



Registration of a Charge

Company name: **FLYBE LIMITED**

Company number: **02769768**

Received for Electronic Filing: **14/11/2016**



X5JQIR0R

Details of Charge

Date of creation: **03/11/2016**

Charge code: **0276 9768 0372**

Persons entitled: **NAC AVIATION 23 LIMITED**

Brief description:

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

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

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 0372

The Registrar of Companies for England and Wales hereby certifies that a charge dated 3rd November 2016 and created by FLYBE LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 14th November 2016 .

Given at Companies House, Cardiff on 15th November 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**

VEDDER PRICE

VEDDER PRICE LLP

FLYBE LIMITED (1)
as Assignor

and

NAC AVIATION 23 LIMITED (2)
as Assignee

Assignment of Rights Under P&WC Term Cost Plan™ Agreement

in respect of one Bombardier Q400 Aircraft
with manufacturer's serial number 4191
with two P&WC PW150A engines with
manufacturer's serial numbers PCE-FA0711
and PCE-FA0756

Execution Version

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

Signed VEDDER PRICE LLP Date 14 / 11 / 16

Contents

1	Definitions and Interpretation	1
2	Assignment	3
3	Covenants by the Assignor	4
4	Representations and Warranties by the Assignor	4
5	Powers of the Assignee	5
6	Receiver	6
7	Continuing Security	7
8	Additional Security	7
9	Delegation	7
10	Conditional Discharge Only	7
11	Costs	7
12	Assignment of Benefit	8
13	Notices	8
14	Miscellaneous	10
15	Law and Jurisdiction	10
Schedule 1	Notice of Assignment	11
Schedule 2	Acknowledgement to Notice of Assignment	14
Execution page	18

This Assignment is dated 03 November 2016 and made **Between:**

- (1) **FLYBE LIMITED**, a company incorporated under the laws of England and Wales with registered number 02769768 having its registered office at New Walker Hangar, Exeter International Airport, Clyst Honiton, Exeter, Devon, EX5 2BA (the **Assignor**); and
- (2) **NAC AVIATION 23 LIMITED**, a company incorporated under the laws of Ireland with registered number 558520 having its registered office at Fifth Floor, Bedford Place, Henry Street, Limerick V94K6YY (the **Assignee**).

Whereas

- (A) The Assignor has entered into the P&WC TCP® with the Engine Maintenance Provider;
- (B) The Aircraft is subleased by the Assignee to the Assignor pursuant to a sublease supplement dated on or about the date hereof between the Assignee as sublessor and the Assignor as sublessee (which incorporates the terms of a master sublease agreement dated as of 16 September 2014 (and amended and restated as of 28 November 2014) between Republic Airline Inc. (**Republic**) as sublessor and the Assignor as sublessee) (as the same has been assigned by Republic to the Owner Trustee, and assumed by the Owner Trustee, pursuant to the Settlement Agreement and further assigned by the Owner Trustee to the Assignee, and assumed by the Assignee, pursuant to the Sublease Assignment and Assumption Agreement, and collectively, the **Sublease**).
- (C) The Assignor has agreed to enter into this Assignment to assign its rights and benefits in the P&WC TCP® to the Assignee.

It is Agreed:

1 Definitions and Interpretation

- 1.1 In this Assignment, unless the context otherwise requires, words and expressions defined in the Sublease shall have the same meaning herein and the following words and expressions shall have the following respective meanings:

Aircraft means the Airframe and Engines;

Airframe means the Bombardier Q400 aircraft with manufacturer's serial number 4191;

Assigned Property means all the rights and benefits vested in and accruing to the Assignor under and pursuant to the P&WC TCP® in relation to the Engines;

Assignment and Assumption Agreement means the assignment and assumption agreement dated 31 March 2015 between the Engine Maintenance Provider, the Assignor and Republic (as further amended or supplemented from time to time);

Engine Maintenance Provider means Pratt & Whitney Canada Corp.;

Engines means two P&WC PW150A engines with manufacturer's serial numbers PCE-FA0711 and PCE-FA0756;

Owner Trustee means Wells Fargo Bank Northwest National Association, not in its individual capacity but solely as owner trustee;

P&WC TCP® means the Term Cost Program together with its attachments dated 1 May 2012 as amended and restated as of 31 March 2015 between the Engine Maintenance Provider and Republic as assigned to the Assignor pursuant to the Assignment and Assumption Agreement (as such P&WC TCP® is amended or supplemented from time to time);

