



**Registration of a Charge**

Company name: **FLYBE LIMITED**

Company number: **02769768**

Received for Electronic Filing: **26/08/2016**



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**Details of Charge**

Date of creation: **24/08/2016**

Charge code: **0276 9768 0368**

Persons entitled: **NORDDEUTSCHE LANDESBANK GIROZENTRALE**

Brief description:

**Contains fixed charge(s).**

**Contains negative pledge.**

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**Authentication of Form**

This form was authorised by: **a person with an interest in the registration of the charge.**

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**Authentication of Instrument**

Certification statement: **I CERTIFY THAT THE ELECTRONIC COPY INSTRUMENT  
DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION  
IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **VEDDER PRICE LLP**



## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 2769768

Charge code: 0276 9768 0368

The Registrar of Companies for England and Wales hereby certifies that a charge dated 24th August 2016 and created by FLYBE LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 26th August 2016 .

Given at Companies House, Cardiff on 30th August 2016

The above information was communicated by electronic means and authenticated  
by the Registrar of Companies under section 1115 of the Companies Act 2006



**Companies House**



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES



DATED

24 August 2016

(1) FLYBE LIMITED  
as Assignor

and

(2) NORDDEUTSCHE LANDESBANK GIROZENTRALE  
as Assignee

**ASSIGNMENT  
OF COLLATERAL ACCOUNTS**  
in the name of Flybe Limited at The Royal  
Bank of Scotland plc

I certify this to be a true copy of the original document

Signed VEDDER PRICE LLP Date 26/08/16

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THIS ASSIGNMENT is made on

24 August

2016

**BETWEEN:**

- (1) **FLYBE LIMITED** a company incorporated under the laws of England and Wales with registered number 2769768 having its registered office at New Walker Hangar, Exeter International Airport, Clyst Honiton, Exeter EX5 2BA (the "**Assignor**"); and
- (2) **NORDDEUTSCHE LANDESBANK GIROZENTRALE** a public law banking institution organised and existing under the laws of the Federal Republic of Germany whose principal office is at Friedrichswall 10, 30159 Hannover, Germany (the "**Assignee**").

**BACKGROUND:**

- A By an aircraft loan agreement dated 5 May 2016 made between the Assignor as borrower, the Assignee as initial lender, mandated lead arranger, facility agent and security trustee and Flybe Group plc as guarantor (the "**Loan Agreement**"), the Assignee has agreed to make available to the Assignor a term loan facility in an amount of up to US\$110,300,000 (one hundred and ten million three hundred thousand Dollars) in relation to the partial re-financing of the acquisition by the Assignor of thirteen (13) Bombardier Q400 aircraft.
- B It is a term of the Loan Agreement that the Assignor enters into this Assignment.

**IT IS AGREED:**

**1. DEFINITIONS AND INTERPRETATION**

- (a) In this Assignment, capitalised terms not otherwise defined herein shall have the same meaning as in the Loan Agreement except that the following words and expressions shall have the respective meanings ascribed to them:

"**Account Bank**" means The Royal Bank of Scotland plc;

"**Collateral Accounts**" means the Euro Collateral Account and the Sterling Collateral Account;

"**Collateral**" means the current and future amounts standing to the credit of the Collateral Accounts, together with all interest accrued and accruing from time to time on any of those amounts and all other rights and claims of the Assignor in relation to such amounts and the Collateral Accounts;

"**Euro Collateral Account**" means the account denominated in Euro and held with the Account Bank with the account number notified in writing by the Assignor to the Assignee pursuant to clause 21.3 of the Loan Agreement;

"**Receiver**" means, and includes, any administrative receiver and any other receiver and/or manager of the whole or any part of the undertaking and/or assets of the Assignor appointed by the Assignee hereunder or under any statutory power (and whether acting as agent for the Assignor or otherwise);

"**Secured Obligations**" means:

- (a) any and all moneys and financial liabilities which are (or which are expressed to be) now or at any time hereafter due, owing or payable by any Obligor to any Finance Party 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, including as a consequence of any breach, non-performance, disclaimer or repudiation by any Obligor (or by a liquidator, receiver, administrative receiver, administrator or any similar officer in respect of such Obligor) of any of such Obligor's obligations under or in relation to any 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 any Obligor in favour of any Finance Party under or in relation to any Transaction Document; and

**"Sterling Collateral Account"** means the account denominated in Sterling and held with the Account Bank with account number 26962199 and sort code 15-10-00.

- (b) In this Assignment (unless otherwise provided):
  - (i) references to clauses and schedules are to be construed as references to the clauses of, and the schedules to, this Assignment as amended or varied from time to time and references to sub-clauses shall unless otherwise specifically stated be construed as references to the sub-clauses of the clause in which the reference appears;
  - (ii) references to the Loan Agreement or to any other documents or agreements are to be construed as references to the Loan Agreement or such other documents or agreements as are in force for the time being and as amended, restated, supplemented, varied, transferred or novated from time to time;
  - (iii) words importing the singular shall include the plural and vice versa;
  - (iv) references to a person shall be construed so as to include that person's assigns or transferees or successors in title and shall be construed as including references to an individual, firm, partnership, joint venture, company, corporation, unincorporated body of persons or any state or any agency thereof;
  - (v) 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;
  - (vi) references to liability or liabilities are to be construed to include all liabilities and obligations whether actual, contingent, present or future and whether incurred solely or jointly or as principal or surety;
  - (vii) the words "other" and "otherwise" shall not be construed *ejusdem generis* with any foregoing words where a wider construction is possible; and
  - (viii) the words "including" and "in particular" shall be construed as being by way of illustration or emphasis only and shall not be construed as, nor shall they take effect as, limiting the generality of any foregoing words.

## **2. COVENANT TO PAY**

The Assignor covenants with the Assignee that on demand it will pay and discharge each of the Secured Obligations when due to the Assignee.

## **3. THE COLLATERAL ACCOUNTS**

The Assignor agrees to:

- (a) open and maintain the Sterling Collateral Account; and
- (b) if the Euro Collateral Account is opened pursuant to clause 21.3 of the Loan Agreement, open and maintain the Euro Collateral Account.

## **4. ASSIGNMENT**

- (a) The Assignor hereby assigns with full title guarantee to the Assignee as a continuing security for the payment and performance of the Secured Obligations, the Collateral and all the right, title, benefit and interest of the Assignor whatsoever present and future in the Collateral.
- (b) If:
  - (i) the Secured Obligations shall have been unconditionally and irrevocably paid and discharged in full; and
  - (ii) no Event of Default has occurred and is continuing,

then the Assignee shall release to the Assignor the Collateral from the Collateral Accounts and at the request and cost of the Assignor, reassign to the Assignor or to its order all of the rights, title and interest, if any, as the Assignee may then have in and to the Collateral (to the extent not previously reassigned).

- (c) The Assignor undertakes:
  - (i) to give notice of this Assignment (to the extent relating to the Sterling Collateral Account) on even date herewith to the Account Bank in the form of schedule 1 and to procure that the Account Bank forthwith acknowledges such notice on even date herewith to the Assignee and the Assignor in the form of schedule 2 or such other form as the Assignee may require; and
  - (ii) to give notice of this Assignment (to the extent relating to the Euro Collateral Account), promptly following being required to do so by the Assignee pursuant to clause 21.3(b) of the Loan Agreement, to the Account Bank in substantially the form of schedule 1 (with any necessary amendments to substitute the Euro Collateral Account for the Sterling Collateral Account) and to procure that the Account Bank forthwith acknowledges such assignment to the Assignee and the Assignor in substantially the form of schedule 2 (with any necessary amendments to substitute the Euro Collateral Account for the Sterling Collateral Account) or such other form as the Assignee may require.

## **5. COVENANTS BY THE ASSIGNOR**

The Assignor hereby covenants with the Assignee that until the Secured Obligations have been paid or discharged in full, the Assignor shall:

- (a) (subject to clause 7 (*Permitted Withdrawal*)), not withdraw the Collateral 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;
- (b) forthwith inform the Assignee of any claim or notice relating to the Collateral received from any other party and of all other matters relevant thereto; and
- (c) do all such things and execute all such assignments, authorities and documents as the Assignee shall from time to time require for perfecting the title of the Assignee to or for vesting or enabling the Assignor to vest the full benefit of the Collateral in the Assignee or its nominee, such assignments, authorities or documents to be prepared by or on behalf of the Assignee at the cost of the Assignor in such form as the Assignee may require.

## **6. REPRESENTATIONS AND WARRANTIES BY THE ASSIGNOR**

The Assignor represents and warrants to the Assignee and undertakes that:

- (a) the Assignor is the legal and beneficial owner of the Collateral and that the same is free from any set off, lien, charge or encumbrance (other than the charge hereby created);
- (b) it has and will at all times have the necessary power to enter into and perform its obligations under this Assignment;
- (c) this Assignment constitutes its legal, valid and binding obligations enforceable in accordance with its terms except that the enforceability hereof may be:
  - (i) limited by applicable bankruptcy, reorganisation, insolvency, moratorium or other similar laws affecting the enforceability of creditors' rights generally; and
  - (ii) subject to the application of equitable principles and the availability of equitable remedies;
- (d) this Assignment does not and will not conflict with or result in any breach or constitute a default under any agreement, instrument or obligation to which the Assignor is a party or by which is bound; and
- (e) all necessary authorisations and consents to enable or entitle it to enter into this Assignment have been obtained and will remain in full force and effect at all times during the subsistence of the security constituted by this Assignment.

## **7. PERMITTED WITHDRAWAL**

If, pursuant to clause 21.2(b) of the Loan Agreement, the Facility Agent determines that an Additional Collateral Event has ceased to exist, the Assignee will, within five (5) Business



Days of written request by the Assignor, instruct the Account Bank in writing to release any amount then standing to the credit of the Collateral Accounts to the Assignor.

#### **8. POWERS OF THE ASSIGNEE**

- (a) Subject to clause 8(b), upon the occurrence of an Event of Default under the Loan Agreement which is continuing, the Assignee may without further notice or demand:
  - (i) appoint, by deed or by a document under the hand of any of its officers, attorneys or substitute attorneys, a person from time to time to act as Receiver in respect of the Collateral and/or the Collateral Accounts subject to the provisions of clause 9 (*Receiver*) and to remove a person so appointed and appoint another in his place; and
  - (ii) exercise in respect of the Collateral and/or the Collateral Accounts any and all rights of the Assignor and any and all rights, powers and remedies (a) available to the Assignee pursuant to applicable law; (b) conferred on mortgagees by the Law of Property Act 1925 as hereby varied or extended; and (c) which the Assignor would have in respect thereof if the same were unencumbered, with full power to call in all or any part of the Collateral and/or the Collateral Accounts and any interest thereon at such times and in such manner and generally on such terms and conditions as the Assignee may think fit, with power to give receipts and do all acts and things necessary or desirable in connection with the exercise of such rights, powers and remedies. The Assignee may apply all or any part of the Collateral in or towards satisfaction of the Secured Obligations and in such manner and order of priority as the Assignee in its absolute discretion may, from time to time, conclusively determine. Neither section 93 nor section 103 of the Law of Property Act 1925 shall apply to this Assignment.
- (b) Subject to the terms of this Assignment, the Assignee may exercise any and all of its rights, powers and remedies under and in relation to this Assignment at such times, in such a manner and upon such terms and conditions as it may, in its sole and absolute discretion, determine and shall not in any circumstances be responsible for any loss occasioned thereby (unless caused by the Assignee's gross negligence or wilful misconduct).
- (c) The Assignee will not be obliged to exercise any right, power or remedy conferred upon it by or under this Assignment or applicable law or to make any enquiry as to the nature or sufficiency of any payment received by the Assignee or to make any claim or to take any other action with respect to the Collateral and/or the Collateral Accounts. No action taken or omitted to be taken by the Assignee in accordance with the terms of this Assignment or as permitted by applicable law shall give rise to any defence, counterclaim, right of set-off or other right in favour of the Assignor or affect in any manner whatsoever any of the Secured Obligations.
- (d) For the purposes of this Assignment, an Event of Default shall, in addition to the matters referred to in the definition of "Event of Default" contained in clause 11.1 of the Loan Agreement, include:
  - (i) any breach by the Assignor of its obligations under clause 5(a); and
  - (ii) any application by any person for a garnishee order nisi over or the levying of other execution or distress (howsoever referred to in any jurisdiction) against

the Collateral Accounts or the Collateral or any attempt by the Assignor or any third party to seize or forfeit any of the same.

- (e) The Assignor by way of security hereby irrevocably appoints the Assignee and any Receiver (and each and every person to whom the Assignee shall 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 Collateral (including all the matters referred to in clause 5(c)) provided always that such power shall not be exercisable by or on behalf of the Assignee until the Lien constituted by this Assignment shall have become enforceable.

## **9. RECEIVER**

- (a) The appointment of a Receiver pursuant to clause 8(a) shall be deemed to be subject to the following provisions:
  - (i) the Receiver shall be the agent of the Assignor, and the Assignor alone shall be responsible for his acts, defaults and remuneration;
  - (ii) neither the Assignee nor any Receiver shall be liable to account as an assignee of the Collateral and neither the Assignee nor any Receiver shall be liable for any loss arising from or in connection with the realisation of the Collateral or otherwise for any act, neglect, default or omission for which an assignee might be liable as such;
  - (iii) any Receiver shall have and be entitled to exercise all such powers as would be conferred on him had he been duly appointed under the Law of Property Act 1925 and shall in any event have and be entitled to exercise all the rights, powers and remedies conferred upon the Assignee by this Assignment and by applicable law with respect to the Collateral; and
  - (iv) such appointment may be made either before or after the Assignee shall have exercised any of its rights pursuant to this Assignment.
- (b) Sections 103, 109(6) and 109(8) of the Law of Property Act 1925 shall not apply in relation to any Receiver appointed pursuant to clause 8(a).

## **10. LIABILITY AS MORTGAGEE IN POSSESSION**

Neither the Assignee nor any Receiver shall be liable, by reason of entering into possession of the Collateral and/or the Collateral Accounts, to account as a mortgagee in possession of the Collateral and/or the Collateral Accounts and neither the Assignee nor any Receiver shall be liable for any loss arising from or in connection with the realisation of the Collateral and/or the Collateral Accounts or otherwise for any act, neglect, default or omission for which a mortgagee in possession might be liable as such.

## **11. PROTECTION FOR THE ASSIGNEE**

The Assignee shall not be responsible for any loss whatsoever occasioned by the timing of the exercise of its powers under this Assignment including, without limitation to the foregoing, in relation to the renewal of the Collateral, fixing of interest periods, purchase of currencies or otherwise.

**12. CONTINUING SECURITY, NEW ACCOUNTS, NON-MERGER**

- (a) The security constituted by this Assignment shall be continuing and, subject to clauses 4(a) and 4(b), shall not be considered as satisfied or discharged by any intermediate payment or settlement of the whole or any part of the Secured Obligations or any other matter or thing whatsoever and shall be binding until all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full.
- (b) This Assignment is in addition to and shall not merge with or otherwise prejudice or affect any banker's lien, right to combine and consolidate accounts, right of set-off or any other contractual or other right or remedy or any guarantee, lien, pledge, bill, note, mortgage or other security now or hereafter held by or available to the Assignee.

**13. COSTS**

The Assignor shall be responsible for costs and expenses relating to this Assignment in accordance with and subject to the provisions of clause 23 of the Loan Agreement.

