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CHFP025

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

*insert full name
of Company

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.

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number

11612

2769768

Name of company

* **FLYBE LIMITED**, a limited liability company incorporated and existing
under the laws of England and Wales (the **Company**)

Date of creation of the charge

22 November 2007

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

A security assignment (the **Assignment**) between the Company, as assignor,
and HEH Erste Beteiligungsgesellschaft mbH & Co KG, as assignee (the
Assignee)

Amount secured by the mortgage or charge

All moneys, liabilities and obligations which are now or at any time
hereafter may be expressed to be due, owing or payable by the Company to
the Assignee in any currency, actually or contingently, with another or
others, as principal or surety, on any account whatsoever under any
Transaction Document (as defined below) 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 under any Transaction Document (as defined below) (the **Secured
Obligations**)

(See continuation sheet for defined terms)

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

HEH ERSTE BETEILIGUNGSGESELLSCHAFT mbH & CO KG (the **Assignee**), having its
registered office at Grosse Elbstrasse 14, 22767 Hamburg, Germany

Postcode

Presenter's name address and
reference (if any)

Allen & Overy LLP
40 Bank Street, Canary Wharf
London E14 5DU

MMJ/AKY/BK 7806744

Time critical reference

For official Use (06/2005)

Mortgage Section

THURSDAY



LD4 *LUWQVVG7* 13/12/2007 75
COMPANIES HOUSE

Short particulars of all the property mortgaged or charged

As security for the payment, performance and discharge of the Secured Obligations, the Company assigns absolutely, with full title guarantee and by way of first priority security, the Collateral (as defined below) in favour of the Assignee

To the extent that the Collateral (as defined below) is not capable of assignment pursuant to the assignment referred to above (and notwithstanding the assignment referred to above), as security for the payment, performance and discharge of the Secured Obligations, the Company charges, with full title guarantee and by way of first fixed charge, the Collateral (as defined below) in favour of the Assignee

(See continuation sheet for defined terms)

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

Particulars as to commission allowance or discount (note 3)

NIL

Signed Allen & Overy LLP

Date 13/12/07

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

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**

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**Particulars of a mortgage or charge
(continued)**Please do not
write in this
binding marginContinuation sheet No 1
to Form No 395 and 410 (Scot)Please complete
legibly, preferably
in black type, or
bold block lettering

Company Number

2769768

Name of Company

FLYBE LIMITED, a limited liability company incorporated and existing
under the laws of England and Wales (the **Company**)

Limited*

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

The Company covenants with the Assignee that (save as provided or permitted under the Transaction Documents) it will not, without the prior written consent of the Assignee, assign, charge, sell or otherwise dispose of the Collateral or create or incur any Lien in or upon the Collateral, save for the Liens constituted by this Agreement

In this Form 395

Acceptance Certificate means a certificate substantially in the form set out in Part 2 of Schedule 1 to the Lease Agreement

Account Charge means the account charge in relation to the Charged Account dated 20 November 2007 between the Company and the Assignee

Aircraft means the Bombardier DHC-8-Q400 aircraft bearing manufacturer's serial number 4179

Charged Account has the meaning given to it in the Lease Agreement

Collateral means

(a) the Relevant Insurance Property, and

(b) the Relevant Requisition Proceeds Property

Compulsory Acquisition means the requisition of title or other compulsory acquisition, requisition, appropriation, expropriation, deprivation or confiscation for any reason of the Aircraft by any Governmental Authority or other competent authority, whether de jure or de facto, but shall exclude requisition for use or hire not involving requisition of title

Delivery means delivery of the Aircraft to the Company under the Lease Agreement

Delivery Date means the date on which the Delivery occurs

Engine means, whether or not for the time being installed on the Aircraft

(a) each engine of the manufacture and model specified in Schedule 1 to the Lease Agreement, such engines being described as to serial numbers on the Acceptance Certificate to be executed by the Company upon Delivery, or

(b) any engine which has replaced that engine as permitted by the Lease Agreement, title to which has passed to the Assignee in accordance with the Lease Agreement,

and in each case includes all modules and Parts from time to time belonging to or installed in that engine but excludes any properly replaced engine title which has passed to the Company pursuant to the Lease Agreement

Facility Agent means HSH Nordbank AG in its capacity as facility agent under the Loan Agreement

Governmental Authority means (a) any national government, political sub-division thereof, or local jurisdiction therein whether de facto or de jure and/or (b) any board, commission, department, division, organ, instrumentality, court or agency thereof, howsoever constituted and/or (c) any association, organisation or institution of which any entity mentioned in (a) or (b) above is a member or who is controlled directly or indirectly thereby (and for these purposes **control** shall mean the power to direct its management and its policies whether through the ownership of voting capital, by contract or otherwise)

Insurances means any and all Hull and Hull War insurances (other than liability insurances) from time to time maintained or required to be maintained in relation to the Aircraft or any part thereof by the terms of the Lease Agreement, including without limitation all the benefits and proceeds of, and all claims under, and the right to make all claims under, all such Hull and Hull War insurances

Lease Agreement means the lease agreement relating to the Aircraft dated 19 November 2007 and entered into between the Assignee, as lessor, and the Company, as lessee

Lien means any encumbrance or security interest whatsoever, howsoever created or arising including (without prejudice to the generality of the foregoing) any assignment, charge, hypothecation, lien, mortgage, pledge or right in rem (whether statutory or otherwise), any bailment (including leasehold), purchase or ownership right or interest, any right of detention, title retention or set-off (other than a right of set-off arising by operation of law) or any agreement or arrangement having a similar effect to any of the foregoing

Loan Agreement means the loan agreement relating to the partial financing of the Assignee's acquisition of the Aircraft dated 19 November 2007 between, amongst others, the Assignee, as borrower, the Facility Agent and the Security Trustee

Manufacturer means Bombardier Inc, a Canadian corporation represented by Bombardier Aerospace, Regional Aircraft and having an office located at 123 Garratt Boulevard, Downsview, Ontario, Canada

Manufacturer Purchase Agreement means purchase agreement no 0526 dated 11 April 2003 between the Company and the Manufacturer in relation to, inter alia, the Aircraft

Parent Guarantee means the guarantee dated 20 November 2007 entered into by Flybe Group Limited and the Assignee in respect of the Company's obligations under the Transaction Documents

Part means, whether or not for the time being installed on the Aircraft

(a) any and all components, furnishings, equipment, accessories, instruments, navigational and communications equipment, modules and other items (other than a complete Engine) furnished with the Aircraft on the Delivery Date, and

*Please complete
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(b) any other component, furnishing or equipment (other than a complete Engine) title to which has passed to the Assignee pursuant to the Lease Agreement,

but excludes any such items title to which has passed to the Company pursuant to the Lease Agreement

Purchase Agreement Assignment means the assignment of the Manufacturer Purchase Agreement dated 20 November 2007 between the Company, as assignor, and the Assignee, as assignee

Relevant Insurance Property means all of the right, title and interest (present and future, actual and contingent) of the Company in and to the Insurances

Relevant Requisition Proceeds Property means all of the right, title and interest (present and future, actual and contingent) of the Company in and to the Requisition Proceeds.

Requisition Proceeds means all moneys or other compensation from time to time payable in respect of the Compulsory Acquisition of the Aircraft

Security Trustee means HSH Nordbank AG in its capacity as security trustee under the Loan Agreement

TCP Assignment means the assignment of rights under the Term Cost Plan (to the extent relating to the Engines) dated 20 November 2007 between the Company, as assignor, and the Assignee, as assignee

Term Cost Plan means the term cost plan for PW150A engines executed on behalf of the Company and Pratt & Whitney Canada Customer Service Center Europe GmbH

Transaction Documents means the Lease Agreement, the Parent Guarantee, the Purchase Agreement Assignment, the TCP Assignment, the Warranty Agreement, the Assignment and the Account Charge and any schedules or documents executed pursuant to any of the foregoing, any notices or certificates from time to time issued by Company pursuant to any of the foregoing, and any side letters, supplements, amendments or modifications to any of the foregoing from time to time executed by Company

Warranty Agreement means the warranty agreement dated 20 November 2007 between the Manufacturer, the Company, the Assignee and the Security Trustee

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No 02769768

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A SECURITY ASSIGNMENT DATED THE 22nd NOVEMBER 2007 AND CREATED BY FLYBE LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO HEH ERSTE BETEILIGUNGSGESELLSCHAFT MBH & CO. KG 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 13th DECEMBER 2007

GIVEN AT COMPANIES HOUSE, CARDIFF THE 19th DECEMBER 2007.

A handwritten signature in black ink, appearing to be 'R. Jones'.



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES