

M

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

008103/227

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

For official use

Company number

11813

02769768

Name of company

* Flybe Limited (the "Company")

Date of creation of the charge

27 June 2008

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

Assignment of Rights under Term Cost Plan™ Agreement in respect of one Bombardier Q400 aircraft with manufacturer's serial number 4185 with two P&WC PW 150A engines with manufacturer's serial numbers PCE-FA0418 and PCE-FA0420 (the "Assignment")

Amount secured by the mortgage or charge

The Secured Obligations

Please see the attached Schedule 1 for further definitions

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

Fly 108 Limited, PO Box 1093, Queensgate House, Grand Cayman, KY1-1102, Cayman Islands (the "Chargee")

Postcode

Presenter's name address and reference (if any)

Clyde & Co LLP
51 Eastcheap
London
EC3M 1JP

GXH/CXT/0803241/ TCPA- 4185

Time critical reference

For official Use (0
Mortgage Section



PMO 15/7/08 266
COMPANIES HOUSE
LKKET1A7*
10/07/2008 53
COMPANIES HOUSE

Short particulars of all the property mortgaged or charged

Please see the 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 & Co Ltd

Date

10 July 2008

On behalf of ~~[company]~~ ~~[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 situated 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

Name of instrument Assignment

Definitions

"**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 entered into on the Delivery Date between the Chargee and the Company,

"**Acknowledgements of Assignment**" means, together, the acknowledgements of assignment in respect of the Finance Documents to be executed by (a) the Company and (b) the Guarantor, in each case on or about the Delivery Date by the Company and the Guarantor respectively in favour of the Chargee and the Security Trustee,


"**Agreed Value**" has the meaning ascribed thereto in the Lease Agreement,

"**Aircraft**" means one Bombardier Q400 aircraft bearing manufacturer's serial number 4185,

"**Aircraft Documents**" means the documents, data and records identified in schedule 1 to the Lease Agreement and any other documents and records referred to in clause 7.9 of the Lease Agreement, and all additions, renewals, revisions and replacements from time to time made to any of the foregoing in accordance with the Lease Agreement,

"**Airframe**" means the Aircraft, excluding the Engines and the Aircraft Documents,

"**Aircraft Purchase Agreement**" means the agreement for the transfer of title to the Aircraft by the Company to the Chargee dated 26 June 2008 between the Company and the Chargee,

 "**Assigned Property**" means all the rights and benefits vested in and accruing to the *See fax for details*
"**Assignment of Insurances**" means the assignment of the hull insurances for the Aircraft and the requisition compensation for the Aircraft between the Chargee and the Company and dated the Delivery Date,

"**Charged Account**" means the account in the name of the Company held with Barclays Bank PLC and with account number 67675288,

"**Delivery**" means delivery of the Aircraft to the Company under the Lease Agreement,

"**Delivery Date**" means 27 June 2008,

"**Engine**" means two P&WC PW 150A engines with manufacturer's serial numbers PCE-FA0418 and PCE-FA0420,

"Engine Maintenance Provider" means Pratt & Whitney Canada Customer Service Centre Europe GmbH,

"Expiry Date" means the Scheduled Expiry Date or, if the Company exercises the Extension Option, the Extended Expiry Date, subject to the following provisions

- (a) if the Chargee, acting in accordance with the provisions of the Lease Agreement, terminates the leasing of the Aircraft to the Company under the Lease Agreement, the Expiry Date will be the date on which the Aircraft has been redelivered to the Chargee in accordance with the Lease Agreement,
- (b) if the Aircraft or Airframe suffers a Total Loss, the Expiry Date will be the date when the Chargee receives the Agreed Value together with any other amounts then due and unpaid by the Company to or for the benefit of the Chargee under the Lease Agreement and each other Transaction Document,
- (c) if clause 13.4 of the Lease Agreement becomes applicable, the Expiry Date will be extended to the date when any non-compliance referred to therein has been fully rectified and the Chargee has accepted redelivery of the Aircraft, and
- (d) if clause 12.3.2 of the Lease Agreement becomes applicable, the Expiry Date will be extended to the date referred to in such clause,

"Extended Expiry Date" means the date falling 12 months after the Scheduled Expiry Date,

"Extension Option" means the option to extend the Lease Period pursuant to clause 4.1 of the Lease Agreement,

"Finance Documents" means the Loan Agreement and any present or future document relating to the financing of the Aircraft (including any security therewith and the leasing arrangements whether or not these constitute financing),

