

Report of the Safety Review Committee

Members: Ken Smart (Chairman), Baroness Kingsmill, Chumpol NaLamlieng (to May 7, 2008), Baroness Symons, Jim Lawrence (to January 2008), and Maarten van den Bergh.

The Safety Review Committee meets at least four times per year to consider matters relating to the operational safety of the airline and subsidiary airlines as well as health and safety issues. The full terms of reference, which were amended during the year, are available on the Company's website at bashares.com.

The Safety Review Committee reviews reports from the various safety boards within the airline including the senior management's safety review board. Where appropriate the Committee also reviews relevant reports published by the UK Air Accident Investigation Branch (AAIB), major incidents to other operators and external reports. During 2007/08, issues raised at the Safety Review Committee included:

- The restructuring and centralisation of the team responsible for the Company's safety data. This has delivered improved consistency and enhanced value of the data provided, which is used as a basis for the Company's safety actions;
- The development and monitoring of the British Airways Safety Plan ensuring that safety remains the Company's highest value. The plan sets high-level safety goals across all operational departments leading to a continuous development in the safety culture and sets measurements to effectively monitor the Company's safety performance; and
- Presentations on various topics including the Boeing 777 accident at Heathrow on January 17, 2008. This enabled the Board at a very early stage to be assured that the Company had taken appropriate action in regard to the safety of continued operations.

The Chief Executive is the named Accountable Manager for the Company for the purposes of the Air Operators Certificate and the Joint Airworthiness Requirements – Operations (JAR-Ops). As the Accountable Manager, he chairs meetings at bi-monthly intervals of the four Nominated Postholders (the executives responsible to the Civil Aviation Authority (CAA) for safety in the various operational departments of the Company) along with the General Counsel, the Head of Safety and Security and the General Manager Corporate and Air Safety. These meetings review operational compliance, quality and safety, monitor the effectiveness of the corporate safety management system and agree cross-departmental policy as appropriate. The Accountable Manager's meetings allow him to review any issues with the Nominated Postholders and seek the necessary assurances that the Company is compliant with the relevant regulations.

During the year under review, management has introduced a new Safety Review Board chaired by the Chief Executive which meets in advance of each meeting of the Committee. This has improved the flow of information about issues which have arisen and enables management to be clear about the issues and proposed actions to address them.