of special distributions. In some circumstances, as documented in the legal agreement, these additional payments shall be treated as pre-payments of the fixed deficit contributions which are furthest in the future and are still due for payment and payable under the Recovery Plan.

This Schedule incorporates all sums payable to the Scheme from time to time under both legal agreements, and BA and the Trustee will amend this Schedule of Contributions document to reflect any such presentational difference as soon as reasonably practicable after it has been identified.

**Due date for payment of contributions deficit recovery contributions payable by BA**

Deficit recovery payments labelled as being payable in equal month instalments are payable monthly and are due by the 19th day of the month following that to which the contributions relate. This includes any contributions payable to the escrow account rather than the Scheme.

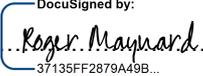
The April 2024 lump sum payment is due by 19 May 2024.

Any other contributions to the Scheme will be paid within 19 days of the due date notified by the Trustee.

This Schedule of Contributions replaces the Schedule of Contributions dated 25 October 2019 with effect from the date of certification.

**This Schedule of Contributions is agreed:**

on behalf of the Trustee of the Scheme

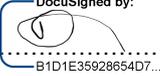
Signature: .....  ..... authorised signatory

Name: .....

Position: ..... Date: .....

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Signature: .....  ..... authorised signatory

Name: .....

Position: ..... Date: .....

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## *Actuary's certification of Schedule of Contributions*

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**This certificate is provided for the purpose of Section 227(5) of the Pensions Act 2004 and Regulation 10(6) of the Occupational Pension Schemes (Scheme Funding) Regulations 2005**

Name of scheme                      New Airways Pension Scheme ("the Scheme")

### **Adequacy of rates of contributions**

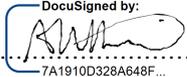
I certify that, in my opinion, the rates of contributions shown in this Schedule of Contributions are such that the Statutory Funding Objective could have been expected on 31 March 2018 to be met by the end of the period specified in the Recovery Plan dated 19 February 2021.

I also certify that the rates of contributions shown in this Schedule are not lower than I would have provided for had I had responsibility for preparing or revising the Schedule of Contributions, the Statement of Funding Principles and any Recovery Plan.

### **Adherence to statement of funding principles**

I hereby certify that, in my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated 25 October 2019.

The certification of the adequacy of the rates of contributions for the purpose of securing that the Statutory Funding Objective can be expected to be met is not a certification of their adequacy for the purpose of securing the Scheme's liabilities by the purchase of annuities, if the Scheme were to be wound up.

**Signature:** .....  .....  
7A1910D328A648F...

**Date:** 19 February 2021

**Name:**        Aaron Punwani

**Qualification:** FIA

**Address:**    Lane Clark & Peacock LLP  
                  95 Wigmore Street  
                  London  
                  W1U 1DQ

**3314071**      **Notes not forming part of the certification**

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In giving the above opinion I have interpreted the phrase “could have been expected to be met” as being satisfied by consideration of the proposed contributions under the economic and demographic scenario implied by Trustee’s funding assumptions as set out in the Statement of Funding Principles dated 25 October 2019, and the Recovery Plan dated 19 February 2021 and without any further allowance for adverse contingencies that may arise in the future. My opinion does not necessarily hold in any other scenarios.

Furthermore, in giving my opinion that “the Statutory Funding Objective could have been expected to be met” I have taken no account of either adverse or beneficial outcomes that have become known to me since the effective date of the valuation. However, I have taken account of contributions that are payable to the Scheme between the effective date of the valuation and the date that I have certified this Schedule as documented in the Schedule of Contributions.

In giving my opinion that “the rates of contributions shown in this Schedule are not lower than I would have provided for had I had responsibility for preparing or revising the Schedule of Contributions, the Statement of Funding Principles and any Recovery Plan” I have had regard to covenant advice received by the Trustee of the Scheme.