"Government Entity" means

- (a) any national government, political subdivision thereof, or local jurisdiction therein,
- (b) any instrumentality, board, commission, court, or agency of any thereof, however constituted, and
- (c) any association, organisation, or institution (international or otherwise) of which any of the above is a member or to whose jurisdiction any thereof is subject or in whose activities any of the above is a participant,

"Guarantor" means Flybe Group Limited,

"Initial Junior Lender" means FirstRand (Ireland) plc,

"Initial Senior Lenders" means Norddeutsche Landesbank Girozentrale and HSH Nordbank AG,

"Junior Facility Agent" means First Rand (Ireland) plc or such other person as the Chargee and the Junior Facility Agent may from time to time designate in writing to the Company,

"Lease Agreement" means the aircraft operating lease agreement dated 26 June 2008 entered into between the Chargee, as lessor, and the Company, as lessee,

"Lease Period" means the period commencing on the Delivery Date and ending on the Expiry Date,

"Loan Agreements" means, together, the loan agreements relating to the financing of the Chargee's acquisition of the Aircraft entered into on 26 June 2008 between (a) the Chargee, as borrower, the Initial Senior Lenders, as lenders, the Senior Facility Agent and the Security Trustee and (b) the Chargee, as borrower, the Initial Junior Lender, as lender, and the Junior Facility Agent (each, a **"Loan Agreement"**),

"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,

"Other Aircraft" means either or both, as the context may require, of the two Bombardier Q400 aircraft bearing manufacturer's serial numbers 4180 and 4212,

"Other Leases" means, in relation to an Other Aircraft, the lease agreement relating to such Other Aircraft entered into or to be entered into between the Chargee, as lessor, and the Company, as lessee,

"Other Transaction Documents" has the meaning ascribed to the term "Transaction Documents" in each Other Lease,

"Parent Guarantee" means the guarantee entered into by the Guarantor and the Chargee in the form set out in schedule 7 to the Lease Agreement,

"Permitted Sublease" has the meaning defined in clause 8 of the Lease Agreement,

"Scheduled Expiry Date" means 14 December 2017,

"Secured Obligations" means (a) any and all moneys and financial liabilities which are (or which are expressed to be) now or at any time hereafter due, owing or payable by the Company to the Chargee in any currency, actually or contingently, with another or others, as principal or surety, on any account whatsoever under or in relation to any Transaction Document or any Other Transaction Document, including as a consequence of any breach, non-performance, disclaimer or repudiation by the Company (or by a liquidator, receiver, administrative receiver, administrator or any similar officer in respect of the Company) of any of the Company's obligations under or in relation to any Transaction Document and/or any Other Transaction Document, and (b) any and all obligations which are (or which are expressed to be) now or at any time hereafter to be performed by the Company in favour of the Chargee under or in relation to any Transaction Document and/or any Other Transaction Document,

"Security Trustee" means Norddeutsche Landesbank Girozentrale, a public law banking institution organised and existing under the laws of Germany or such other person as the Chargee and the Senior Facility Agent may from time to time designate in writing to the Company,

"Senior Facility Agent" means Norddeutsche Landesbank Girozentrale, a public law banking institution organised and existing under the laws of Germany or such other person as the Chargee and the Senior Facility Agent may from time to time designate in writing to the Company,

"**TCP®**" means the term cost plan for PW150A engines dated August 2003 executed on behalf of the Company and the Engine Maintenance Provider,

"**Total Loss**" has the meaning ascribed thereto in the Lease Agreement,

"**Transaction Documents**" means the Lease Agreement, the Parent Guarantee, the Aircraft Purchase Agreement, the Assignment, the Assignment of Insurances, the Warranty Agreement, the Acknowledgements of Assignment, 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 the 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 the Company,

"**Warranty Agreement**" means the airframe warranty agreement entered into on the Delivery Date between the Manufacturer, the Company, the Chargee and the Security Trustee, and

"**Warranty Rights**" means the legal and beneficial title to any warranties in existence at the Expiry Date in relation to services rendered under the TCP® prior to the Expiry Date with respect to the Engines

SCHEDULE 2

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

Company number 02769768

Name of instrument Assignment

1. Short Particulars of all the Property Mortgaged or Charged

The Company has assigned and has agreed to assign absolutely by way of first priority security with full title guarantee to the Chargee, as continuing security for the payment, performance and discharge of the Secured Obligations all its right, title, benefit and interest (present and future) in and to the Assigned Property

