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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.

Pursuant to section 395 of the Companies Act 1985

008 377 / 52

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

For official use

Company number

11919

02769768

Name of company

* Flybe Limited (the "Company")

Date of creation of the charge

5 September 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 (the "Chargee")

Postcode

Presentor's name address and reference (if any)

Clyde & Co LLP
51 Eastcheap
London
EC3M 1JP

GXT/SLT/0808554/ LSA2 - 4216

Time critical reference

For official Use (06/2005)
Mortgage Section

Post room

THURSDAY



LHS6V386

LD6

18/09/2008

75

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

W. J. P. Co. Ltd

Date

18 September 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)

Notes

† delete as appropriate

- 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 one Bombardier Q400 aircraft bearing Manufacturer's serial number 4216,

"**Aircraft Documents**" means the documents, data and records identified in Part 2 of Schedule 3 to the Lease Agreement and all additions, renewals, revisions and replacements from time to time made in accordance with the Lease Agreement,

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

"**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 Manufacturer, as seller, and the Company, as buyer,

"**Bombardier Consent and Agreement**" means the consent and agreement of Manufacturer to the Purchase Agreement Assignment executed by the Manufacturer and dated 20 August 2008,

"**Collateral**" means

3.1.26

- (a) the Relevant Insurance Property,
- (b) the Relevant Sub-Lease Property,
- (c) the Relevant Sub-Lease Guarantee Property, and
- (d) the Relevant Requisition Compensation Property,

+ 15

"**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**" 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 including Quick Engine Change kit, or
- (b) any engine which has replaced that engine, title to which has or should have passed to the Chargee, as 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 Centre Europe GmbH, Ludwigsfelde,

"Eurocontrol Letter" shall have the meaning ascribed thereto in the Lease Agreement,

"Event of Default" shall have the meaning ascribed thereto in the Lease Agreement,

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

- (a) all proceeds of liability insurance relating to the Aircraft,
- (b) any payments of insurance proceeds in respect of the Aircraft under a policy which is separately acquired and paid for by the Company which is in addition to the Insurances (to the extent that the Company is not prohibited by the terms of the Lease Agreement from acquiring such a policy), and
- (c) all ancillary rights in respect thereof, including the right to enforce and collect the same and all proceeds resulting or arising therefrom,

"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" means the indemnity letter relating to the funding arrangements of the Chargee and the Lenders with respect to the Aircraft executed on 18 August 2008 in favour of the Chargee and the Initial Lender,

"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 Guarantor in favour of the Company,

"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 policies and contracts of insurance from time to time maintained or required to be maintained in relation to the Aircraft or any part thereof by the terms of the Sub-Lease Agreement,

"Lease Agreement" means the aircraft operating lease agreement dated 31 July 2008 entered into between the Chargee, as lessor, and the Company, as lessee,

"Lessee Security Agreement" means the security assignment of certain rights entered into on 20 August 2008 between the Company, as assignor, and the Chargee, as assignee,

"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 entered into 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 any other aircraft leased by the Chargee, as lessor, or an Other Lessor to the Company,

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

"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 20 August 2008, and
- (b) any other component, furnishing or equipment (other than a complete Engine) title to which has passed to the Chargee pursuant to the Lease Agreement,

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

"Permitted Lien" has the meaning ascribed thereto in 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 the Chargee in accordance with the Lease Agreement,

but excludes any properly replaced propeller,

"Purchase Agreement Assignment" means the assignment agreement relating to Bombardier Purchase Agreement (to the extent relating to the Aircraft) dated 20 August 2008 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 any and all proceeds, benefits and claims (including without limitation the right to make any claim) relating to the Insurances (other than the Excepted Insurance Property), either in its own capacity or pursuant to the Sub-Lessee Security Agreement,

"Relevant Requisition Compensation Property" means all of the right, title and interest (present and future, actual and contingent) of the Company in and to the Requisition Compensation, either in its own capacity or pursuant to the Sub-Lessee Security Agreement,

"Relevant Sub-Lease Property" means all of the right, title and interest (present and future, actual and contingent) of the Company in and to the Sub-Lease Agreement,

"Relevant Sub-Lease Guarantee Property" means all of the right, title and interest (present and future, actual and contingent) of the Company in and to the Sub-Lease Guarantee,

"Requisition Compensation" means any and all moneys or other compensation from time to time payable in respect of any 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 Sub-Lease Delivery Date, or at any time after the Sub-Lease 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 itself, the Lenders and the Facility Agent,

"Sub-Lease Agreement" means the sub-lease agreement relating to the Aircraft dated 15 July 2008 between the Company, as lessor, and the Sub-Lessee, as lessee,

"Sub-Lease Delivery Date" means 5 September 2008,

"Sub-Lease Guarantee" means

(a) the guarantee relating to the obligations of the Sub-Lessee under the Sub-Lease Agreement dated 31 July 2008 and entered into between the Sub-Lessee Guarantor, as guarantor, and the Company, as beneficiary, and

- (b) any other guarantee or similar instrument (other than a letter of credit) executed after the Sub-Lease Delivery Date in support of the Sub-Lessee's obligations under the Sub-Lease Agreement,

"Sub-Lessee" means Widerøes Flyveselskap AS, a corporation incorporated and existing under Norwegian law,

"Sub-Lessee Guarantor" means SAS AB (publ), a corporation incorporated and existing under Swedish law,

"Sub-Lessee Security Agreement" means the security agreement relating to the Aircraft dated the Sub-Lease Delivery Date and entered into between the Sub-Lessee, as assignor, and the Company, as assignee,

"TCP Acknowledgement" means the acknowledgement to the TCP Assignment dated 20 August 2008 and executed 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) entered into on 20 August 2008 between the Company, as assignor, and the Chargee, as assignee,

"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,

"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 Lessee 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 dated 20 August 2008 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

Except as contemplated or permitted by any Transaction Document to which it is a party, the Company has covenanted in favour of the Chargee that it will not (and will not attempt to) directly or indirectly

- (a) sell, lease or otherwise dispose of the Collateral or any of its right, title and interest in and to any Transaction Document,
- (b) create, incur, assume or permit or cause to exist any Lien (other than Permitted Liens) in relation to the Collateral or any of its right, title and interest in and to any Transaction Document, or
- (c) consent to the taking of any such action by any other person (whether pursuant to the terms of the Transaction Documents or otherwise),

in each case without the prior written consent of the Chargee

3. Power of Attorney

- 3.1 Pursuant to clause 14.1 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 under 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 14 1 of the Security Agreement is a general power of attorney under the Powers of Attorney Act 1971
- 3 3 Pursuant to clause 14 3 of the Security Agreement the Company has unconditionally and irrevocably ratified and confirmed and agreed to ratify and confirm whatever any attorney appointed pursuant to clause 14 1 of the Security Agreement will 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 14 1 of the Security Agreement

4. Further Assurances and Protection of Security

- 4 1 The Company 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 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 will 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. 199**

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES
HEREBY CERTIFIES THAT A SECURITY AGREEMENT DATED 5
SEPTEMBER 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 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 18 SEPTEMBER 2008

GIVEN AT COMPANIES HOUSE, CARDIFF THE 22 SEPTEMBER
2008



P. Well.