**14. ASSIGNMENT OF BENEFIT**

- (a) The Assignee may assign or otherwise transfer the whole or any part of the benefit of this Assignment to any person to whom all or any part of its rights, benefits and obligations under the Loan Agreement are assigned or transferred in accordance with the provisions of the Loan Agreement and such person shall thereupon be entitled to enforce and proceed upon this Assignment in the same manner as if named herein.
- (b) The Assignor will execute all such documents, take all such action and do all such things as the Assignee may from time to time require (acting reasonably) in relation to any such assignment or transfer in accordance with and subject to the provisions of the Loan Agreement.

**15. NOTICES**

Any notice or other communication under or in connection with this Assignment shall be made or delivered subject to and in accordance with the provisions of clause 34 of the Loan Agreement.

**16. MISCELLANEOUS**

- (a) All sums payable by the Assignor under this Assignment shall be paid without any set-off, counterclaim, withholding or deduction whatsoever unless required by law in which event the Assignor will simultaneously with making the relevant payment under this Assignment pay to the Assignee such additional amount as will result in the receipt by the Assignee of the full amount which would otherwise have been receivable and will supply the Assignee promptly with evidence satisfactory to the Assignee that the Assignor has accounted to the relevant authority for the sum withheld or deducted.
- (b) No delay or omission on the part of the Assignee in exercising any right or remedy under this Assignment shall impair that right or remedy or operate as or be taken to be a waiver of it nor shall any single, partial or defective exercise of any such right or remedy preclude any other or further exercise under this Assignment of that or any other right or remedy.

- (c) The rights of the Assignee under this Assignment are cumulative and not exclusive of any rights provided by law and may be exercised from time to time and as often as the Assignee deems expedient.
- (d) Any waiver by the Assignee of any terms of this Assignment or any consent or approval given by it under this Assignment shall be effective only if given in writing and then only for the purpose and upon the terms and conditions (if any) on which it is given.
- (e) If at any time any one or more of the provisions of this Assignment is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction neither the legality, validity or enforceability of the remaining provisions of this Assignment nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall be in any way affected or impaired as a result.
- (f) Any statement, certificate or determination of the Assignee as to the Secured Obligations shall in the absence of manifest error be conclusive and binding on the Assignor.
- (g) This Assignment may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Assignment.
- (h) No term of this Assignment is enforceable under the Contracts (Right of Third Parties) Act 1999 by a person who is not a party to this Assignment provided that a Receiver appointed pursuant to clause 8(a) may enforce and enjoy the benefit of the terms of clause 9 (*Receiver*) subject to and in accordance with the provisions thereof (provided that the consent of a Receiver shall not be required in relation to any amendment to this Assignment).

#### 17. LAW AND JURISDICTION

- (a) This Assignment and any non-contractual obligations connected with it are governed by and shall be construed in accordance with English law.
- (b) The Assignor irrevocably agrees for the exclusive benefit of the Assignee that the courts of England shall have jurisdiction to hear and determine any suit, action or proceeding and to settle any dispute which may arise out of or in connection with this Assignment and for such purposes irrevocably submits to the jurisdiction of such courts.
- (c) Nothing in clause 17(b) limits the right of the Assignee to bring proceedings against the Assignor in connection with this Assignment:
  - (i) in any other court of competent jurisdiction; or
  - (ii) concurrently in more than one jurisdiction.

**IN WITNESS** whereof the Assignor and the Assignee have executed this Assignment as a deed with the intention that it be delivered on the first date specified on page 1 of this Assignment.

## SCHEDULE 1: NOTICE OF ASSIGNMENT TO THE ACCOUNT BANK

To: The Royal Bank of Scotland plc  
Commercial & Private Banking  
First Floor, Trinity Quay 1  
Avon Street  
Bristol, BS2 0PT

Attn: Ian Bamber, Relationship Director

[◆] 2016

Dear Sirs,

### **NORDDEUTSCHE LANDESBANK GIROZENTRALE** (the "Assignee")

Unless otherwise defined herein, capitalised terms used herein shall have the same meanings as in the Assignment (as defined below).

We refer to the Sterling Collateral Account with account number 26962199 and sort code 15-10-00 (the "Sterling Collateral Account").

We give you notice that by an assignment dated on or about the date hereof (the "Assignment") made between Flybe Limited ("Assignor") and the Assignee, the Assignor has assigned by way of security to the Assignee with full title guarantee the Collateral and all the right, title, benefit and interest of the Assignor whatsoever present and future in the Collateral.

The Assignor hereby requests that you deliver to the Assignor and to the Assignee, confirmation of receipt of this notice in the form attached to this letter.

The Assignor irrevocably instructs and authorises you from time to time and at any time without reference to or further authority from the Assignor and without any enquiry by you as to the justification for any such matter:

- (a) to disclose to the Assignee such information relating to the Sterling Collateral Account as the Assignee may request you to disclose to it;
- (b) to hold all Collateral to the order of the Assignee;
- (c) to pay or release all or any part of the Collateral in accordance with the written instructions of the Assignee (and the Assignee confirms in favour of the Assignor that any such written instructions will not be inconsistent with the provisions of clause 21.2 of the Loan Agreement or clause 7 of the Assignment) (the "Assignee Notice");
- (d) to comply with the terms of any Assignee Notice; and
- (e) that the Collateral may only be withdrawn from the Sterling Collateral Account subject to receipt by you of an Assignee Notice.

The instructions and authorities contained herein cannot be revoked or varied by us without the prior written consent of the Assignee.

We hereby confirm that you are entitled to assume that any notice, instruction or other communication on identified letterhead comes from, and has been duly authorised and executed by, the Assignee.

The Assignor hereby agrees to indemnify you on demand and against any and all costs, losses and expenses suffered or incurred by you as a result of complying with the undertakings contained in this notice or the acknowledgement with which you are hereby instructed to comply, together with all other instructions which you may receive from the Assignee from time to time in relation to such undertakings.

With regard to any Euro-denominated account of the Assignor that is opened with you and designated by the Assignor as the "Euro Collateral Account" for the purposes of the Assignment (the "**Euro Collateral Account**"), we hereby confirm that should such account be opened, a separate notice of assignment and acknowledgement (in substantially the forms of this notice and the related acknowledgement) shall be executed.

This letter and any non-contractual obligations connected with it are governed by and shall be construed in accordance with English law.

Yours faithfully,

.....  
Signed by  
for and on behalf of  
**Flybe Limited**

.....  
Signed by  
for and on behalf of  
**Norddeutsche Landesbank Girozentrale**

.....  
Signed by  
for and on behalf of  
**Norddeutsche Landesbank Girozentrale**

## SCHEDULE 2: ACKNOWLEDGEMENT TO THE ASSIGNEE

To: **Norddeutsche Landesbank Girozentrale** (the "Assignee")  
Friedrichswall 10  
30159 Hannover  
Germany

Attention: Aviation Group (2214/4470)  
Fax: +49 511 361 4785

**Flybe Limited**  
New Walker Hangar  
Exeter International Airport  
Clyst Honiton  
Exeter EX5 2BA  
England

Attention: Company Secretary  
Fax: +44 1392 266 772

With a copy to: **Flybe Group Plc**  
New Walker Hangar  
Exeter International Airport  
Clyst Honiton  
Exeter EX5 2BA  
England

Attention: Company Secretary  
Fax: +44 1392 266 772

[◆ ] 2016

Dear Sirs,

**Flybe Limited** (the "Assignor")

Unless otherwise defined herein, capitalised terms used herein shall have the same meanings as in the Assignment (as defined below).

We acknowledge receipt of a Notice of Assignment dated on or about the date hereof (the "Notice") effecting an assignment in favour of the Assignee dated on or about the date hereof whereby the Assignor assigns with full title guarantee to the Assignee as a continuing security for the payment and performance of the Secured Obligations, the Collateral and all the right, title, benefit and interest of the Assignor in, inter alios, the Sterling Collateral Account. For the avoidance of doubt, on the date hereof, only the Sterling Collateral Account (26962199-151000) has been opened.

In consideration of £1 and other good and valuable consideration (the receipt and adequacy whereof is hereby acknowledged) we agree and confirm that:

- (a) we consent to the Assignment referred to in the Notice;

- (b) we accept the instructions and authorisations contained in the Notice and we undertake to act in accordance and comply with the terms of the Notice;
- (c) we shall not permit the whole or any part of the Sterling Collateral Account to be withdrawn except on the written instructions or with the prior written consent of the Assignee;
- (d) save in respect of the Assignment and the Notice, we or any of our departments have not received notice of any right or interest of any third party in the Sterling Collateral Account, the sums standing to the credit of the Sterling Collateral Account or the debt represented by the Sterling Collateral Account provided that we shall be under no obligation to update the Assignor or the Assignee in this respect.
- (e) we have not claimed or exercised any security, interest, set-off, counterclaim or other rights in respect of the Sterling Collateral Account, the sums standing to the credit of the Sterling Collateral Account or the debt represented by the Sterling Collateral Account and we agree that we will not claim or exercise any right of combination of accounts, set-off, counterclaim or lien over any monies standing to the credit of the Sterling Collateral Account and only in respect of the rights arising from the date of this acknowledgement;
- (f) any notice to us must be sent by post or delivered to:  
  
The Royal Bank of Scotland plc  
Ian Bamber, Relationship Director  
Commercial & Private Banking  
First Floor, Trinity Quay 1  
Avon Street  
Bristol, BS2 0PT
- (g) we shall not be bound to enquire whether the right of any person (including, but not limited to, the Assignor) to withdraw any monies from the Sterling Collateral Account has arisen or be concerned with (i) the propriety or regularity of the exercise of that right or (ii) notice to the contrary or (iii) to be responsible for the application of any monies received by such person, including, but not limited to the Assignee;
- (h) we shall have no liability for having acted on instructions from any person (including, but not limited to, the Assignee) which on their face appear to be genuine, and which comply with the latest bank mandate held by us or relevant electronic banking system procedures in case of an electronic instruction; and
- (i) we shall use reasonable endeavours to mitigate any costs, losses and expenses suffered or incurred by us as a result of complying with the undertakings contained in the Notice or this acknowledgement with which we hereby agree to comply, together with all other instructions which we may receive from the Assignee from time to time in relation to such undertakings.

With regard to the Euro Collateral Account, we hereby acknowledge that should such account be opened, a separate notice of assignment and acknowledgement (in substantially the forms of the Notice and this acknowledgment) shall be executed.

Please note we have not received or reviewed the terms of the Assignment and are therefore not on notice of any provisions contained therein.



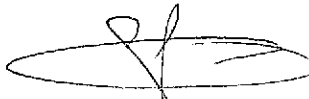
This letter and any non-contractual obligations connected with it are governed by and construed in accordance with English law.

Yours faithfully,

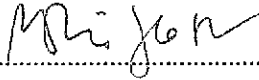
.....  
Signed by  
for and on behalf of  
**The Royal Bank of Scotland plc**

**EXECUTION PAGE**

Executed as a deed for and  
on behalf of **FLYBE LIMITED**  
in the presence of:

)  
)  
)   
Sylvain GLOUX

Signature of witness:

.....  


Name of witness:

.....  
Martina Glaser

Address:

.....  
4 Coleman Street,  
.....  
London EC2R 5AR

Executed as a deed by  
**NORDDEUTSCHE**  
**LANDESBANK GIROZENTRALE**  
acting by

)  
)  
)  
)

.....  
Name  
Authorised Signatory

.....  
Name  
Authorised Signatory

**EXECUTION PAGE**

Executed as a deed for and  
on behalf of **FLYBE LIMITED**  
in the presence of:

)  
)  
)

Signature of witness:

.....

Name of witness:

.....

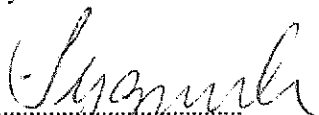
Address:

.....

Executed as a deed by  
**NORDDEUTSCHE**  
**LANDESBANK GIROZENTRALE**  
acting by

)  
)  
)  
)

.....  
Name **Sygnus**  
Authorised Signatory



.....  
Name **Kornath**  
Authorised Signatory