Each of the Company and the Chargee has agreed pursuant to clause 2 2 of the Assignment that that the Warranty Rights will, with effect from the Expiry Date, vest absolutely in the Chargee and that the security assignment effected pursuant to clause 2 1 of the Assignment will accordingly, with effect from the Expiry Date and with respect to the Warranty Rights, automatically and without further act convert to an absolute assignment in favour of the Chargee unless title to the Aircraft is transferred by the Chargee to the Company pursuant to clause 15 of the Lease Agreement, in which case the foregoing provisions of clause 2 2 of the Assignment will not apply and the Assignee will, at the request and cost of the Company, reassign the Assigned Property to the Company or its order (to the extent not previously reassigned)

The Assignee has accepted, pursuant to clause 2 3 of the Assignment, the assignment provided in clause 2 1 of the Assignment and has agreed that in its exercise of the benefit of the rights so assigned to it, including, without limitation the powers contained in clause 6 of the Assignment, it will be subject to and be bound by all limitations, disclaimers, exceptions and conditions in respect thereof contained in the TCP®

2. Negative Pledge

The Company has covenanted with the Chargee that, until the reassignment of the Assigned Property pursuant to clause 2 1 of the Assignment

- (a) pursuant to clause 3(a) of the Assignment, it will not sell, assign, mortgage, charge or otherwise encumber, dispose of or deal with or grant or permit any third party rights to arise over or against the Assigned Property or any part thereof or attempt or agree so to do otherwise than pursuant to the Assignment, and
- (b) pursuant to clause 3(f), it will not without the prior written consent of the Chargee
 - I take or omit to take any action the taking or omission of which might result in any adverse alteration or impairment of the TCP® in respect of the Engines or the Assignment, and
 - II make or consent to any material variation, modification or amendment in the terms of the TCP® in respect of the Engines or release the Engine Maintenance Provider from any of its obligations thereunder or waive any breach of the obligations of the Engine Maintenance Provider under the TCP®

3. Power of Attorney

The Company has, pursuant to clause 5 7 of the Assignment, by way of security irrevocably appointed the Chargee (and each and every person to whom the Chargee will from time to time have delegated the exercise of this power) severally to be its attorney in its name and on its behalf to execute and complete all such acts, deeds, instruments, documents and things relating to the Assigned Property (including all the matters referred to in clause 3(d) of the Assignment) provided always that such power will not be exercisable by or on behalf of the Chargee until the security constituted by the Assignment has become enforceable

The power conferred in clause 5 7 of the Assignment is a general power of attorney under the Powers of Attorney Act 1971 and the Company will ratify and confirm and agree to ratify and confirm, whatever such attorney appointed pursuant to clause 5 7 of the Assignment does or purports to do in the exercise or purported exercise of all or any of the powers, authorities and discretions conferred pursuant to clause 5 7 of the Assignment

4. Further Assurances and Protection of Security

Pursuant to clause 3(d) of the Assignment the Company has covenanted, until the reassignment of the Assigned Property pursuant to clause 2 1 of the Assignment, to do all such things and execute all such assignments, transfer instruments, notices, consents, authorities and documents as the Chargee will from time to time require for perfecting the title of the Chargee to or for vesting or enabling the Company to vest the full benefit of the Assigned Property in the Chargee, such assignments, transfer instruments, notices, consents, authorities or documents to be prepared by or on behalf of the Chargee at the cost of the Company in such form as the Chargee may reasonably require

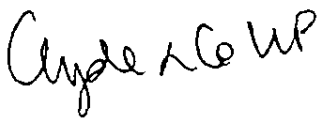
We hereby confirm that the definition of Assigned Property should read:

"Assigned Property" means all the rights and benefits vested in and accruing to the Company under and pursuant to the TCP® in relation to the Engines.

We would be very grateful to you if you could insert the underlined wording into both schedules and thank you for your time

Should you have any further queries or comments, please do not hesitate to contact ~~George~~
~~15/07/2008 10:28:44~~

Yours faithfully



Clyde & Co LLP



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

**COMPANY NO. 2769768
CHARGE NO. 183**

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES
HEREBY CERTIFIES THAT AN ASSIGNMENT OF RIGHTS
UNDREER TERM COST PLAN DATED 27 JUNE 2008 AND
CREATED BY FLYBE LIMITED FOR SECURING ALL MONIES
DUE OR TO BECOME DUE FROM THE COMPANY TO FLY 108
LIMITED 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
15 JULY 2008

GIVEN AT COMPANIES HOUSE, CARDIFF THE 15 JULY 2008



Companies House
— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

PJ