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

* insert full name
of Company

COMPANIES FORM No. 395

008296/65

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

11916

02769768

Name of company

* Flybe Limited (the "Company")

Date of creation of the charge

20 August 2008

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

Security Agreement between the Company, as assignor, and the Chargee, as assignee, relating to one (1) Bombardier Q400 aircraft bearing manufacturer's serial number 4216 (the "Security Agreement")

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

GOAL Verwaltungsgesellschaft mbH & Co Projekt Nr 52 KG, Tölzer Strasse 15, 82031 Grünwald, Germany (the "Chargee")

Postcode

Presenter's name address and
reference (if any)

Clyde & Co LLP
51 Eastcheap
London
EC3M 1JP

GXH/ELG//0807901LESA-4216

Time critical reference

For official Use (06/2005)
Mortgage Section

Post room

THURSDAY



LD4

04/09/2008

COMPANIES HOUSE

164

Short particulars of all the property mortgaged or charged

Please see the attached Schedule 2

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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 4 September 2008

On behalf of ~~XXXXXX XXXXXX~~ [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 Security Agreement

Definitions

"**Aircraft**" means the Bombardier Q400 aircraft bearing manufacturer's serial number 4216

"**Aircraft Documents**" has the meaning ascribed thereto in the Lease Agreement

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

"**Bombardier Consent and Agreement**" means the consent and agreement of the Manufacturer to the Purchase Agreement Assignment executed by the Manufacturer on the Delivery Date

"**Bombardier Purchase Agreement**" means the purchase agreement number 606 relating to, *inter alia*, the purchase of the Aircraft dated 7 May 2007 and entered into between the Manufacturer, as seller, and the Company, as buyer

"**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 Date**" means 20 August 2008

"**Deregistration Power of Attorney**" has the meaning ascribed thereto in the Lease Agreement

"**Engine**" means, whether or not installed on the Aircraft

- (a) each engine described in part 1 of schedule 1 of the Lease Agreement, or
- (b) any engine which has replaced that engine, title to which has or should have passed to Owner in accordance with the Lease Agreement,

and, in each case, includes all modules, Propellers and Parts from time to time belonging to or installed in that engine but excludes any properly replaced engine

"**Engine Maintenance Provider**" means Pratt & Whitney Canada Customer Service Center Europe GmbH

"**Eurocontrol Letter**" has the meaning ascribed thereto in the Lease Agreement

"**Event of Default**" has the meaning ascribed thereto in the Lease Agreement

"Facility Agent" means Bayerische Landesbank, as facility agent for and on behalf of the Lenders

"Fee Letter" means the letter relating to the payment of certain fees associated with the financing of the Aircraft pursuant to the Loan Agreement dated 31 July 2008 and executed by the Company in favour of the Facility Agent

"Funding Indemnity Letter" has the meaning ascribed thereto in 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 obligations of the Company under the Lease Agreement dated 6 August 2008 and executed by the Guarantor in favour of the Chargee (and any replacement or renewal of that guarantee)

"Guarantor" means Flybe Group Limited, a limited liability company incorporated and existing under English law

"Initial Lender" means Bayerische Landesbank, as initial lender under the Loan Agreement

"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 31 July 2008 and entered into between the Chargee, as lessor, and the Company, as lessee

"Lenders" means, together, the Initial Lender and its any subsequent transferees under the Loan Agreement (each, a "Lender")

"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 Chargee's acquisition of the Aircraft dated 31 July 2008 between the Chargee, as borrower, the Lenders, the Facility Agent and the Security Trustee

"Manufacturer" means Bombardier, Inc., a Canadian corporation represented by Bombardier Aerospace, Regional Aircraft

"Other Aircraft" means the four (4) Bombardier Q400 aircraft bearing respectively manufacturer's serial number 4221, and manufacturer's serial number 4224, delivery allocation number 4 and delivery allocation number 5

"Other Lease" 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 or Other Lessor, as lessor, and the Company, as lessee (together, the **"Other Leases"**)

"Other Lessor" means any entity related to or associated with (by virtue of shareholding interest, partnership interest or otherwise) GOAL German Operating Aircraft Leasing GmbH or GOAL German Operating Aircraft Leasing GmbH & Co KG

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

"Owner" means the Chargee or any other person from time to time notified by the Chargee to the Company as being the owner of the Aircraft

"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
- (b) any other component, furnishing or equipment (other than a complete Engine) title to which has passed to Chargee pursuant to the Lease Agreement,

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

"Propeller" means, whether or not installed on an Engine

- (a) each propeller described in part 1 of schedule 1 to the Lease Agreement, or
- (b) any propeller which has replaced that propeller, title to which has or should have passed to Owner in accordance with the Lease Agreement,

but excludes any properly replaced propeller

"Purchase Agreement Assignment" means the assignment agreement relating to the Bombardier Purchase Agreement (to the extent relating to the Aircraft) dated the Delivery Date and entered into between the Company, as assignor, and the Chargee, 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

"Secured Obligations" means (a) any and all moneys and financial liabilities which are (or which are expressed to be) on the Delivery Date or at any time after the Delivery Date 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 Bayerische Landesbank, as security agent and trustee for and on behalf of the Lenders

"TCP" means the term cost plan relating to, inter alia, the Engines dated August 2003 and entered into between the Company and the Engine Maintenance Provider

"TCP Acknowledgement" means the acknowledgement relating to the TCP Assignment executed on the Delivery Date by the Engine Maintenance Provider in favour of the Company, the Chargee and the Security Trustee

"TCP Assignment" means the assignment of rights under the TCP (to the extent relating to the Engines) dated 20 August 2008 between the Company, as assignor, and the Chargee, as assignee

"Transaction Documents" means , together, the Purchase Agreement Assignment, the Bombardier Consent and Agreement, the Lease Agreement, the Fee Letter, the Funding Indemnity Letter, the Deregistration Power of Attorney, the Eurocontrol Letter, the TCP Assignment, the TCP Acknowledgement, the Security Agreement, the Guarantee, the 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"**)

"Warranty Agreement" means the agreement relating to the warranties for the Airframe 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 Security Agreement

1. Short Particulars of all the property mortgaged or charged

1.1 Property Assigned

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

1.2 Property Charged

To the extent that the Collateral is not capable of assignment pursuant to the Security Agreement (and notwithstanding the assignment referred to in paragraph 1.1 above), 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 Chargee

2. Negative Pledge

The Company has covenanted with the Chargee that (save as provided or permitted under the Transaction Documents)

- (a) it will not do anything which may in any way jeopardise or otherwise prejudice the Lien constituted hereby or the rights of the Chargee under the Security Agreement,
- (b) it will not, except with the prior written consent of the Chargee, 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,
- (c) it will not, without the prior written consent of the Chargee, 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, and
- (d) it will not exercise any right of set-off, counterclaim or defence against the Chargee with respect to the Collateral

3. Power of Attorney

- 3.1 Pursuant to clause 13.1 of the Security Agreement the Company has by way of security irrevocably appointed the Chargee 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 Chargee 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 Chargee 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 Chargee 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 Chargee may deem appropriate for the purpose of exercising any of such powers, authorities and discretions, provided that the authority conferred in clause 13.1 of the Security Agreement shall only be exercisable for so long as an Event of Default has occurred and is continuing

3.2 The power conferred by clause 13.1 of the Security Agreement is a general power of attorney under the Powers of Attorney Act 1971

3.3 Pursuant to clause 13.1 of the Security Agreement the Company unconditionally and irrevocably ratified and confirmed and agreed to ratify and confirm whatever any such attorney appointed pursuant to clause 13.1 of 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 of the Security Agreement

4. Further Assurances and Protection of Security

4.1 The Company shall 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 Chargee may reasonably request from time to time to perfect the security granted by the Security Agreement or to establish, maintain, protect or preserve the rights of the Chargee under the Security Agreement and the Lien and security intended to be constituted by the Security Agreement

4.2 The Chargee will, without prejudice to its other rights and powers under the Security Agreement, be entitled (but shall 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



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

**COMPANY NO. 2769768
CHARGE NO. 196**

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES
HEREBY CERTIFIES THAT A SECURITY AGREEMENT DATED 20
AUGUST 2008 AND CREATED BY FLYBE LIMITED FOR
SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE
COMPANY TO GOAL VERWALTUNGSGESELLSCHAFT MBH &
CO.PROJEKT NR.52 KG 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 4 SEPTEMBER
2008

GIVEN AT COMPANIES HOUSE, CARDIFF THE 5 SEPTEMBER
2008



Companies House
— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES