

MR01

Particulars of a charge



A fee is payable with this form
Please see 'How to pay' on the
last page

You can use the WebFiling service to file this form online
Please go to www.companieshouse.gov.uk

110954/13

☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument

☒ **What this form is NOT for**
You may not use this form to
register a charge where there is
instrument Use form MR08

WEDNESDAY



L37EXF1K

LD4

07/05/2014

#14

COMPANIES HOUSE

This form **must be delivered to the Registrar for registration within 21 days** beginning with the day after the date of creation of the charge. If delivered outside of the 21 days it will be rejected unless it is accompanied by a court order extending the time for delivery

☒ You **must** enclose a certified copy of the instrument with this form. This will be scanned and placed on the public record

1 Company details

Company number 0 2 7 6 9 7 6 8

Company name in full Flybe Limited

(the "Mortgagor")

312

For official use

→ **Filling in this form**
Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date 2 5 0 4 2 0 1 4

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge

Name Export Development Canada, 151 O'Connor Street, Ottawa, Canada, K1A 1K3
as Security Trustee (on behalf of itself and the Beneficiaries)

Name

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge

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4

Description

Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security

Description

N/A

Continuation page

Please use a continuation page if you need to enter more details

5

Fixed charge or fixed security

Does the instrument include a fixed charge or fixed security over any tangible or intangible (or in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box

☒ Yes

☐ No

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

☐ Yes Continue

☒ No Go to Section 7

Is the floating charge expressed to cover all the property and undertaking of the company?

☐ Yes

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the chargor from creating any further security that will rank equally with or ahead of the charge? Please tick the appropriate box

☒ Yes

☐ No

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Trustee statement ①

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

① This statement may be filed after the registration of the charge (use form MR06)

9

Signature

Please sign the form here

Signature

Signature

x Clifford Chance

x

This form must be signed by a person with an interest in the charge

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Particulars of a charge



Presenter information

We will send the certificate to the address entered below. All details given here will be available on the public record. You do not have to show any details here but, if none are given, we will send the certificate to the company's Registered Office address.

Contact name Julia Maude 70-40387202

Company name Clifford Chance LLP

Address 10 Upper Bank Street

Post town London

County/Region

Postcode E 1 4 5 J J

Country United Kingdom

DX 149120 Canary Wharf 3

Telephone 020 7006 1000



Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.



Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

- ☒ The company name and number match the information held on the public Register
- ☒ You have included a certified copy of the instrument with this form
- ☒ You have entered the date on which the charge was created
- ☒ You have shown the names of persons entitled to the charge
- ☒ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☒ You have given a description in Section 4, if appropriate
- ☒ You have signed the form
- ☒ You have enclosed the correct fee
- ☒ Please do not send the original instrument, it must be a certified copy



Important information

Please note that all information on this form will appear on the public record.



How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House'.



Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below.

For companies registered in England and Wales.
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland:
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquires@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk



DX

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 2769768

Charge code: 0276 9768 0312

The Registrar of Companies for England and Wales hereby certifies that a charge dated 25th April 2014 and created by FLYBE LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 7th May 2014

Given at Companies House, Cardiff on 12th May 2014



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

We hereby certify that, save for material
rectified pursuant to s 859G of the
Companies Act 2006, this is a true copy of the original

Signed Clifford Chance Date 7 May 2014
UP

EXECUTION VERSION

Clifford Chance LLP
10 Upper Bank Street
London E14 5JJ

Dated 25 April **2014**

FLYBE LIMITED (1)
as Mortgagor

and

EXPORT DEVELOPMENT CANADA (2)
as Security Trustee

ENGINE MORTGAGE in respect of
one Pratt & Whitney PW150A Engine with
serial number FA0196

 **NORTON ROSE FULBRIGHT**

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THIS ENGINE MORTGAGE is dated 25 April 2014

BETWEEN

- (1) **FLYBE LIMITED**, a company incorporated under the laws of England and Wales whose registered office is at Jack Walker House, Exeter International Airport, Exeter, Devon EX5 2HL (the "Mortgagor"), and
- (2) **EXPORT DEVELOPMENT CANADA** of 151 O'Connor Street, Ottawa, Canada K1A 1K3 (the "Security Trustee" acting, not individually but solely as security trustee, on behalf of itself and the Beneficiaries which expression shall include its successors and assigns)

WHEREAS

- (A) Pursuant to the Facility Agreement, the Lenders agreed to make available to the Mortgagor a loan on the terms and conditions therein (the "Loan") contained to enable the Mortgagor, inter alia, to finance the purchase of Engine FA0487,
- (B) The Mortgagor has proposed that the Loan be secured instead against the Engine, and
- (C) As security for the Mortgagor's obligations to the Security Trustee and the other Beneficiaries under the Facility Agreement, the Mortgagor is required to enter into this Mortgage

NOW IT IS HEREBY AGREED as follows

1 Definitions and Interpretation

In this Mortgage (including the recitals hereto) the rules of interpretation set out in clause 1 of the Facility Agreement shall apply herein as if set out in full but with references therein to that agreement being replaced by references to this Mortgage. Words and expressions defined in the Facility Agreement shall, unless the context otherwise requires or unless otherwise defined herein, have the meaning ascribed to them in the Facility Agreement and in addition

"**Aviation Authority**" means the CAA or any and all authorities or persons responsible for the regulation and control of civil aviation, or otherwise being competent to issue directions in respect of the Engine, its repair, maintenance or operation, under the laws of the State of Incorporation,

"**Beneficiaries**" means all or, as the case may be, any of the Lenders, the Agent and the Security Trustee,

"**Effective Time**" means the time determined in accordance with clause 4.1 of the Release Deed,

"Encumbrance" means any mortgage, charge (whether fixed or floating), pledge, lien, statutory or other right in rem, hypothecation, assignment, security interest, lease, option, title retention, preferential right or trust or any encumbrance of any kind having the effect of securing any obligation of any person or preferring any creditor (including rights of set-off, reciprocal fee arrangements and defeasance) and any rights of forfeiture, confiscation or detention,

"Enforcement Notice" means a notice of acceleration issued pursuant to clause 19.2 (*Acceleration*) of the Facility Agreement,

"Engine" means the Pratt & Whitney PW-150A turboprop engine with serial number FA0196,

"Engine FA0487" means the Pratt & Whitney PW-150A turboprop engine with serial number FA0487,

"Facility Agreement" means the facility agreement dated 26 September, 2008 between the Mortgagor as borrower, the Lenders, the Agent and the Security Trustee in relation to the Aircraft,

"Losses" means any losses, costs, charges, expenses, interest, fees, payments, demands, liabilities, claims, actions, proceedings, penalties, fines, damages, adverse judgements, orders or other sanctions,

"Mortgaged Property" means the property, assets and rights for the time being and from time to time comprised in or subject to this Mortgage, and references to Mortgaged Property include references to any part of such Mortgaged Property,

"Part" means, whether or not from time to time installed on the Engine

- (a) any and all components, furnishings, equipment, accessories, modules and other items furnished with the Engine on the Delivery Date, and
- (b) any other component, furnishing or equipment title to which has passed to the Mortgagor,

but excludes any such items which have been properly replaced in accordance with the Facility Agreement and released from the Mortgage,

"Receiver" means any receiver or receiver and manager appointed by the Security Trustee hereunder or under any statutory power;

"Release Deed" means the deed of release, reassignment and amendment between the Mortgagor as borrower, Lender, Agent, Security Trustee and Guarantor dated on or about the date hereof,

"Secured Obligations" means all moneys, liabilities and obligations which are now or at any time hereafter may be due, owing or payable by the Mortgagor in any currency, actually or contingently, solely or jointly and/or severally with another or others, as principal or surety, on any account whatsoever pursuant to the Facility Agreement, this Mortgage, any other Transaction Document or as a consequence of any breach, non-performance, disclaimer or repudiation by the Mortgagor (or by any liquidator, receiver, administrative receiver, administrator or any similar officer of the Mortgagor) of any of its obligations under the Facility Agreement, this Mortgage, any other Transaction Document and (except as expressly otherwise provided) references to the Secured Obligations include references to any of them, and

"Security Period" means the period commencing on the date hereof and terminating on the date upon which all of the Secured Obligations have been unconditionally and irrevocably paid, performed and discharged in full

- 1 1 In this Mortgage, unless otherwise provided or the context otherwise requires
- 1 1 1 references to clauses and Schedules are to be construed as references to the clauses of, and Schedules to, this Mortgage and references to this Mortgage include its Schedules,
- 1 1 2 references to any deed, instrument, certificate, agreement or contract (including this Mortgage) or a provision thereof shall be construed as a reference to that deed, instrument, certificate, agreement or contract or provision as from time to time varied, novated, amended, supplemented or replaced,
- 1 1 3 words importing the plural shall include the singular and vice versa,
- 1 1 4 references to a person shall be construed as including, without limitation, references to an individual, firm, company, corporation, unincorporated body of persons, or any state or agency thereof,
- 1 1 5 references to any statute or statutory provision include any statute or statutory provision which amends, extends, consolidates or replaces the same, or which has been amended, extended, consolidated or replaced by the same, and shall include any orders, regulations, instruments or other subordinate legislation made under the relevant statute,
- 1 1 6 references in this Mortgage to any certificate or notice shall be construed as a reference to such certificate or notice together with any accompany documents referred to therein, and
- 1 1 7 references in this Mortgage to any person includes any permitted assignee, permitted transferee or successor in title of such person

2 Covenant to Pay

The Mortgagor hereby acknowledges to the Security Trustee that the amount secured by this Mortgage and in respect of which this Mortgage and the security hereby created is enforceable and is the full amount of the Secured Obligations for the time being and from time to time outstanding. The Mortgagor hereby covenants with the Security Trustee that it shall promptly pay and discharge all of the Secured Obligations.

3 Mortgage

- 3.1 As a continuing security for the payment and discharge of the Secured Obligations and with effect from the Effective Time, the Mortgagor with full title guarantee mortgages to the Security Trustee as security trustee for the Beneficiaries all its interest, present and future, in and to the Engine and Technical Records,
- 3.2 The Mortgagor may remove or replace any Part from the Engine subject to and in accordance with the provisions of the Facility Agreement, and, upon title to any substitute Part being vested in the Mortgagor in accordance with the provisions of the Facility Agreement
- (a) such substitute Part shall thereupon automatically become subject to this Mortgage, and
- (b) the Part which shall have been replaced by such substitution shall cease to be subject to this Mortgage
- 3.3 The Engine shall remain subject to the security created by this Mortgage whether or not it is installed on an aircraft

3.4 Nature of Encumbrances

The parties hereto intend that this Mortgage shall create and constitute an effective first-ranking Encumbrance over all the Mortgaged Property wheresoever the same may be situate, and under and so far as effective under all applicable laws

4 Representations and Warranties

- 4.1 The Mortgagor hereby represents and warrants to the Security Trustee and each other Beneficiary that
- 4.1.1 the Mortgagor has the power to enter into, deliver and perform and has taken all necessary action to authorise its entry into, delivery and performance of this Mortgage,
- 4.1.2 no governmental authorisations are required in connection with the Mortgagor's entry into, delivery or performance of this Mortgage,

- 4 1 3 the Mortgagor is absolutely entitled to all of the Mortgaged Property at the date of this Mortgage,
- 4 1 4 the Mortgagor has not assigned, charged, pledged or otherwise encumbered or disposed of any of the Mortgaged Property, and the Mortgaged Property is free from all Encumbrances except for this Mortgage and Permitted Liens, and
- 4 1 5 at the time at which this Mortgage is created, all of the Mortgaged Property is located in England

5 Covenants and Undertakings

5.1 Continuing Covenants

- 5 1 1 The Mortgagor hereby covenants and undertakes throughout the Security Period (but subject to and without prejudice to the provisions of the Facility Agreement and the other Transaction Documents)
- (a) to take all steps reasonably required by the Security Trustee to preserve or protect the Mortgagor's interest and the interest of the Security Trustee and the other Beneficiaries in the Mortgaged Property,
 - (b) to furnish to the Security Trustee from time to time such information regarding the Mortgaged Property as the Security Trustee or any other Beneficiary may reasonably request,
 - (c) to the extent necessary to perform the Secured Obligations, upon the issuance of an Enforcement Notice to promptly deliver all cash, proceeds, cheques, drafts, orders and other instruments for the payment of money received on account of any Mortgaged Property in the form received (properly endorsed, but without recourse, for collection where required) to the Security Trustee and not to commingle any such collections or proceeds with its other funds or property, and to hold the same upon an express trust for and on behalf of the Security Trustee until delivered,
 - (d) to do or permit to be done each and every act or thing which the Security Trustee may from time to time reasonably require to be done for the purpose of enforcing the Security Trustee's and each other Beneficiary's rights granted pursuant to this Mortgage under any of the Mortgaged Property and this Mortgage, and
 - (e) promptly to deliver to the Security Trustee a copy of any material notice issued by the Mortgagor or received by the Mortgagor to or from any other person in connection with the Mortgaged Property

- 5 1 2 The Mortgagor hereby undertakes that throughout the Security Period it shall not without the prior written consent of the Security Trustee (but subject to and without prejudice to the provisions of the Facility Agreement and the other Transaction Documents) sell, assign, transfer or otherwise dispose of any of the Mortgaged Property or create or suffer to exist any Encumbrance upon or with respect to any of the Mortgaged Property except for this Mortgage and Permitted Liens

6 Further Assurances

- 6 1 The Mortgagor agrees that it shall, at its own cost and expense, take whatever action the Security Trustee may reasonably request from time to time in order to perfect the security interests created or intended to be created by this Mortgage or to establish, maintain, protect or preserve the rights of the Security Trustee and the other Beneficiaries under this Mortgage or to enable the Security Trustee and the other Beneficiaries to obtain the full benefits of this Mortgage and to exercise and enforce the rights and remedies under this Mortgage
- 6 2 The parties hereto will each procure that, and the Mortgagor shall bear any expenses in relation thereto, any registrations, filings and/or submissions in relation to the Engine required or generally made under the laws of any jurisdiction are made to the extent that the provisions of such laws apply to the Engine. The parties will coordinate and cooperate with one another in providing such information and all reasonable assistance to the other parties as may be requested in connection with any such registrations, filings and/or submissions

7 Continuing Security

7 1 Continuing Security

The security created by this Mortgage shall be held by the Security Trustee as a continuing security for the full and punctual payment, performance, discharge and satisfaction of all of the Secured Obligations, regardless of any intermediate payment, performance, discharge or satisfaction of any part of the Secured Obligations

7.2 Additional Security

The security created by this Mortgage is in addition to and shall not be prejudiced by any other security, guarantee or other assurance now or subsequently held by the Security Trustee for all or any part of the Secured Obligations

7.3 Law of Property Act 1925

Section 93 (*Restrictions on consolidation of mortgages*) and Section 103 (*Regulation on exercise of power of sale*) of the Law of Property Act 1925 shall not apply to this Mortgage

7.4 Exercise of Rights

The Security Trustee shall not be obliged, before exercising any of the rights, powers or remedies conferred upon it by this Mortgage or by law, to

- 7.4.1 take action or obtain judgement against the Mortgagor or any other person in any court or otherwise, or
- 7.4.2 make or file a claim or proof in a winding-up, liquidation, bankruptcy, insolvency, dissolution, reorganisation or amalgamation of, or other analogous event of or with respect to, the Mortgagor or any other person, or
- 7.4.3 enforce or seek to enforce the payment or performance of, or the recovery of, any of the moneys, obligations and liabilities hereby secured or any other security, guarantee or other assurance for all or any of the Secured Obligations

7.5 Security not Discharged

The security created by this Mortgage shall continue in full force and effect and shall not be discharged, impaired or otherwise affected by

- 7.5.1 any failure by the Security Trustee or any other Beneficiary to take or enforce any other security, guarantee or other assurance taken or agreed to be taken or given for all or any of the Secured Obligations under or pursuant to any Transaction Document or otherwise, or
- 7.5.2 any time or indulgence given or agreed to be given by the Security Trustee or any other person to the Mortgagor or any other person in respect of the Secured Obligations or in respect of the Mortgagor's or such other person's obligations under any security or guarantee relating thereto, or
- 7.5.3 any amendment, modification, variation, supplement, novation, restatement or replacement of all or any part of the Secured Obligations or any Transaction Document, or
- 7.5.4 any release or exchange of any other security, guarantee or other assurance now or hereafter held by or enuring to the benefit of the Security Trustee or any other Beneficiary or any other person for all or any part of the Secured Obligations, or
- 7.5.5 any other act, omission, fact, matter, circumstance, event or thing (other than a discharge in accordance with the express terms of this Mortgage) which, but for this provision, might operate to impair, discharge or adversely affect the rights of the Security Trustee or any other Beneficiary under this Mortgage or under any other Transaction Document or to impair, discharge or adversely affect the security hereby created

7 6 Conditional Discharge

Any settlement or discharge between any of the Security Trustee and the Mortgagor and/or any other person shall be conditional upon no security or payment to the Security Trustee by the Mortgagor or any other person being avoided or set aside or ordered to be refunded or reduced by virtue of any provision or enactment relating to bankruptcy, liquidation, winding-up, insolvency, dissolution, reorganisation, administration, amalgamation or other analogous event or proceedings for the time being in force

7 7 Release

Upon irrevocable and unconditional discharge in full of the Secured Obligations, the Security Trustee shall, at the request and cost of the Mortgagor, on a without recourse or warranty basis, execute and file a release of this Mortgage with the registrar at Companies House and transfer and deliver to the Mortgagor (subject to clause 7 6 (*Conditional Discharge*)) such release of this Mortgage, and carry out such further action as the Mortgagor may reasonably require to release and discharge this Mortgage

8 Security Trustee

The Security Trustee shall hold title to the property mortgaged pursuant to this Mortgage as trustee on behalf of itself and the Beneficiaries

8.1 Nature of Rights

The Security Trustee shall be entitled and authorised to exercise all such rights, powers, authorities and discretions in relation to the Mortgaged Property as if the Security Trustee were solely beneficially entitled thereto (including, without limitation, the grant of an indemnity to any person or persons appointed as a Receiver)

8 2 Perpetuity Period

The perpetuity period under the rule against perpetuities (if applicable hereto) shall be the period of eighty years from the date hereof

9 Enforcement of Security

9 1 Time of Enforcement

The Secured Obligations shall become due for the purposes of this Mortgage and of Section 101 (*Powers incident to estate or interest of mortgage*) of the Law of Property Act 1925 (or any other relevant statutory provision of similar effect) upon the issuance by the Security Trustee of an Enforcement Notice

9 2 Powers of Security Trustee

9 2 1 Without prejudice to any of its other rights whether conferred under any of the Transaction Documents or by law generally, immediately upon the issuance of an Enforcement Notice and at any time afterwards the Security Trustee shall be entitled

- (a) to apply to any authority in the country in which the Mortgaged Property or any part thereof is located for an enforcement and attachment order in respect of the Mortgaged Property or any such part thereof,
- (b) to apply to any court of competent authority for an order for foreclosure absolute so as to vest all the Mortgagor's right, title and interest in the Mortgaged Property in the Security Trustee as security trustee for itself and the Beneficiaries,
- (c) to take possession of the Mortgaged Property and for that purpose to enter upon any premises where the Mortgaged Property may be located,
- (d) to sell, call in, collect and convert into money the Mortgaged Property by public or private contract at any place in the world, with or without advertisement or notice to the Mortgagor or any other person in relation to any private contract, with all such powers in that respect as are conferred by law
 - (i) by way of extension thereof, such sale, calling in, collection and conversion may be made for such consideration as the Security Trustee in its sole and absolute discretion shall deem reasonable (whether the same shall consist of cash or shares or debentures in some other company or companies or other property of whatsoever nature or partly of one and partly of some other species of consideration, and whether such consideration shall be presently payable or by instalments or at some future date, and whether such deferred or future payments shall be secured or not) in all other respects in such manner as the Security Trustee shall in its sole and absolute discretion think fit and without being liable to account for any loss of or deficiency in such consideration,
 - (ii) Section 103 of the Law of Property Act 1925 shall not apply to this Mortgage or to the power of sale, calling in, collection or conversion hereinbefore contained, and
 - (iii) for the purposes of this clause 9 2, the Security Trustee may (in its sole and absolute discretion) by notice appoint the Mortgagor or any other person as its non-exclusive agent to sell the Mortgaged Property on terms satisfactory to the Security Trustee,
- (e) to repair and keep in repair the Mortgaged Property,

- (f) to insure the Mortgaged Property against loss or damage in such sums and for such risks as the Security Trustee shall in its sole and absolute discretion think fit,
- (g) to lease or charter the Engine for such terms, at such rents and generally in such manner and upon such conditions and stipulations as the Security Trustee in its sole and absolute discretion think fit,
- (h) to settle, arrange, compromise or submit to arbitration any accounts, claims, questions or disputes whatsoever which may arise in connection with the Mortgaged Property or in any way relating to this Mortgage and execute releases or other discharges in relation thereto,
- (i) to bring, take, defend, compromise, submit to arbitration or discontinue any actions, suits or proceedings whatsoever, civil or criminal, in relation to the Mortgaged Property,
- (j) to execute and do all such acts, deeds and things as the Security Trustee may consider necessary or proper for or in relation to any of the purposes aforesaid, and
- (k) to appoint a Receiver of all or any part of the Mortgaged Property upon such terms as to remuneration and otherwise as the Security Trustee shall deem fit, and the Security Trustee may from time to time remove any Receiver so appointed and appoint another in his place, and to fix (at or after the time of his appointment) the remuneration of any such Receiver. A Receiver so appointed shall be the agent of the Mortgagor and the Mortgagor shall be liable for such Receiver's actions and defaults to the exclusion of liability on the part of the Security Trustee. Nothing herein contained shall render the Security Trustee liable to any such Receiver for his remuneration, costs, charges or expenses or otherwise.

9.3 Law of Property Act 1925

Sections 109(6) and 109(8) (*Appointment, powers, remuneration and duties of receiver*) of the Law of Property Act 1925 shall not apply in relation to any Receiver appointed under clause 9.2 (*Powers of Security Trustee*)

9.4 Other Powers

Notwithstanding any other provision of this Mortgage and without limiting, and as an addition to, the powers conferred upon the Security Trustee (and any Receiver appointed pursuant to clause 9.2 (*Powers of Security Trustee*)) by the laws of England or of any other jurisdiction, the Security Trustee or the Receiver (as the case may be) may, at any time upon the issuance of an Enforcement Notice, exercise against or in respect of the Mortgagor and/or the Mortgaged Property any of the rights, powers, privileges or discretions conferred from time to time by any applicable law, domestic or foreign

10 Delegation by Security Trustee

The Security Trustee shall be entitled at any time and as often as it may deem expedient to delegate all or any of the powers, rights and remedies vested in it by or in connection with this Mortgage in such manner, upon such terms and to such persons as the Security Trustee in its absolute discretion may think fit

11 Powers of Receiver

11.1 Any Receiver appointed under clause 9.2 (*Powers of Security Trustee*) shall have all the powers conferred on a receiver by law (save that Section 103 of the Law of Property Act 1925 or any other relevant statutory provision of similar effect shall not apply) and, by way of addition to but without limiting those powers

- (a) the Receiver shall have all the powers given to the Security Trustee hereunder of taking possession of, calling in, collecting, converting into money and selling, leasing and dealing with the Mortgaged Property or any part thereof and generally shall be entitled to the same protection and to exercise the same powers and discretions as are given to the Security Trustee hereunder, and shall also have such other of the powers and discretions given to the Security Trustee hereunder as the Security Trustee may from time to time confer on him,
- (b) the remuneration of the Receiver may be fixed by the Security Trustee (and may be or include a commission calculated by reference to the gross amount of all money received or otherwise), but shall be payable by the Mortgagor and the amount of such remuneration may be debited by the Security Trustee from any account of the Mortgagor but shall, in any event, be secured on the Mortgaged Property under this Mortgage,
- (c) the Receiver shall have power to make any payment and incur any expenditure which the Security Trustee is, by this Mortgage, expressly or impliedly authorised to make or incur. Any expenses incurred by the Receiver in the exercise of any of its powers hereunder may be paid or retained by him out of any moneys coming into his hands as receiver or may be paid by the Security Trustee in which case they shall be treated as expenses properly incurred by the Security Trustee,
- (d) the Receiver shall in the exercise of his powers, authorities and discretions conform with the reasonable directions from time to time made and given by the Security Trustee,
- (e) the Security Trustee may at any time require security to be given for the due performance of the Receiver's duties as receiver at the cost of the Mortgagor, and

- (f) the Security Trustee may from time to time determine what funds the Receiver shall be at liberty to keep in hand with a view to the performance of his duties as receiver

11 2 No Liability as Mortgagee in Possession

Neither the Security Trustee nor the Receiver shall be liable to account as a mortgagee in possession of the Mortgaged Property and neither the Security Trustee nor any Receiver shall be liable for any loss arising from or in connection with the realisation of the Mortgaged Property or otherwise for any act, neglect, default or omission for which a mortgagee in possession might be liable as such

11 3 Other Powers of Receiver

The foregoing powers of a Receiver shall be in addition to any statutory or other powers of the Security Trustee under the Law of Property Act 1925 and of a receiver under the Insolvency Act 1986 as amended by the Enterprise Act 2002 and the Receiver shall, in any event, have and be entitled to exercise all the rights, powers and remedies conferred upon the Security Trustee by this Mortgage and by law with respect to the Mortgaged Property

12 Third Parties

12 1 Protection of Third Parties

No persons dealing with the Security Trustee or any Receiver appointed by the Security Trustee hereunder shall be concerned to enquire whether an Event of Default has occurred or whether the powers which the Security Trustee or such Receiver is purporting to exercise have become exercisable or whether any money remains due on the security of this Mortgage or otherwise as to the propriety, validity or regularity of any sale or other dealing by the Security Trustee or such Receiver with the Mortgaged Property, and all the protections to purchasers conferred by law shall apply to such persons dealing with the Security Trustee or such Receiver

12 2 Receipts

The receipt of the Security Trustee or such Receiver for the purchase moneys shall effectively discharge the purchaser who shall not be concerned with the manner of application of the same or be in any way answerable therefor

12 3 Meaning of "Purchaser"

In clause 12 1 (*Protection of Third Parties*) and clause 12 2 (*Receipts*), purchaser includes any person acquiring, for money or money's worth, any lease of, or Encumbrance over, or any other interest or right whatsoever in relation to the Mortgaged Property

13 Power Of Attorney

13.1 Power of Attorney

The Mortgagor by way of security to secure the interest of the Security Trustee in the Mortgaged Property and the full and punctual payment and performance of the Secured Obligations irrevocably appoints the Security Trustee to be its true and lawful attorney (with full power of substitution and delegation) to take any action which the Security Trustee is obliged to take under or pursuant to this Mortgage provided that the Security Trustee shall not exercise the power of attorney granted hereunder until the issuance of an Enforcement Notice

13.2 No Obligation to Exercise Power

The Security Trustee shall not have any obligation to exercise any of the powers hereby conferred upon it or to make any demand or enquiry as to the nature or sufficiency of any payment received by it with respect to the Mortgaged Property. No action taken by or omitted to be taken by the Security Trustee in the proper exercise of the power conferred on it pursuant to clause 13.1 (*Power of Attorney*) shall give rise to any defence, counterclaim or set-off in favour of the Mortgagor or otherwise affect any of the Secured Obligations

13.3 Ratification

The power hereby conferred shall be a general power of attorney under the Powers of Attorney Act 1971 and the Mortgagor shall ratify and confirm any deed, assurance, agreement, instrument, act or thing which the Security Trustee may execute or do in the exercise of such power

14 Application of Proceeds

All proceeds of any enforcement of this Mortgage (whether pursuant to clause 9.2 (*Powers of Security Trustee*) or otherwise) shall be applied by the Security Trustee in or towards discharge of the Secured Obligations in accordance with the provisions of the Facility Agreement

15 Successors in Title

15.1 This Mortgage shall be binding upon and enure to the benefit of each of the parties hereto and their respective successors and assigns

15.2 The Mortgagor shall not be entitled to assign or transfer any of its rights, benefits or obligations under this Mortgage without the prior written consent of the Security Trustee

- 15.3 If the Security Trustee assigns or transfers or charges any of its rights and/or obligations under this Mortgage, the Security Trustee will notify the Assignor as soon as practicable after such assignment, transfer or charge, together with particulars of the assignee, transferee or chargee

16 Notices

- 16.1 Any communication to be made under or in connection with this Mortgage shall be made in writing and, unless otherwise stated, may be made by fax or letter
- 16.2 The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each party for any communication or document to be made or delivered under or in connection with this Mortgage is

(a) in the case of the Mortgagor

Flybe Limited
Jack Walker House
Exeter International Airport
Exeter
Devon EX5 2HL

Attention Company Secretary
Facsimile +44 1392 266 772

(b) in the case of the Security Trustee

Export Development Canada
151 O'Connor Street
Ottawa
Canada
K1A 1K3

Attention Loans Services
Facsimile +1 613 598 2514

and to

Attention Asset Management
Facsimile +1 613 597 8857

or any substitute address or fax number or department or officer as a party may notify to the other party to this Mortgage by not less than five Business Days' notice

16.3 Delivery

- 16.3.1 Any communication or document made or delivered by one person to another under or in connection with this Mortgage will only be effective

- (a) in the case of a fax, at the time of despatch with confirmed transmission report stating the correct facsimile number and number of pages sent and that such transmission is "OK" or equivalent, or
 - (b) in the case of a letter when delivered personally or three Business Days after it has been put in the post,
- and, if a particular department or officer is specified as part of its address details provided under clause 16 2 (*Addresses*), if addressed to that department or officer

16 4 English language

16 4 1 Any notice given under or in connection with this Mortgage must be in English.

16 4 2 All other documents provided under or in connection with this Mortgage must be

- (a) in English, or
- (b) if not in English, and if so required by the Security Trustee, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document

17 Partial Invalidity

If any provision of this Mortgage becomes illegal, invalid or unenforceable in any respect under any law, the legality, validity and enforceability of the remaining provisions under such law or any other law shall not in any way be affected or impaired

18 Remedies and Waivers

No failure to exercise, nor any delay in exercising, on the part of the Security Trustee, any right or remedy under this Mortgage shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Mortgage are cumulative and not exclusive of any rights or remedies provided by law

19 Amendments

19 1 No variation of this Mortgage shall be valid unless it is in writing and signed by or on behalf of the parties to this Mortgage

19 2 Unless expressly agreed, no variation shall constitute a general waiver of any provisions of this Mortgage, nor shall it affect any rights, obligations or liabilities under or pursuant to this Mortgage which have already accrued up to the date of variation, and the rights and obligations

of the parties under or pursuant to this Mortgage shall remain in full force and effect, except and only to the extent that they are so varied

20 Counterparts

This Mortgage may be executed in any number of counterparts each of which shall constitute one and the same document

21 Governing Law

This Mortgage is governed by and shall be construed in accordance with English law

22 Enforcement

22 1 The courts of England have exclusive jurisdiction to settle any dispute arising out of, or in connection with, this Mortgage (including a dispute regarding the existence, validity or termination of this Mortgage) (a "Dispute")

22 2 The parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary

22 2 1 This clause 22 is for the benefit of the Security Trustee only. As a result, the Security Trustee shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Trustee may take concurrent proceedings in any number of jurisdictions

23 Exclusion of Third Party Rights

Save for any Receiver who is entitled to enforce those provisions of this Mortgage which are relevant to it, a person who is not a party to this Mortgage, may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999

IN WITNESS WHEREOF the Security Trustee has signed this Mortgage and the Mortgagor has caused this Mortgage to be executed as a Deed, in each case, on the day and year first above written

Schedule 1
Description of the Engine

Engine

Manufacturer and Model	Pratt & Whitney 150A turboprop
Manufacturer's Serial Number	PCE-FA0196

EXECUTION PAGE: MORTGAGE MSN FA0196

The Mortgagor:

EXECUTED as a DEED by
FLYBE LIMITED
acting by its attorney

in the presence of:

)
)
)
)

[REDACTED]

Witness:

[REDACTED]

Address:

Occupation:

Rob Flavell
Fleet Planning Analyst

[REDACTED]

The Security Trustee:

EXPORT DEVELOPMENT CANADA

By:

By.

Name:

Name.

Title:

Title:

EXECUTION PAGE: MORTGAGE MSN FA0196

The Mortgagor

EXECUTED as a DEED by)
FLYBE LIMITED)
acting by its attorney)
in the presence of)

Witness

Address

Occupation

The Security Trustee

EXPORT DEVELOPMENT CANADA

By

Name

Title

Janet Boyd
Senior Asset Manager

By

Name

Title

SHAUN ENRIGHT
SR ASSET MANAGER

Clifford Chance LLP
10 Upper Bank Street
London E14 5JJ

Julia Maudslayi
29N3
X 5465