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);

Relevant Secured Obligations means the Secured Obligations to the extent relating to the Aircraft and/or the Sublease Operative Documents in respect of the Aircraft only;

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 the Assignor to the Assignee in any currency, actually or contingently, with another or others, as principal or surety, on any account whatsoever under or in relation to any Sublease Operative Documents, including as a consequence of any breach, non-performance, disclaimer or repudiation by the Assignor (or by a liquidator, receiver, administrative receiver, administrator or any similar officer in respect of the Assignor) of any of the Assignor's obligations under or in relation to any Sublease Operative Documents, 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 Assignor in favour of the Assignee under or in relation to any Sublease Operative Documents;

Security Trustee means Wells Fargo Bank, National Association, as security trustee;

Settlement Agreement means the Settlement Agreement dated 24 March 2016 between, *inter alios*, the Owner Trustee and Republic; and

Sublease Assignment and Assumption Agreement means the assignment and assumption agreement dated as of the date hereof between, *inter alios*, the Owner Trustee, the Assignee and the Assignor.

- 1.2 In this Assignment (unless otherwise provided):
- 1.2.1 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;
- 1.2.2 words importing the singular shall include the plural and vice versa;
- 1.2.3 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;

- 1.2.4 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;
- 1.2.5 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;
- 1.2.6 the words "other" and "otherwise" shall not be construed ejusdem generis with any foregoing words where a wider construction is possible; and
- 1.2.7 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 Assignment

- 2.1 The Assignor hereby assigns and agrees to assign absolutely by way of first priority security with full title guarantee to the Assignee, as continuing security for the payment, performance and discharge of the Secured Obligations all its right, title, benefit and interest (present and future) in and to the Assigned Property provided that if:

- (a) the Relevant Secured Obligations shall be fully, finally, unconditionally and irrevocably paid, performed, and discharged in full; and
- (b) no Event of Default shall have occurred and be continuing,

then the Assignee shall, at the request and cost of the Assignor, but without prejudice to the terms of Section 5 of the Sublease and clause 2.2 below, reassign the Assigned Property to the Assignor without recourse or warranty or its order (to the extent not previously reassigned), together with any other instruments or securities relating thereto.

- 2.2 Each of the Assignor and the Assignee hereby agrees that legal and beneficial title to any warranties in existence at the Term Expiration Date (or such earlier date on which the Engines are returned to the Assignee) (either such date being the **Return Date**) in relation to services rendered under the P&WC TCP® prior to the Return Date with respect to the Engines (the **Warranty Rights**) shall, with effect from the Return Date, vest absolutely in the Assignee and accordingly, with effect from the Return Date and with respect to the Warranty Rights, the security assignment effected pursuant to clause 2.1 of this Assignment shall automatically and without further act convert to an absolute assignment in respect of the Warranty Rights in favour of the Assignee.
- 2.3 The Assignee hereby accepts the assignment provided in clause 2.1 and agrees that in its exercise of the benefit of the rights so assigned to it, including, without limitation the powers contained in clause 6, it shall be subject to and be bound by all limitations, disclaimers, exceptions and conditions in respect thereof contained in the P&WC TCP®.
- 2.4 The Assignor undertakes to give immediate notice of this Assignment to the Engine Maintenance Provider in the form attached as Schedule 1 and to procure

that the Engine Maintenance Provider acknowledges such notice to the Assignor, the Assignee and the Security Trustee in the form attached as Schedule 2.

- 2.5 Nothing contained in this Assignment shall subject the Engine Maintenance Provider to any obligations to which it would not otherwise be bound under the P&WC TCP®, or modify in any respect the Engine Maintenance Provider's rights thereunder.

3 Covenants by the Assignor

The Assignor hereby covenants with the Assignee that until the reassignment of the Assigned Property to the Assignor pursuant to clause 2.1, the Assignor shall:

- (a) not sell, assign, mortgage, charge or otherwise encumber, dispose of or deal with or grant or permit any third party rights to arise over or against the Assigned Property or any part thereof or attempt or agree so to do otherwise than pursuant to this Assignment;
- (b) promptly inform the Assignee of any claim or notice relating to the Assigned Property received from any other party and of all other matters relevant thereto;
- (c) upon reasonable request promptly provide accurate and timely details to the Assignee of all monthly payments to be made to the Engine Maintenance Provider in respect of the Engines under the P&WC TCP®;
- (d) not amend, vary or supplement the P&WC TCP® in such a way that will have an adverse effect on the Engines or the interest of the Assignee in and to the Engines unless the Assignee has given its prior written consent to such amendment, variation or supplement (such consent not to be unreasonably withheld or delayed); and
- (e) do all such things and execute all such assignments, transfer instruments, notices, consents, 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 Assigned Property in the Assignee, such assignments, transfer instruments, notices, consents, 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 reasonably require.

4 Representations and Warranties by the Assignor

The Assignor represents and warrants to the Assignee that:

- (a) as at the date of this Assignment, the Assignor is the legal and beneficial owner of the Assigned Property and that the same is free from any lien, charge or encumbrance (other than this Assignment);
- (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 it 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.

5 Powers of the Assignee

5.1 Following the occurrence of an Event of Default that is continuing and the exercise by the Assignee of any of its rights referred to in Section 14 of the Sublease, the Assignee may without giving notice to the Assignor:

5.1.1 exercise in respect of the Assigned Property all the rights and powers conferred on the Assignor under the P&WC TCP® and all other powers which the Assignor would have in respect of the Assigned Property if the same were unencumbered Assigned Property at such times and in such manner and generally on such terms and conditions as the Assignee may think fit, with power to do all acts and things necessary or desirable in connection with the exercise of such powers;

5.1.2 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 Assigned Property subject to the provisions of clause 6 and to remove a person so appointed and appoint another in his place;

5.1.3 collect, receive or compromise and give a good discharge for all claims then outstanding or thereafter arising in relation to the Assigned Property and to take over or institute all such suits, legal actions or other proceedings in connection therewith as the Assignee may consider fit; and

5.1.4 otherwise put into force and effect all rights, powers and remedies available to the Assigned Property, pursuant to applicable law or otherwise, as assignee of the Assigned Property and the rights of the Assignor in relation to the Assigned Property,

all of which rights and remedies shall be in addition to all other rights and remedies otherwise available to it under applicable law.

5.2 The Assignee shall not be obliged to exercise any right, remedy, power or privilege conferred upon the Assignee by or pursuant to 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 to enforce any rights and benefits assigned hereunder with respect to the Assigned Property or any amount due and payable, or which may become payable, thereunder or to which it may at any time be entitled. No action taken or omitted to be taken by the Assignee in accordance with the terms of this Assignment and/or any other Sublease Operative Document or as permitted by applicable law generally shall give rise to any defence, counterclaim or other right

of set-off in favour of the Assignor or affect in any manner whatsoever any of the Secured Obligations.

- 5.3 The Assignee may exercise its power of sale hereunder in such a way as it in its absolute discretion may determine and shall not in any circumstances be answerable for any loss occasioned by any such sale or resulting from any postponement thereof.
- 5.4 The Assignee shall not be liable as assignee in respect of the Assigned Property to account or be liable for any loss upon the realisation thereof or for any neglect or default (but not including gross negligence or wilful misconduct) of any nature whatsoever in connection therewith for which any assignee may be liable as such.
- 5.5 Upon any sale by the Assignee of the whole or any part of the Assignee's right, title and interest in and to the Assigned Property, the purchaser shall not be bound to see or enquire whether the power of sale of the Assignee has arisen, the sale shall be deemed for all purposes hereof to be within the power of the Assignee and the receipt of the Assignee for the purchase money shall effectively discharge the purchaser who shall not be concerned with the manner of application of the proceeds of sale or be in any way answerable therefore.
- 5.6 Neither section 93 nor section 103 of the Law of Property Act 1925 shall apply to this Assignment.
- 5.7 The Assignor by way of security hereby irrevocably appoints the Assignee (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 Assigned Property (including all the matters referred to in clause 3(d)) PROVIDED ALWAYS THAT such power shall not be exercisable by or on behalf of the Assignee until the security constituted by this Deed shall become enforceable.
- 5.8 The power hereby conferred in this clause shall be a general power of attorney under the Powers of Attorney Act 1971 and the Assignor shall ratify and confirm and agree to ratify and confirm, whatever such attorney appointed pursuant to clause 5.7 shall do or purport to do in the exercise or purported exercise of all or any of the powers, authorities and discretions conferred pursuant to clause 5.7.

6 Receiver

- 6.1 The appointment of a Receiver pursuant to clause 5.1.2 shall be deemed to be subject to the following provisions:
- 6.1.1 the Receiver shall be the agent of the Assignor, and the Assignor alone shall be responsible for his acts, defaults and remuneration;
- 6.1.2 Neither the Assignee nor any Receiver shall be liable to account as an assignee of the Assigned Property and neither the Assignee nor any Receiver shall be liable for any loss arising from or in connection with the realisation of the Assigned Property or otherwise for any act, neglect, default or omission for which an assignee might be liable as such;
- 6.1.3 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 Assigned Property; and

6.1.4 such appointment may be made either before or after the Assignee shall have exercised any of its rights pursuant to this Assignment.

6.2 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 5.1.3.

7 Continuing Security

The security constituted by this Assignment shall be continuing and shall not be considered as satisfied, discharged or re-assigned 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 the Assigned Property shall be reassigned to the Assignor pursuant to clause 2.1.

8 Additional Security

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

9 Delegation

The Assignee shall be entitled, at any time and as often as may be expedient, to delegate all or any of the powers and discretions vested in it by this Assignment (including the power vested in it by virtue of clause 5.7) in such manner, upon such terms, and to such persons as the Assignee in its discretion may think fit, provided that the Assignee shall remain primarily liable therefore.

10 Conditional Discharge Only

Any settlement or discharge between the Assignee and the Assignor shall be conditional upon no security or payment to the Assignee by any person under or in relation to the Sublease Operative Documents 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, amalgamation or other analogous event or proceedings for the time being in force.

11 Costs

The Assignor shall on demand and on a full indemnity basis pay to the Assignee the amount of all reasonable costs and expenses and other liabilities (including legal, other professional adviser and out-of-pocket expenses and any value added tax on such costs and expenses) which the Assignee incurs in good faith in connection with:

- (a) any actual or proposed amendment or waiver or consent under or in connection with this Assignment requested by the Assignor;
- (b) any discharge or release of this Assignment; or

- (c) the preservation or exercise (or attempted preservation or exercise) of any rights under or in connection with and the enforcement (or attempted enforcement) of this Assignment,

together with interest thereon at the Past Due Rate from the date of demand until the date of payment by the Assignor whether before or after judgment.

12 Assignment of Benefit

- 12.1 This Assignment shall be binding upon and inure to the benefit of the Assignor and the Assignee and their respective successors and permitted assigns and permitted transferees.
- 12.2 The Assignor shall not be entitled to assign and/or transfer any of its rights and/or obligations under this Assignment without the prior written consent of the Assignee.
- 12.3 The Assignee may not assign or otherwise transfer the whole or any part of the benefit of this Assignment to any person other than to whom all or any part of its rights, benefits and obligations under the Sublease are assigned or transferred in accordance with the provisions of the Sublease.

13 Notices

- 13.1 Communications in writing: Any communication to be made under or in connection with this Assignment shall be made in writing and, unless otherwise stated, may be made by fax or letter.

13.2 Addresses

- 13.2.1 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 Assignment is:

- (a) in the case of the Assignor

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

Attention: Company Secretary
Facsimile: +44 1392 266 772

- (b) in the case of the Assignee

NAC Aviation 23 Limited
Fifth Floor
Bedford Place
Henry Street
Limerick, Ireland

Facsimile No.: +45 7651 1212
Attention: Director

with a copy to:

Nordic Aviation Capital A/S
Stratusvej 12
7190 Billund
Denmark

Attention: Hanne Møller
Facsimile: +45 7651 1212

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

13.3 Delivery

13.3.1 Any communication or document made or delivered by one person to another under or in connection with this Assignment 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 13.2 (Addresses), if addressed to that department or officer.

13.4 English Language

13.4.1 Any notice given under or in connection with this Assignment must be in English.

13.4.2 All other documents provided under or in connection with this Assignment must be:

- (a) in English; or
- (b) if not in English, and if so required by the Assignee, 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.

14 Miscellaneous

- 14.1 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.
- 14.2 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.
- 14.3 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.
- 14.4 Any waiver by the Assignee of any terms of this Assignment or any consent or approval given by any of them under it 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.
- 14.5 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.
- 14.6 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.
- 14.7 No term of this Assignment is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to this Assignment.

15 Law and Jurisdiction

- 15.1 This Assignment and any non contractual obligations connected with it shall be governed by and shall be construed in accordance with English law.
- 15.2 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.

IN WITNESS whereof the Assignor has executed this Assignment as a deed and delivered it as a deed, and the Assignee has executed this Assignment on the day and year first before written.

Schedule 1 Notice of Assignment

To: Pratt & Whitney Canada Corp.
1000 Marie Victorin
Longueuil, Quebec
Canada J4G 1A1

[Date]

Dear Sirs,

P&WC Term Cost Program dated 1 May 2012 as amended and restated as of 31 March 2015 between Pratt & Whitney Canada Corp. (the "Engine Maintenance Provider") and Republic Airline Inc. ("Republic") as assigned pursuant to an Assignment and Assumption Agreement dated as of 31 March 2015 between the Engine Maintenance Provider, Republic and Flybe Limited ("Flybe") (the "P&WC Term Cost Plan")

We refer to the P&WC Term Cost Plan in respect of engine maintenance services for, *inter alia*, two P&WC PW150A engines with manufacturer's serial numbers PCE-FA0711 and PCE-FA0756 and any replacement engines (the **Engines**).

In this Notice, the term "**Assigned Property**" is defined as all the rights and benefits vested in and accruing to Flybe under and pursuant to the P&WC Term Cost Plan in relation to the Engines.

We hereby give you notice that:

- (a) by an assignment dated on or about the date of this notice made between Flybe and NAC Aviation 23 Limited (the "**Assignee**") (the "**First Assignment**") Flybe has assigned to the Assignee with full title guarantee to the fullest extent possible by law all their right, title and interest, present and future, actual and contingent, in and to the Assigned Property; and
- (b) by a security agreement dated as of 16 March 2016 made between the Assignee and Wells Fargo Bank, National Association, as security trustee (the "**Security Trustee**") (as supplemented, assigned and amended from time to time, the "**Second Assignment**"), the Assignee has assigned by way of security to the Security Trustee all of the Assignee's rights and interest, present and future, actual and contingent, in and to the Assigned Property as assigned to it by the Assignee under the First Assignment.

Under the terms of the First Assignment and the Second Assignment, the parties thereto have agreed that legal and beneficial title to the Warranty Rights (where "**Warranty Rights**" are defined as any warranties in existence at the Term Expiration Date (or such earlier date on which the Engines are returned to the Assignee (either such date being the "**Return Date**")) in relation to services rendered under the P&WC Term Cost Plan prior to the Return Date with respect to the Engines, and where "**Term Expiration Date**" is defined as 28 March 2021) shall, with effect from the Return Date, vest absolutely in the Assignee (subject to the rights of the Security Trustee in relation thereto pursuant to the Second Assignment) and that the security assignments effected pursuant to the First Assignment and the Second Assignment shall accordingly, with effect from the Return Date and with respect to the Warranty Rights, automatically and without further act convert to an absolute assignment in favour of the Assignee.

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

- (a) to disclose to the Assignee and/or the Security Trustee such information relating to the Assigned Property, including in relation to failure to pay amounts due and payable by Flybe pursuant to the P&WC Term Cost Plan, as the Assignee and/or the Security Trustee may request you to disclose to it; and
- (b) upon written notice from the Assignee and/or the Security Trustee, but subject to the terms and conditions of the Acknowledgement, to perform all of your obligations in relation to the Assigned Property in favour of the Assignee or the Security Trustee, as the case may be, provided that (i) any notice from the Security Trustee shall prevail over a notice from the Assignee.

Under the terms of the First Assignment, Flybe has, *inter alia*, covenanted with the Assignee not to agree to any variation, modification or amendment (an **Amendment**) to the terms of the P&WC Term Cost Plan, which Amendment would have an adverse effect on the Engines or the interest of the Assignee in and to the Engines, without the Assignee's consent, and the Assignee confirms that it has provided its consent to Amendment 1 of the P&WC Term Cost Plan.

The instructions and authorities contained in this Notice cannot be revoked or varied by Flybe without the prior written consent of the Assignee and the Security Trustee.

This Notice, and any non-contractual obligations arising out of or in connection with this Notice, shall be governed by and construed in accordance with English law.

Yours faithfully,

Signed by
for and on behalf of
Flybe Limited

Signed by
for and on behalf of
NAC Aviation 23 Limited

Signed by
for and on behalf of
**Wells Fargo Bank, National
Association**, as security trustee

Schedule 2 Acknowledgement to Notice of Assignment

To: Flybe Limited (**Flybe**)

To: NAC Aviation 23 Limited (the "**Assignee**")
Fifth Floor
Bedford Place
Henry Street
Limerick, Ireland
Attention: Director
Facsimile: +45 7651 1212

To: Wells Fargo Bank, National Association, as security trustee (the "**Security Trustee**")
MAC: U1228-051
299 South Main Street, 5th Floor
Salt Lake City, Utah 84111
Attention: Corporate Trust Lease Group
Fax No: +1 801 246 7142

[Date]

Dear Sirs,

P&WC Term Cost Program dated 1 May 2012 as amended and restated as of 31 March 2015 between Pratt & Whitney Canada Corp. (the "Engine Maintenance Provider") and Republic Airline Inc. (Republic) as assigned to Flybe pursuant to an Assignment and Assumption Agreement dated as of 31 March 2015 between the Engine Maintenance Provider, the Republic and Flybe (the "P&WC Term Cost Plan")

We acknowledge receipt of a Notice of Assignment (the "**Notice**") dated on or about the date of this Acknowledgement relating to the assignment by (a) Flybe in favour of the Assignee of Flybe's rights, title and interest in and to the Assigned Property (the "**First Assignment**") and (b) the Assignee in favour of the Security Trustee of the Assignee's rights, title and interest in and to the Assigned Property (the "**Second Assignment**").

Terms and expressions defined in the Notice shall, unless otherwise defined herein, have the respective meanings ascribed thereto in the Notice when used in this Acknowledgement.

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 First Assignment and the Second Assignment referred to in the Notice;
- (b) we accept the instructions and authorisations contained in the Notice and we undertake:
 - (i) to disclose to the Assignee and/or the Security Trustee such information relating to the Assigned Property, including in relation to failure to pay amounts due and payable by Flybe pursuant to the P&WC Term Cost Plan, as the Assignee and/or the Security Trustee may request us to disclose to it; and

- (ii) upon written notice from the Assignee or the Security Trustee, but subject to the terms and conditions of this Acknowledgement, to perform all of our obligations in relation to the Assigned Property in favour of the party named in such written notice, provided that any notice from the Security Trustee shall prevail over a notice from the Assignee;
- (c) we will notify the Assignee and the Security Trustee at the address referred to above if (i) Flybe fails to make a payment under the P&WC Term Cost Plan which has become due and payable or (ii) we become entitled to terminate the P&WC Term Cost Plan in respect of the Engines, it being understood, however, that in no event shall the Engine Maintenance Provider be liable for any claims or damages of any nature whatsoever which may be made or asserted by Flybe, the Assignee, the Security Trustee or any third party should the Engine Maintenance Provider fail and/or omit to provide such notice; provided that, we shall allow the Assignee an additional period of 15 days (or, if the Assignee provides reasonable evidence that it is diligently proceeding to correct such default, an additional period of 60 days) to cure such default (until such notice is provided and during which period the P&WC Term Cost Plan will not be terminated);
- (d) we will not challenge the effectiveness of the First Assignment or the Second Assignment to confer on the Assignee and the Security Trustee respectively rights in respect of Flybe's rights, title and interest in and to the P&WC Term Cost Plan in respect of the Engines;
- (e) without limiting any other rights of the Assignee or the Security Trustee hereunder following any termination of the P&WC Term Cost Plan, Assignee shall have 15 days from the date of such termination (or, if later, from Engine Maintenance Provider's notice to it of such termination) to exercise its right to assume and continue the P&WC Term Cost Plan in respect of the Engines, failing which the Security Trustee shall have an additional 30 days to assume and continue the P&WC Term Cost Plan in respect of the Engines;
- (f) we acknowledge that Flybe has agreed that the consent of the Assignee is required in connection with certain Amendments, as provided in the Notice; and
- (g) following any termination and assumption of the P&WC Term Cost Plan by the Assignee or the Security Trustee, with the prior written consent of the Engine Maintenance Provider, the Assignee or the Security Trustee, as applicable, may assign the P&WC Term Cost Plan to another operator; provided that any such assignment shall be conditional upon the Engine Maintenance Provider, the Assignee, the Security Trustee and new operator, as applicable, reaching mutual agreement on the terms and conditions of the new agreement. New rates shall be based on new operator financial condition, fleet size, operating characteristics, operating environment, utilization and term. There will be no buy-in or upfront fee in the case of assignment of the P&WC Term Cost Plan as a whole and in respect of all engines defined as "Assigned Engines" under the P&WC Term Cost Plan for a new agreement structured under the same conditions of the P&WC Term Cost Plan.

Flybe, the Assignee and the Security Trustee acknowledge and agree except as expressly provided herein, that:

- (a) the Engine Maintenance Provider shall incur no obligations, cost, expenses or liabilities whatsoever (other than those already in existence under the P&WC Term Cost Plan) by reason of the First Assignment and/or the Second Assignment;
- (b) the foregoing is strictly conditional upon the Assignee's and the Security Trustee's acceptance that in its exercise of the benefit of the rights so assigned to it, it shall be subject to and be bound by all limitations, disclaimers, exceptions and conditions in respect thereof contained in the P&WC Term Cost Plan; and
- (c) nothing contained herein or in the First Assignment or the Second Assignment shall subject the Engine Maintenance Provider to any obligations to which it would not otherwise be bound or subject under the P&WC Term Cost Plan, or modify in any respect its rights thereunder.

Notwithstanding the First Assignment and the Second Assignment, Flybe agrees (and the Engine Maintenance Provider acknowledges) that until such time as the Engine Maintenance Provider is notified in writing by the Security Trustee or the Assignee, as applicable, that it is enforcing its rights in respect of the Engines under and in accordance with the First Assignment or the Second Assignment, as applicable, the engine maintenance services in respect of such Engines provided by the Engine Maintenance Provider shall be provided to Flybe. On receipt of such notice, the Engine Maintenance Provider shall provide the engine maintenance services in respect of such Engines to person named in such notice, for the remainder of the Engine Maintenance Agreement or until receipt of further instructions from such person (or if the Assignee is the beneficiary of such services, the Security Trustee), provided that any notice from the Security Trustee shall prevail over a notice from the Assignee.

Flybe, the Security Trustee and the Assignee acknowledge that they shall not be entitled to assign, sell, transfer or otherwise dispose of all or any of their rights, benefits and obligations under the First Assignment or the Second Assignment, nor under the P&WC Term Cost Plan, without the prior written consent of the Engine Maintenance Provider.

We further confirm that (a) we permit the use of the terms "P&WC TCP®Plan" and "P&WC Term Cost Plan" in relation to the First Assignment and the Second Assignment and related documents which are a Registered Trademark and trademark respectively of Pratt & Whitney Canada Corp. and (b) that Flybe, the Assignee, the Security Trustee and the Engine Maintenance Provider shall be entitled to disclose to each other and to each Lender (as defined in the Second Assignment) any and all information relating to the P&WC Term Cost Plan notwithstanding the confidentiality provisions contained in the P&WC Term Cost Plan.

This Acknowledgement is governed by and construed in accordance with the laws of the State of New York, USA applicable therein without regard to any conflicts of laws principles.

Yours faithfully,

Signed by
for and on behalf of
Pratt & Whitney Canada Corp.

Agreed

Signed by
for and on behalf of
Flybe Limited

Agreed

Signed by
for and on behalf of
NAC Aviation 23 Limited

Agreed

Signed by
for and on behalf of
**Wells Fargo Bank, National
Association, as security trustee**

Execution page

P&WC TCP Plan Assignment

MSN 4191

The Assignor

EXECUTED as a DEED by


FLYBE LIMITED

acting by its attorney
in the presence of:

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Sylvain Gloor



Witness: BOB FEENEY

Address: NEW WALKER HAWAII, EXS ZBA

Occupation: FLEET MANAGER

The Assignee

NAC AVIATION 23 LIMITED

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

Signed: VEDDER PRICELL Date: 14 / 11 / 16

Execution page

P&WC TCP Plan Assignment

MSN 4191

The Assignor

EXECUTED as a DEED by

FLYBE LIMITED
acting by its attorney
in the presence of:

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)

Witness:

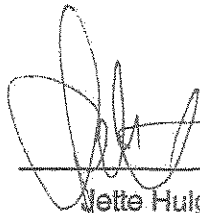
Address:

Occupation:

The Assignee

NAC AVIATION 23 LIMITED

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Jette Hulgaard
Attorney-in-fact

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

Signed VEDDER PRINCE LLP Date 14/11/14