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COMPANIES FORM No. 395

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

1/5

Company number

006316/52

02769768

Name of company

* Flybe Limited (the "Company")

Date of creation of the charge

25 June 2007

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

Security Agreement relating to One (1) Bombardier DHC-8-Q400 Aircraft with MSN 4157 between the Company and GOAL Verwaltungsgesellschaft mbH & Co Projekt Nr 26 KG (the "Security Agreement")

Amount secured by the mortgage or charge

The Secured Obligations
See attached Schedule 1 for further definitions

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

GOAL Verwaltungsgesellschaft mbH & Co Projekt Nr 26 KG, Tolzer Straße 15, 82031 Grunwald, Germany (the "Assignee")
Postcode

Presentor's name address and reference (if any)
Clyde & Co LLP
51 Eastcheap
London
EC3M 1JP

For official Use (06/2005)
Mortgage Section

Post room

TUESDAY



LD3 03/07/2007 490
COMPANIES HOUSE

Time critical reference
ELG/GXH/0701882

See attached Schedule 2

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

Clyde L

Date

3 July 2007

On behalf of ~~XXXXXXXXXXXXXXXXXXXX~~ [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 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 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

Name of Company **Flybe Limited (the "Company")**

Company Number **02769768**

Definitions

"Aircraft" means the Bombardier DHC-8-Q400 aircraft bearing manufacturer's serial number 4157

"Airframe Warranty Agreement" means the airframe warranty agreement relating to the Aircraft dated 25 June 2007 and entered into between Bombardier, the Company, the Assignee and the Security Trustee

"Bombardier" means Bombardier Inc, a corporation incorporated and existing under the laws of Canada

"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

"Deregistration Power of Attorney" means the deregistration power of attorney relating to the Aircraft dated 25 June 2007 and executed by the Company in favour of the Assignee

"Engines" means the Pratt & Whitney PW150A engines bearing manufacturer's serial numbers PCE-FA0361 and PCE-FA0392, as such engines are more particularly defined in the Lease Agreement (each, an **"Engine"**)

"Event of Default" means any of the events or circumstances specified in clause 13.1 of the Lease 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)

"Guarantee" means the guarantee relating to the Lease Agreement dated 21 June 2007 and entered into between the Guarantor, as guarantor, and the Assignee, as beneficiary

"Guarantor" means Flybe Group Limited

"Insurances" means any and all 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 of, and all claims under, and the right to make all claims under, all such insurances

"Lease Agreement" means the lease agreement relating to the Aircraft dated 21 June 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

"Purchase Agreement" means the sale and purchase agreement relating to the Aircraft dated 21 June 2007 and entered into between the Company, as seller, and the Assignee, as purchaser

"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

"Secured Obligations" means all moneys, liabilities and obligations which were on 25 June 2007 or which after 25 June 2007 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 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

"Security Trustee" means Norddeutsche Landesbank Girozentrale, a public banking institution organised and existing under the laws of the Federal Republic of Germany, in its capacity as security agent and trustee for and on behalf of certain financial institutions

"Term Cost Plan Agreement" means the term cost plan agreement relating to, *inter alia*, the Engines dated August 2003 and entered into between Pratt & Whitney Canada Customer Service Centre Europe GmbH and the Company

"Term Cost Plan Assignment" means the security agreement relating to the Term Cost Plan Agreement (to the extent relating the Engines) dated 25 June 2007 and entered into between the Company, as assignor, and the Assignee, as assignee

"Transaction Documents" means, together, the Purchase Agreement, the Lease Agreement, the Deregistration Power of Attorney, the Term Cost Plan Assignment, the Security Agreement, the Guarantee, the Airframe Warranty Agreement and all other documents, notices, consents, acknowledgements and certificates from time to time entered into pursuant to or in connection with any thereof (each, a **"Transaction Document"**)

SCHEDULE 2

Name of Company **Flybe Limited (the "Company")**

Company Number **02769768**

Short particulars of all the property being mortgaged or charged

As security for the payment, performance and discharge of the Secured Obligations, the Company has assigned absolutely and agreed to assign absolutely, with full title guarantee and by way of first priority security, the Collateral in favour of the Assignee

To the extent that the Collateral was not capable of assignment pursuant to clause 3.1 of the Security Agreement (and notwithstanding the provisions contained in such clause), as security for the payment, performance and discharge of the Secured Obligations, the Company has charged, with full title guarantee and by way of first fixed charge, the Collateral in favour of the Assignee

Negative Pledge

The Company has, pursuant to clause 5 of the Security Agreement, covenanted with the Assignee that (save as provided or permitted under the Transaction Documents)

- (a) 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 the Security Agreement,
- (b) it will not exercise any right of set-off, counterclaim or defence against the Assignee with respect to the Collateral,
- (c) it will not do anything which may in any way jeopardise or otherwise prejudice the Lien constituted pursuant to the Security Agreement or the rights of the Assignee thereunder, and
- (d) it will not, except with the prior written consent of the Assignee, agree to any variation of the Collateral or release any party from its, or waive any breach of any party's obligations under or in relation to the Collateral or consent to any act or omission which would otherwise constitute a breach of any party's obligations under any of the Transaction Documents in relation to the Collateral

Power of Attorney

The Company has, pursuant to clause 13.1 of the Security Agreement, by way of security irrevocably appointed the Assignee to be its true and lawful attorney (with full power of substitution and delegation) for the Company and in its name or otherwise and on its behalf and as its act and deed to sign, seal, execute, deliver and do all such assurances, acts and things which the Assignee may deem to be necessary or advisable in order to give full effect to the purposes of the Security Agreement including, without limitation, to ask, require, demand, receive, compound and give acquittance for any and all moneys and claims for any and all moneys due under or arising out of the Collateral (to the extent assigned and/or charged under the Security Agreement), to endorse any cheque, draft or other document, instrument or order in connection therewith and to make any claim or to take any action or to institute any suit, legal action or other proceeding which the Assignee may consider to be necessary or advisable in connection with the Collateral (to the extent assigned and/or charged under the Security Agreement), and generally in the Company's name and on its behalf to exercise all or any of the powers, authorities and discretions conferred by or pursuant to the Security Agreement or applicable law on the Assignee and, without prejudice to the generality of the foregoing, to seal and deliver and otherwise perfect any deed, assurance, agreement, instrument, act or thing which the Assignee may deem appropriate for the purpose of exercising any of such powers, authorities and discretions, provided that the authority conferred by clause 13.1 of the Security Agreement shall only be exercisable for so long as an Event of Default has occurred and is continuing. The power conferred by clause 13.1 of the Security Agreement is a general power of attorney under the Powers of Attorney Act 1971.

The Company has, pursuant to clause 13.3 of the Security Agreement unconditionally and irrevocably ratified and confirmed and agreed to ratify and confirm whatever any such attorney appointed pursuant to the Security Agreement shall do or purport to do in the exercise or purported exercise of all or any of the powers, authorities and discretions conferred pursuant to clause 13.1 thereof

Further Assurances

The Company has, pursuant to clause 14 of the Security Agreement, covenanted that it will from time to time sign, seal, execute, acknowledge, deliver, file and register any additional documents, instruments, agreements, certificates, notices, consents and assurances and do such other acts and things reasonably necessary and as the Assignee may reasonably request from time to time to perfect the security granted by the Agreement or to establish, maintain, protect or preserve the rights of the Assignee under the Security Agreement and the Lien and security intended to be constituted by the Security Agreement

It was agreed that the Assignee is, without prejudice to its other rights and powers under the Security Agreement, be entitled (but should be under no obligation) at any time in consultation with the Company and as often as may be necessary after notice to the Company, to take any such action as it in its reasonable discretion thinks fit for the purpose of protecting the Lien and security constituted by the Security Agreement

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 AGREEMENT DATED THE 25th JUNE 2007 AND CREATED BY FLYBE LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO GOAL VERWALTUNGSGESELLSCHAFT MBH & CO PROJEKT NR 26 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 3rd JULY 2007.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 6th JULY 2007

Pangels



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —