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

*insert full name
of Company

COMPANIES FORM No. 395

008220/65

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.

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number

11913

02769768

Name of company

* Flybe Limited (the "Company")

Date of creation of the charge

30 July 2008

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

Account charge between the Company, as chargor, and the Chargee, as chargee, relating
to one (1) Bombardier Q400 aircraft bearing manufacturer's serial number 4212 (the
"Account Charge")

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

Presentor's name address and
reference (if any)

Clyde & Co LLP
51 Eastcheap
London
EC3M 1JP

GXTCXT/0803241/ AC-4212

Time critical reference

For official Use (06/2005)
Mortgage Section

Post room



LD5

COMPANIES HOUSE

32

FRIDAY

Please see the attached Schedule 2

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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 LLP

Date

8 August 2008

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 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**

SCHEDULE 1

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

Company number 02769768

Name of instrument Account Charge

Definitions

"Acceptance Certificate" means a certificate substantially in the form set out in part 2 of schedule 1 to the Lease Agreement,

"Account Bank" means Barclays Bank PLC,

"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,

"Aircraft" means one Bombardier Q400 aircraft bearing manufacturer's serial number 4212,

"Aircraft Purchase Agreement Assignment" means the purchase agreement assignment relating to the Aircraft dated 27 June 2008 between the Company and the Chargee,

"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,

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

"Delivery Date" means 30 July 2008,

"Deposit" means the aggregate of

- (a) the amount deposited or to be deposited by the Company with the Account Bank in the Security Deposit Account on or before the Delivery Date pursuant to and in accordance with clause 5.3 of the Lease Agreement, and
- (b) all and any other moneys which from time to time may be standing to the credit of the Security Deposit Account and together with all interest accrued and accruing from time to time on any of those amounts and all other rights and claims of the Company in relation to such amounts and the Security Deposit Account,

"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) a Replacement Engine,

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,

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

"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),

"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 FirstRand (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 27 June 2008 entered in between the Chargee, as lessor, and the Company, as lessee,

"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 4185,

"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 dated 27 June 2008 entered into by the Guarantor and the Chargee in the form set out in schedule 7 to the Lease Agreement,

"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 each Engine (including the Propellers) on the Delivery Date, and

- (b) any Replacement Part or other part which has replaced a Part in accordance with the Lease Agreement (other than a complete Engine) and title to which has passed to the Chargee pursuant to the Lease Agreement,

but excludes any such items title to which has ceased to vest in the Chargee pursuant to the Lease Agreement,

"Propeller" means each of the Dowty R408/6-123-F/17 propellers with manufacturer's serial numbers DAP0466 and DAP0489 respectively,

"Replacement Engine" means an engine complying with clause 7 12 1 of the Lease Agreement,

"Replacement Part" means a part complying with clause 7 12 1 of the Lease Agreement,

"Secured Obligations" means the actual, contingent, present and future obligations and liabilities of the Company to the Chargee under or pursuant to any Transaction Document or any Other Transaction Document (in each case to which the Company and the Chargee are parties) or 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 any such Transaction Document and/or any such Other Transaction Document,

"Security Deposit Account" means an interest-bearing dollar account opened or to be opened by, and in the name of, the Company with the Account Bank with account number 76947299 with sort code 205478 (and includes any redesignation or renumbering from time to time and any sub-accounts thereof),

"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 Assignment" means the assignment of rights under the Term Cost Plan (to the extent relating to the Engines) entered into on the Delivery Date between the Company, as assignor, and the Chargee, as assignee,

"Term Cost Plan" means the Term Cost Plan Agreement No FMP-03-05 R4 dated August 2003 between the Engine Maintenance Provider and the Company for certain engine maintenance services to be provided in respect of the Engines,

"Transaction Documents" means the Lease Agreement, the Parent Guarantee, the Aircraft Purchase Agreement Assignment, the TCP 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, and

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

SCHEDULE 2

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

Company number 02769768

Name of instrument Account Charge

1. Short Particulars of all the property mortgaged or charged

The Company has assigned with full title guarantee to the Chargee as a continuing security for the payment and performance of the Secured Obligations, the Deposit and all the right, title, benefit and interest of the Company whatsoever present and future in the Deposit, together with any certificates of deposit, deposit receipts or other instruments or securities relating thereto

2. Negative Pledge

Pursuant to clause 5(a) of the Account Charge the Company has covenanted with the Chargee that it will not withdraw the Deposit or any part thereof or sell, assign, mortgage, charge or otherwise encumber, dispose of or deal with or grant or permit third party rights to arise or subsist over or against the same or any part thereof or attempt or agree so to do

3. Power of Attorney

Pursuant to clause 7.5 of the Account Charge the Company by way of security has irrevocably appointed the Chargee and any receiver appointed by the Chargee pursuant to the Account Charge (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 Deposit (including all the matters referred to in clause 5(c) of the Account Charge) provided always that such power will not be exercisable by or on behalf of the Chargee until the Security Interest constituted by the Assignment has become enforceable

4 Further Assurance

Pursuant to clause 5(c) of the Account Charge the Company has covenanted with the Chargee that it will do all such things and execute all such assignments, 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 Deposit in the Chargee or its nominee, such assignments, 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 require



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

**COMPANY NO. 2769768
CHARGE NO. 193**

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES
HEREBY CERTIFIES THAT AN ACCOUNT CHARGE DATED 30
JULY 2008 AND CREATED BY FLYBE LIMITED FOR SECURING
ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY
TO FLY 108 LIMITED 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 8 AUGUST
2008

GIVEN AT COMPANIES HOUSE, CARDIFF THE 11 AUGUST 2008

P. Angela



Companies House
— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES