

# MR01

## Particulars of a charge



109624/13

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](http://www.companieshouse.gov.uk)

☒ **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 the charge  
instrument Use form



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A22

06/01/2016

#122

COMPANIES HOUSE

This form **must be delivered to the Registrar for registration**  
**21 days** beginning with the day after the date of creation of the charge.  
If the form is 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. **Do not send the original.**

WEDNESDAY

### 1 Company details

Company number

0 2 7 6 9 7 6 8



Company name in full

FLYBE LIMITED



345

For official use

→ **Filing 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

d<sup>2</sup> d<sup>3</sup> m<sup>1</sup> m<sup>2</sup> y<sup>2</sup> y<sup>0</sup> y<sup>1</sup> y<sup>5</sup>



### 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

AVAP LEASING (EUROPE) IV PTE LTD.



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

# MR01

## Particulars of a charge

4

### Brief description

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument

Brief description

NO LAND, SHIP, AIRCRAFT OR INTELLECTUAL PROPERTY HAS BEEN CHARGED (FOR MORE DETAILS PLEASE REFER TO THE INSTRUMENT)

Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument"

Please limit the description to the available space

5

### Other charge or fixed security

Does the instrument include a charge (which is not a floating 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 company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box

☒ Yes


☐ No

8

### Trustee statement

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

☐

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

9

### Signature

Please sign the form here

Signature

Signature

X *DLA Piper UK LLP* X

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

# MR01

## Particulars of a charge



### Presenter information

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record

Contact name ANNA MIDDLEBROOK

Company name DLA Piper UK LLP

Address 101 Barbirolli Square

Manchester

Post town

County/Region

Postcode M 2 3 D L

Country

DX DX. 14304 MANCHESTER

Telephone 08700 111 111



### 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](http://www.companieshouse.gov.uk) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)



FILE COPY

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

Company number: 2769768

Charge code: 0276 9768 0345

The Registrar of Companies for England and Wales hereby certifies that a charge dated 23rd December 2015 and created by FLYBE LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 6th January 2016.

Given at Companies House, Cardiff on 12th January 2016



Companies House



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES

DATED 23 December 2015

FLYBE LIMITED  
AS ASSIGNOR

AND

AVAP LEASING (EUROPE) IV PTE LTD  
AS ASSIGNEE

---

LESSEE SECURITY AGREEMENT  
ONE (1) ATR 72-600 AIRCRAFT  
MANUFACTURER'S SERIAL NUMBER 1300

---



I CERTIFY THAT, SAVE FOR MATERIAL REDACTED  
PURSUANT TO s859G OF THE COMPANIES ACT 2006  
THIS IS A TRUE COMPLETE AND CORRECT COPY  
OF THE ORIGINAL INSTRUMENT

DATE 05/01/16

SIGNED [Signature]  
DLA PIPER UK LLP

## CONTENTS

Clause	Page
1 Definitions and Interpretation	1
2 Assignment, Charge and Notices	4
3 Effectiveness of Security	5
4 Representation and Warranty	6
5 Covenants	6
6 Negative Pledge	6
7 Assignor's Continuing Obligations	7
8 Enforceability of Security	7
9 Receiver	9
10 Application of Moneys	9
11 Delegation	9
12 Conditional Discharge Only	10
13 Reassignment and Release of Charge	10
14 Appointment of Attorney	10
15 Further Assurance and Protection of Security	11
16 Miscellaneous	11
17 Costs and Expenses	12
18 Assignments and Transfers	12
19 Notices	12
20 Governing Law and Jurisdiction	13

THIS LESSEE SECURITY AGREEMENT is dated 23 DECEMBER 2015

**BETWEEN:**

- (1) **FLYBE LIMITED**, a limited liability company incorporated and existing under the laws of England with company registration number 02769768 (the "**Assignor**"), and
- (2) **AVAP LEASING (EUROPE) IV PTE LTD**, a limited liability company incorporated and existing under the laws of Singapore with company registration number 201534905G (the "**Assignee**")

**WHEREAS:**

- (A) The Assignee has agreed to lease the Aircraft to the Assignor pursuant to the Lease Agreement upon and subject to the terms and conditions thereof
- (B) As a condition precedent to the obligations of the Assignee under the Transaction Documents, the Assignor is required to execute this Agreement in favour of the Assignee as security for the Secured Obligations

**IT IS AGREED AS FOLLOWS:**

**1 Definitions and Interpretation**

- 1.1 Except as otherwise defined in this Agreement, all words and expressions defined in the Lease Agreement (including definitions incorporated therein by reference to another document) shall have the same respective meanings when used in this Agreement.

- 1.2 In this Agreement, the following words and expressions shall, except where the context otherwise requires, have the following respective meanings

"**Agreement**" means this deed of security assignment (including the Recitals and the Schedule)

"**Aircraft**" means the ATR 72-600 aircraft bearing manufacturer's serial number 1300

"**Collateral**" means

- (a) the Relevant Insurance Property, and
- (b) the Relevant Requisition Compensation Property

"**Event of Loss**" means any of the following events

- (a) the agreed, actual, arranged, compromised or constructive total loss of the Aircraft (including any damage to the Aircraft which results in an insurance settlement on the basis of a total loss, or requisition for use or hire of the Aircraft which results in an insurance settlement on the basis of a total loss),
- (b) the Aircraft being destroyed, damaged beyond practical or economic repair or permanently rendered unfit for normal use for any reason whatsoever,

- (c) the Compulsory Acquisition of the Aircraft and where such Compulsory Acquisition does not involve requisition of title or other loss of title to the Aircraft, such Compulsory Acquisition shall be for a period of thirty (30) days or more,
- (d) the hijacking, theft, or disappearance of the Aircraft (i) for a period of thirty (30) days or more or (ii) if earlier, beyond the Lease Termination Date,
- (e) the condemnation, confiscation, capture, deprivation, seizure or requisition for use or hire of the Aircraft (other than where the same amounts to the Compulsory Acquisition of the Aircraft) which deprives any person entitled to have possession and/or use of the Aircraft of its possession and/or use (i) for more than a period of thirty (30) consecutive days or more or (ii) if earlier, beyond the Lease Termination Date, or
- (f) any other case which by subsequent agreement Lessor and Lessee may deem, with the agreement of the insurers, to be an Event of Loss

An Event of Loss with respect to the Aircraft shall be deemed to have occurred if an Event of Loss occurs with respect to the Airframe

**"Insurance Proceeds"** means any and all amounts payable in consequence of any claim under the Insurances

**"Insurances"** means any and all insurances (other than liability insurances) from time to time maintained or required to be maintained in relation to the Aircraft or any part thereof by the terms of the Lease Agreement, including without limitation all the benefits of, and all claims under, and the right to make all claims under, all such insurances

**"Lease Agreement"** means the Original Lease Agreement, as amended and novated by the Lease Novation Agreement

**"Lease Novation Agreement"** means the lease novation and amendment agreement relating to the Aircraft dated 23 December 2015 and entered into between the Assignee, Avation PLC and the Assignor

**"Lessor Security Agreement"** means the English law first priority security assignment relating to the Aircraft dated of even date herewith and entered into between the Assignee, as assignor, and the Security Trustee, as assignee

**"Lien"** means any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, trust arrangement, other encumbrance or security interest of any kind (howsoever created or arising) or any other right, agreement or arrangement having a similar effect (including without limitation title transfer and/or retention arrangements and rights of possession or detention)

**"Original Lease Agreement"** means the lease agreement relating to the Aircraft dated 23 June 2015 and entered into between Avation PLC and the Assignor

**"Parties"** means, together, the parties to this Agreement



**"Receiver"** means any receiver or receiver and manager or administrative receiver appointed by the Assignee under this Agreement or under any statutory power

**"Relevant Insurance Property"** means all of the right, title and interest (present and future, actual and contingent and whether now or hereafter acquired) of the Assignor in and to any and all proceeds, benefits and claims (including without limitation the right to make any claim) relating to the Insurances

**"Relevant Requisition Compensation Property"** means all of the right, title and interest (present and future, actual and contingent) of the Assignor in and to the Requisition Compensation

**"Requisition Compensation"** means all moneys and other compensation from time to time payable in respect of any Compulsory Acquisition of the Aircraft

**"Secured Obligations"** means (a) any and all moneys and financial liabilities which are (or which are expressed to be) 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 Transaction Document, including as a consequence of any breach, non-performance, disclaimer or repudiation by the Assignor (or by a liquidator, receiver, administrative receiver, administrator, examiner or any similar officer in respect of the Assignor) of any of the Assignor'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 the Assignor in favour of the Assignee under or in relation to any Transaction Document

**"Security Period"** means the period commencing on the date hereof and terminating on the date upon which all of the Secured Obligations have been discharged

**"Security Trustee"** means Export Development Canada, in its capacity as security trustee for and on behalf of certain financial institutions

**"Termination Event"** means any of the events or circumstances described in clause 23 of the Lease Agreement

**"Transaction Documents"** means any or each or all (as the context may require) of the Lease Agreement, the Acceptance Certificate, the Authorisation Letter, the Airframe and Engine Warranty Agreement, the Support Agreement, the Assignment of Insurances, the Deregistration Power of Attorney, any Letter of Credit, any Permitted Sublease and any Security Document to which Lessee is a party and all notices, acknowledgements, consents and certificates required hereunder or thereunder or entered into in connection herewith or therewith and any other document or agreement agreed from time to time by Lessor and Lessee to constitute a Transaction Document

13 Unless otherwise specified and except where the context otherwise requires, any reference in this Agreement to

- (a) any person shall be construed so as to include its successors and permitted assigns and permitted transferees in accordance with their respective interests,

- (b) any document (including this Agreement and each other Transaction Document) shall be construed as a reference to such document as amended, restated, supplemented, varied, assigned, transferred or novated from time to time in accordance with its terms and to the extent that such document is at the relevant time in effect,
- (c) any provision of law shall be construed as a reference to that provision as amended, supplemented, varied, re-enacted, replaced or restated from time to time,
- (d) any "**applicable law**" includes, without limitation, (i) applicable laws, acts, codes, conventions, decrees, decree-laws, legislation, statutes, treaties and similar instruments, (ii) applicable final judgments, orders, determinations or awards of any court from which there is no right of appeal (or, if there is a right of appeal, such appeal is not prosecuted within the allowable time) and (iii) applicable directives, guidance, guidelines, notices, orders, regulations and rules of any Governmental Authority (whether or not having the force of law but with which, if not having the force of law, compliance is customary),
- (e) a "**Clause**" shall be construed as a reference to a clause of this Agreement;
- (f) "**continuing**" shall, in relation to a Termination Event, be construed as a reference to a Termination Event which has not been waived or remedied in accordance with the terms of the Lease Agreement,
- (g) a "**person**" shall be construed as a reference to any association, company, corporation, firm, Governmental Authority, individual, joint venture, partnership (including any limited partnership and any limited liability partnership) or trust (in each case whether or not having separate legal personality),
- (h) a "**Schedule**" shall be construed as a reference to a schedule to this Agreement,
- (i) a "**successor**" shall be construed so as to mean a successor in title of a person and any person who under the applicable laws of its jurisdiction of incorporation or domicile has assumed the rights and obligations of such person or to which, under such laws or by agreement or otherwise, such rights and obligations have been transferred,
- (j) the "**winding-up**", "**dissolution**", "**administration**" or "**re-organisation**" of a person shall be construed so as to include any equivalent or analogous proceedings under the applicable law of the jurisdiction in which such person is incorporated or formed or any jurisdiction in which such person carries on business including the seeking of liquidation, winding-up, examinership, re-organisation, dissolution, administration, arrangement, adjustment, protection or relief of debtors, and
- (k) words importing the plural shall include the singular and *vice versa*

1 4 Clause and Schedule headings shall be ignored in the interpretation of this Agreement

## 2 Assignment, Charge and Notices

## **2 1 Assignment**

As security for the payment, performance and discharge of the Secured Obligations, the Assignor hereby assigns absolutely and agrees to assign absolutely, with full title guarantee and by way of first priority security, the Collateral in favour of the Assignee

## **2 2 Charge**

To the extent that the Collateral is not capable of assignment pursuant to Clause 2 1 (and notwithstanding the provisions of Clause 2 1), as security for the payment, performance and discharge of the Secured Obligations, the Assignor hereby charges, with full title guarantee and by way of first fixed charge, the Collateral in favour of the Assignee

## **2 3 Initial Notice**

Immediately upon execution of this Agreement, the Assignor shall in relation to the assignment in respect of the Relevant Insurance Property, execute and deliver a notice of assignment to the insurers of the Aircraft in the form set out in the Schedule

## **2 4 Further Notices**

The Assignor hereby undertakes (a) to execute and deliver (and to use all commercially reasonable efforts to procure that each such other person as the Assignee and/or the Security Trustee may require (acting reasonably) executes and delivers) such further notices of assignment as the Assignee and/or the Security Trustee may require (acting reasonably), each of which notices shall be in such form as the Assignee and/or the Security Trustee may require (acting reasonably) and (b) to use all commercially reasonable efforts to procure that each such person as the Assignee and/or the Security Trustee may require (acting reasonably) executes and delivers a related acknowledgement of assignment to the Assignor, the Assignee and the Security Trustee, each of which acknowledgements shall be in such form as the Assignee and/or the Security Trustee may require (acting reasonably), in each case in relation to the assignment of the Collateral effected pursuant to Clause 2 1

## **3 Effectiveness of Security**

### **3 1 Throughout the Security Period, the Lien constituted by this Agreement shall**

- (a) be a continuing security for the full and final payment, satisfaction and discharge of the Secured Obligations,
- (b) not be considered as satisfied, discharged or prejudiced by any intermediate payment, satisfaction or settlement of any or all of the Secured Obligations or any other matter or thing whatsoever, other than the full and final payment and discharge of the Secured Obligations,
- (c) be in addition to and shall not operate so as in any way to prejudice or affect or be prejudiced or affected by any other Lien, security, guarantee, indemnity or other right or remedy that the Assignee or the Security Trustee may now or at any other time have in respect of any or all of the Secured Obligations, and

- (d) not be prejudiced by (i) any time or indulgence granted to any person, (ii) any failure or delay by the Assignee or the Security Trustee in perfecting or enforcing any other Lien, security, guarantee, indemnity or other right or remedy that the Assignee or the Security Trustee may now or at any other time have in respect of any or all of the Secured Obligations or (iii) any waiver, act, omission, unenforceability or invalidity of any such other Lien, security, guarantee, indemnity or other right or remedy

3 2 This Agreement and each Lien constituted by this Agreement shall extend to and cover any sum, or sums of money or other obligations which shall from time to time constitute the balance of the Secured Obligations

3 3 Neither Section 93 nor Section 103 of the Law of Property Act 1925 shall apply to this Agreement

#### **4 Representation and Warranty**

The Assignor hereby represents and warrants to the Assignee that (save as provided or permitted under the Transaction Documents) it has not prior to the date hereof assigned, charged or otherwise encumbered the Collateral or any moneys payable thereunder, other than pursuant to this Agreement

#### **5 Covenants**

The Assignor acknowledges to the Assignee that the amount secured by this Agreement, and in respect of which this Agreement and each Lien created by this Agreement is enforceable, is the full amount of the Secured Obligations from time to time. The Assignor hereby covenants in favour of the Assignee that it will promptly pay and discharge all of the Secured Obligations subject to and in accordance with the terms of the Transaction Documents

#### **6 Negative Pledge**

The Assignor hereby covenants with the Assignee that (save as provided or permitted under the Transaction Documents)

- (a) it will not do anything which may in any way jeopardise or otherwise prejudice the Lien constituted hereby or the rights of the Assignee hereunder,
- (b) it will not, except with the prior written consent of the Assignee, agree to any variation of the Collateral or release any party from its, or waive any breach of any party's obligations under or in relation to the Collateral or consent to any act or omission which would otherwise constitute a breach of any party's obligations under any of the Transaction Documents in relation to the Collateral,
- (c) it will not, without the prior written consent of the Assignee, assign, charge, sell or otherwise dispose of the Collateral or create or incur any Lien in or upon the Collateral, save for the Liens constituted by this Agreement, and
- (d) it will not exercise any right of set-off, counterclaim or defence against the Assignee with respect to the Collateral

## **7 Assignor's Continuing Obligations**

Notwithstanding anything to the contrary contained in this Agreement

- (a) the Assignor will remain liable to perform all of its obligations in relation to the Collateral and the Transaction Documents,
- (b) the Assignee will not (by reason of this Agreement or otherwise) in any circumstances be under any liability whatsoever as a result of any failure by the Assignor to perform any of its obligations in relation to the Collateral or any Transaction Document, and
- (c) the Assignee will not (by reason of this Agreement or otherwise) in any circumstances be required or obliged
  - (i) to assume or to perform any of the Assignor's obligations in relation to the Collateral or any Transaction Document,
  - (ii) (except as otherwise provided in any Transaction Document to which it is a party) to enforce against any person any term or condition of any Transaction Document or to enforce any right or benefit assigned and/or charged pursuant to this Agreement or to which the Assignee may at any time be entitled in relation to the Collateral or to exercise any right, power or remedy conferred upon it by or under this Agreement or applicable law, and/or
  - (iii) to make any enquiry as to the nature or sufficiency of any payment received by the Assignee under or in relation to this Agreement or to make any claim or to take any action with respect to the Collateral or to collect any moneys assigned and/or charged pursuant to this Agreement

## **8 Enforceability of Security**

8.1 Upon the occurrence of any Termination Event and so long as such Termination Event is continuing, the Assignee (or, pursuant to the Lessor Security Agreement, the Security Trustee) may give written notice to the Assignor and/or any other relevant person (including the insurers with whom the Insurances are placed) declaring that the Assignee or the Security Trustee, as the case may be, may exercise any and all rights in or in relation to the Collateral and at all times thereafter the Assignee or the Security Trustee, as the case may be, shall be entitled without notice or further demand

- (a) to exercise any and all rights of the Assignor in relation to all or any part of the Collateral,
- (b) to take possession of and hold and/or sell or otherwise dispose of or realise all or any part of the Collateral,
- (c) to collect, receive, compromise or settle, and to give a good release or discharge for, any and all claims in relation to all or any part of the Collateral,

- (d) to bring, take, defend, compromise, settle, submit to arbitration or discontinue any and all actions, disputes, proceedings or suits (civil or criminal) in relation to all or any part of the Collateral,
- (e) to appoint a Receiver of all or any part of the Collateral and to remove any Receiver so appointed and appoint another in his place,
- (f) to exercise in any lawful manner any rights, powers and remedies available to a secured creditor under any applicable law, all of which rights, powers and remedies are intended to be available to the Assignee under this Agreement,
- (g) to apply to any court of competent authority for any applicable order in relation to all or any part of the Collateral, and/or
- (h) to take all such action and do all such things as the Assignee (or, pursuant to the Lessor Security Agreement, the Security Trustee) may, in its sole and absolute discretion, consider necessary or appropriate for or in relation to any of the purposes of this Agreement,

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

- 8 2 Unless a Termination Event shall have occurred and be continuing (subject to any further requirement for notice by the Assignee contained in any notice of assignment executed and delivered pursuant to this Agreement), the Assignor will be entitled to exercise any and all rights in relation to the Collateral (except in relation to Insurance Proceeds relating to an Event of Loss), subject to the terms of the Transaction Documents
- 8 3 Subject to the terms of this Agreement, the Assignee may exercise any and all of its rights, powers and remedies under and in relation to this Agreement (including without limitation its power of sale) 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 fraud, gross negligence or wilful misconduct)
- 8 4 The Assignee will not be obliged to exercise any right, power or remedy conferred upon it by or under this Agreement 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 Aircraft No action taken or omitted to be taken by the Assignee in accordance with the terms of this Agreement and/or any other Transaction Document 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
- 8 5 The Assignee shall not under any circumstances be liable to account as an assignee and/or chargee of the Collateral or be liable for any loss arising from or in connection with the realisation of all or any part of the Collateral or otherwise for any act, neglect, default or omission for which an assignee and/or chargee of property such as the Collateral might be liable (unless caused by the Assignee's fraud, gross negligence or wilful misconduct)

8 6 Upon any sale by the Assignee of all or any part of the Assignee's right, title and interest in and to the Collateral, 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 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 therefor

## 9 Receiver

9 1 The appointment of a Receiver pursuant to Clause 8 1(e) shall be subject to the following provisions

- (a) such appointment may be made either before or after the Assignee will have exercised any of its rights under this Agreement,
- (b) such appointment may be made upon such terms and conditions as the Assignee may, in its sole and absolute discretion, determine,
- (c) the Receiver shall be the agent of the Assignor, and the Assignor alone shall be responsible for his acts, defaults and remuneration,
- (d) the Receiver shall not under any circumstances be liable to account as an assignee and/or chargee of the Collateral or be liable for any loss arising from or in connection with the realisation of all or any part of the Collateral or otherwise for any act, neglect, default or omission for which an assignee and/or chargee of property such as the Collateral might be liable (unless caused by the Receiver's fraud, gross negligence or wilful misconduct),
- (e) the 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 Agreement and by applicable law with respect to the Collateral, and
- (f) without limiting Clause 9 1(b), the remuneration of the Receiver may be fixed by the Assignee (acting reasonably), and may include a commission calculated by reference to a gross amount of all money received or otherwise, but shall be payable by the Assignor and shall form part of the Secured Obligations

9 2 Sections 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 1(e)

## 10 Application of Moneys

All moneys received by the Assignee (or any Receiver) in relation to the Collateral by reason of this Agreement shall be applied in accordance with the provisions of clause 20 3 of the Lease Agreement (in the case of the Relevant Insurance Property) and clause 21 2 of the Lease Agreement (in the case of the Relevant Requisition Compensation Property)

## 11 Delegation

The Assignee will be entitled, at any time and as often as may be necessary or appropriate, to delegate any or all of the powers and discretions vested in it by this Agreement (including the power vested in it by virtue of Clause 14) in such manner, upon such terms, and to such persons as the Assignee may in its sole and absolute discretion determine

## **12 Conditional Discharge Only**

Any settlement or discharge between the Assignee and the Assignor will be conditional upon no security or payment to the Assignee or the Security Trustee by any person under or in relation to any Transaction Document being avoided or set aside or ordered to be refunded or reduced by virtue of any applicable law (including without limitation in the context of any winding-up, dissolution, administration or re-organisation).

## **13 Reassignment and Release of Charge**

Following the full and final discharge of the Secured Obligations (as confirmed in writing by the Assignee), the Assignee will, upon the request and at the cost of the Assignor and subject to Clause 12, re-assign and release to the Assignor, without recourse or warranty, such right, title and interest as the Assignee may then have in and to the Collateral

## **14 Appointment of Attorney**

- 14.1 The Assignor hereby by way of security irrevocably appoints each of the Assignee and any Receiver severally to be its true and lawful attorney (with full power of substitution and delegation), for and on behalf of the Assignor and in its name or in the name of the Assignee and Receiver (as the case may be) and as the Assignor's act and deed to sign, seal, execute, deliver and do all such assurances, acts and things which the Assignee and Receiver (as the case may be) may deem to be appropriate or advisable in order to give full effect to the purposes of this Agreement, including without limitation, to ask, require, demand, receive, compound and give acquittance for any and all moneys and claims for any and all moneys due under or arising out of the Collateral (to the extent assigned and/or charged pursuant to this Agreement), to endorse any cheque, draft or other document, instrument or order in connection therewith and to make any claim or to take any action or to institute any suit, legal action or other proceeding which the Assignee and Receiver (as the case may be) may consider to be appropriate or advisable in connection with the Collateral (to the extent assigned and/or charged pursuant to this Agreement), and generally in the Assignor's name and on its behalf to exercise all or any of the powers, authorities and discretions conferred by or pursuant to this Agreement or applicable law on the Assignee and Receiver (as the case may be), and, without prejudice to the generality of the foregoing, to seal and deliver and otherwise perfect any deed, assurance, agreement, instrument, act or thing which the Assignee and Receiver (as the case may be) may deem appropriate for the purpose of exercising any of such powers, authorities and discretions, provided that the authority conferred in this Clause 14.1 shall only be exercisable for so long as the security created under this Agreement has become enforceable in accordance with the terms of this Agreement



14 2 The power conferred by Clause 14 1 shall be a general power of attorney under the Powers of Attorney Act 1971, and the exercise of the power by the Assignee and Receiver as the case may be, shall be conclusive evidence of its right to exercise to exercise the same

14 3 The Assignor hereby unconditionally and irrevocably ratifies and confirms and agrees to ratify and confirm whatever any attorney appointed pursuant to Clause 14 1 shall do or purport to do in the exercise or purported exercise of any or all of the powers, authorities and discretions conferred pursuant to Clause 14 1

#### 15 Further Assurance and Protection of Security

15 1 The Assignor will take all such actions and do all such things as the Assignee may from time to time require (acting reasonably) so as to establish, maintain, perfect, preserve and/or protect the rights of the Assignee under or in relation to this Agreement, each Lien created (or intended to be created) by this Agreement and/or the priority (or intended priority) of each such Lien

15 2 The Assignee shall, without prejudice to its other rights, powers and remedies under this Agreement, be entitled (but not obliged) to take all such action and do all such things as it may from time to time consider (acting reasonably) necessary or appropriate so as to establish, maintain, perfect, preserve and/or protect its rights under or in relation to this Agreement, each Lien created (or intended to be created) by this Agreement and/or the priority (or intended priority) of each such Lien provided that the Assignee shall, for so long as there shall not have occurred and be continuing a Termination Event, consult in good faith with the Assignor in relation to the taking of any such action or the doing of any such thing

15 3 Any action taken or thing done pursuant to this Clause 15 shall be at the Assignor's sole cost and expense

#### 16 Miscellaneous

16 1 This Agreement may be executed in any number of counterparts and on separate counterparts, each of which when executed and delivered shall constitute an original, but all counterparts shall together constitute one and the same instrument Delivery of a counterpart of this Agreement by e-mail attachment or fax shall be an effective mode of delivery In relation to each counterpart, upon confirmation by or on behalf of a Party that such Party authorises the attachment of its counterpart signature page to the final text of this Agreement, such counterpart signature page shall take effect, together with such final text, as a complete authoritative counterpart

16 2 Any amendment, supplement or variation to this Agreement must be in writing and executed by each Party

16 3 Neither the failure to exercise, nor the delay in any exercise of, nor the single or partial exercise of, any right, power or remedy by the Assignee under or in relation to this Agreement shall (a) operate as a waiver of such right, power or remedy, (b) prevent any further or other exercise of such right, power or remedy or (c) prevent the exercise of any other right, power or remedy The rights, powers and remedies of the

Assignee provided in this Agreement are cumulative and not exclusive of any rights, powers or remedies provided by law

- 16 4 Any waiver or consent given by a Party under or in relation to this Agreement must, in order to be effective, be in writing and shall only be effective in the specific circumstances in which it is given
- 16 5 If, at any time, any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Agreement nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired
- 16 6 A person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Agreement provided that (a) a Receiver appointed pursuant to Clause 8 1(e) shall be entitled to enforce and enjoy the benefit of the terms of Clause 9 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 Agreement (including without limitation Clause 9)) and (b) the Security Trustee shall be entitled to enforce and enjoy the benefit of the terms of Clauses 2 4 and 8 subject to and in accordance with the provisions thereof

**17 Costs and Expenses**

- 17 1 Each Party is responsible for costs and expenses relating to this Agreement subject to and in accordance with the provisions of clause 27 9 of the Lease Agreement

**18 Assignments and Transfers**

- 18 1 This Agreement shall be binding upon and enure to the benefit of each Party and its successors and permitted assigns and permitted transferees
- 18 2 The Assignor shall not be entitled to assign and/or transfer any or all of its rights and/or obligations under this Agreement
- 18 3 The Assignee shall be entitled to assign all of its rights under this Agreement to the Security Trustee pursuant to the Lessor Security Agreement, but shall not otherwise be entitled to assign and/or transfer any of its rights and/or obligations under this Agreement

**19 Notices**

- 19 1 All notices, requests, demands or other written communications in relation to this Agreement shall be made in accordance with the provisions of clause 34 of the Lease Agreement

- 19 2 For such purposes

- (a) the notice details of the Assignor are

Flybe Limited  
New Walker Hanger

Exeter International Airport  
Clyst Honiton  
Exeter EX5 2BA  
United Kingdom

Attention General Counsel and Director of Fleet Planning  
Fax +44 1392 266772

(b) the notice details of the Assignee are

AVAP Leasing (Europe) IV Pte Ltd  
c/o Avation PLC  
65 Kampong Bahru  
169370 Singapore

Attention Group General Counsel  
Fax +65 6252 5158

with a copy to

Export Development Canada  
150 Slater Street  
Ottawa, Ontario  
Canada K1A 1K3

Loan Administration  
Attention Loans Services  
Fax (613) 598-2514  
Email [LS-aerospace@edc.ca](mailto:LS-aerospace@edc.ca)

Covenants & Compliance  
Attention Covenants Officer  
Fax (613) 598-3186  
Email [covenantsofficer@edc.ca](mailto:covenantsofficer@edc.ca)

Credit Matters  
Attention Credit Risk Management  
Fax (613) 598-3186

or, in each case, such other notice details that a Party may from time to time notify to the other Party upon not less than five (5) Business Days' prior written notice

## 20 Governing Law and Jurisdiction

20.1 This Agreement and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with English law

20.2 Each Party irrevocably agrees for the benefit of the other Party that the courts of England shall have jurisdiction to hear and determine any suit, action or proceeding (Proceedings), and to settle any disputes, which may arise out of or in connection with

this Agreement and for such purpose irrevocably submits to the jurisdiction of such courts

- 20 3 The submission by the Parties to the jurisdiction mentioned in Clause 20 2 shall not (and shall not be construed so as to) limit the right of any Party to take Proceedings against the other Party in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not, if and to the extent permitted by applicable law
- 20 4 The Assignor hereby consents generally in respect of any Proceedings arising out of or in connection with this Agreement to the giving of any relief or the issue of any process in connection with such Proceedings including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given in such Proceedings
- 20 5 To the extent that the Assignor may in any jurisdiction claim for itself or its assets immunity from suit, execution, attachment (whether in aid of execution or judgment or otherwise) or other legal process and to the extent that in any such jurisdiction there may be attributed to itself or its assets such immunity (whether or not claimed), the Assignor hereby irrevocably agrees not to claim and hereby irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction

**IN WITNESS WHEREOF** the Parties have caused this Agreement to be executed as a deed by the duly authorised representatives of the Parties and this Agreement is intended to be and is hereby delivered on the day and year first above written

**THE SCHEDULE**  
**FORM OF NOTICE OF ASSIGNMENT OF INSURANCES**

To            Participating Insurers  
              In the Flybe Limited  
              Hull All Risks, Hull War Risks and All Risks Spares Insurances

From        Flybe Limited (the "Lessee")

AVAP Leasing (Europe) IV Pte Ltd (the "Lessor")

Export Development Canada, in its capacity as security trustee for and on  
behalf of certain persons (in such capacity, the "Security Trustee")

[•] 2015

Dear Sirs

**One (1) ATR 72-600 Aircraft bearing Manufacturer's Serial Number 1300 (the Aircraft)**

- 1        We refer to the lease agreement relating to the Aircraft dated 19 February 2015 between the Lessor and the Lessee, as amended and novated pursuant to the lease novation agreement dated on or about the date hereof and entered into between Avation PLC, the Lessor and the Lessee (the Lease Agreement)
- 2        We hereby give notice that
  - (a)    by a security agreement of even date herewith (the "**Lessee Security Agreement**"), the Lessee assigned and agreed to assign by way of first priority security to the Lessor all of its right, title and interest in and to, *inter alia*, the Insurances, and
  - (b)    by a security agreement of even date herewith, the Lessor assigned and agreed to assign by way of first priority security to the Security Trustee all of its right, title and interest in and to, *inter alia*, the Insurances (either in its own capacity or pursuant to the Lessee Security Agreement)
- 3        For the purposes hereof Insurances means any and all insurances (other than liability insurances) from time to time maintained or required to be maintained in relation to the Aircraft or any part thereof by the terms of the Lease Agreement, including without limitation all the benefits of, and all claims under, and the right to make all claims under, all such insurances
- 4        Unless you are notified otherwise by the Lessor or by the Security Trustee, please continue to follow the instructions of the Lessee in respect of the Insurances (except in respect of the occurrence of any event of loss in relation to the Aircraft) Upon notice from the Lessor or the Security Trustee, please follow the Lessor's or the

Security Trustee's, as the case may be, instructions in respect of the Insurances (provided that the notice of the Security Trustee shall in all circumstances prevail)

- 5 This notice and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with English law

Yours faithfully

**Lessee**

\_\_\_\_\_  
for and on behalf of  
**FLYBE LIMITED**  
Name  
Title

**Lessor**

\_\_\_\_\_  
for and on behalf of  
**AVAP LEASING (EUROPE) IV PTE LTD**  
Name  
Title

**Security Trustee**

\_\_\_\_\_  
for and on behalf of  
**EXPORT DEVELOPMENT CANADA**  
Name  
Title

**EXECUTION PAGE**

**Lessee Security Agreement**

**One (1) ATR 72-600 Aircraft**

**MSN 1300**

**The Assignor**

**EXECUTED AND DELIVERED as a DEED by** )  
**FLYBE LIMITED** )  
acting by its )  
in the presence of )

Signature of Witness

Name of Witness

Address of Witness

**The Assignee**

**SIGNED, SEALED AND DELIVERED AS A DEED by** )  
Jaron Francis Galleghy )  
as attorney for and on behalf of )  
**AVAP LEASING (EUROPE) IV PTE LTD** )  
in the presence of )

Signature of Witness

Name of Witness

Address of Witness

DATED 23 December 2015

FLYBE LIMITED  
AS ASSIGNOR

AND

AVAP LEASING (EUROPE) IV PTE LTD  
AS ASSIGNEE

---

LESSEE SECURITY AGREEMENT  
ONE (1) ATR 72-600 AIRCRAFT  
MANUFACTURER'S SERIAL NUMBER 1300

---



I CERTIFY THAT SAVE FOR MATERIAL REDACTED  
PURSUANT TO s859G OF THE COMPANIES ACT 2006  
THIS IS A TRUE COMPLETE AND CORRECT COPY  
OF THE ORIGINAL INSTRUMENT

DATE 05/01/16  
SIGNED [Signature]  
DLA PIPER UK LLP



## CONTENTS

Clause	Page
1 Definitions and Interpretation . . . . .	1
2. Assignment, Charge and Notices . . . . .	4
3. Effectiveness of Security . . . . .	5
4. Representation and Warranty . . . . .	6
5. Covenants . . . . .	6
6. Negative Pledge . . . . .	6
7 Assignor's Continuing Obligations . . . . .	7
8. Enforceability of Security . . . . .	7
9. Receiver . . . . .	9
10. Application of Moneys . . . . .	9
11. Delegation . . . . .	9
12 Conditional Discharge Only . . . . .	10
13 Reassignment and Release of Charge . . . . .	10
14. Appointment of Attorney . . . . .	10
15. Further Assurance and Protection of Security . . . . .	11
16 Miscellaneous . . . . .	11
17. Costs and Expenses . . . . .	12
18. Assignments and Transfers . . . . .	12
19 Notices . . . . .	12
20. Governing Law and Jurisdiction . . . . .	13

THIS LESSEE SECURITY AGREEMENT is dated 23 December 2015

**BETWEEN:**

- (1) **FLYBE LIMITED**, a limited liability company incorporated and existing under the laws of England with company registration number 02769768 (the "**Assignor**"); and
- (2) **AVAP LEASING (EUROPE) IV PTE LTD**, a limited liability company incorporated and existing under the laws of Singapore with company registration number 201534905G (the "**Assignee**")

**WHEREAS:**

- (A) The Assignee has agreed to lease the Aircraft to the Assignor pursuant to the Lease Agreement upon and subject to the terms and conditions thereof.
- (B) As a condition precedent to the obligations of the Assignee under the Transaction Documents, the Assignor is required to execute this Agreement in favour of the Assignee as security for the Secured Obligations.

**IT IS AGREED AS FOLLOWS:**

**1 Definitions and Interpretation**

- 1.1 Except as otherwise defined in this Agreement, all words and expressions defined in the Lease Agreement (including definitions incorporated therein by reference to another document) shall have the same respective meanings when used in this Agreement
- 1.2 In this Agreement, the following words and expressions shall, except where the context otherwise requires, have the following respective meanings

"**Agreement**" means this deed of security assignment (including the Recitals and the Schedule).

"**Aircraft**" means the ATR 72-600 aircraft bearing manufacturer's serial number 1300

"**Collateral**" means:

- (a) the Relevant Insurance Property, and
- (b) the Relevant Requisition Compensation Property.

"**Event of Loss**" means any of the following events

- (a) the agreed, actual, arranged, compromised or constructive total loss of the Aircraft (including any damage to the Aircraft which results in an insurance settlement on the basis of a total loss, or requisition for use or hire of the Aircraft which results in an insurance settlement on the basis of a total loss),
- (b) the Aircraft being destroyed, damaged beyond practical or economic repair or permanently rendered unfit for normal use for any reason whatsoever,

- (c) the Compulsory Acquisition of the Aircraft and where such Compulsory Acquisition does not involve requisition of title or other loss of title to the Aircraft, such Compulsory Acquisition shall be for a period of thirty (30) days or more;
- (d) the hijacking, theft, or disappearance of the Aircraft (i) for a period of thirty (30) days or more or (ii) if earlier, beyond the Lease Termination Date;
- (e) the condemnation, confiscation, capture, deprivation, seizure or requisition for use or hire of the Aircraft (other than where the same amounts to the Compulsory Acquisition of the Aircraft) which deprives any person entitled to have possession and/or use of the Aircraft of its possession and/or use (i) for more than a period of thirty (30) consecutive days or more or (ii) if earlier, beyond the Lease Termination Date; or
- (f) any other case which by subsequent agreement Lessor and Lessee may deem, with the agreement of the insurers, to be an Event of Loss

An Event of Loss with respect to the Aircraft shall be deemed to have occurred if an Event of Loss occurs with respect to the Airframe.

**"Insurance Proceeds"** means any and all amounts payable in consequence of any claim under the Insurances

**"Insurances"** means any and all insurances (other than liability insurances) from time to time maintained or required to be maintained in relation to the Aircraft or any part thereof by the terms of the Lease Agreement, including without limitation all the benefits of, and all claims under, and the right to make all claims under, all such insurances.

**"Lease Agreement"** means the Original Lease Agreement, as amended and novated by the Lease Novation Agreement

**"Lease Novation Agreement"** means the lease novation and amendment agreement relating to the Aircraft dated 23 December 2015 and entered into between the Assignee, Avation PLC and the Assignor.

**"Lessor Security Agreement"** means the English law first priority security assignment relating to the Aircraft dated of even date herewith and entered into between the Assignee, as assignor, and the Security Trustee, as assignee.

**"Lien"** means any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, trust arrangement, other encumbrance or security interest of any kind (howsoever created or arising) or any other right, agreement or arrangement having a similar effect (including without limitation title transfer and/or retention arrangements and rights of possession or detention)

**"Original Lease Agreement"** means the lease agreement relating to the Aircraft dated 23 June 2015 and entered into between Avation PLC and the Assignor.

**"Parties"** means, together, the parties to this Agreement.

**"Receiver"** means any receiver or receiver and manager or administrative receiver appointed by the Assignee under this Agreement or under any statutory power.

**"Relevant Insurance Property"** means all of the right, title and interest (present and future, actual and contingent and whether now or hereafter acquired) of the Assignor in and to any and all proceeds, benefits and claims (including without limitation the right to make any claim) relating to the Insurances.

**"Relevant Requisition Compensation Property"** means all of the right, title and interest (present and future, actual and contingent) of the Assignor in and to the Requisition Compensation.

**"Requisition Compensation"** means all moneys and other compensation from time to time payable in respect of any Compulsory Acquisition of the Aircraft.

**"Secured Obligations"** means (a) any and all moneys and financial liabilities which are (or which are expressed to be) 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 Transaction Document, including as a consequence of any breach, non-performance, disclaimer or repudiation by the Assignor (or by a liquidator, receiver, administrative receiver, administrator, examiner or any similar officer in respect of the Assignor) of any of the Assignor'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 the Assignor in favour of the Assignee under or in relation to any Transaction Document

**"Security Period"** means the period commencing on the date hereof and terminating on the date upon which all of the Secured Obligations have been discharged.

**"Security Trustee"** means Export Development Canada, in its capacity as security trustee for and on behalf of certain financial institutions.

**"Termination Event"** means any of the events or circumstances described in clause 23 of the Lease Agreement.

**"Transaction Documents"** means any or each or all (as the context may require) of the Lease Agreement, the Acceptance Certificate, the Authorisation Letter, the Airframe and Engine Warranty Agreement, the Support Agreement, the Assignment of Insurances, the Deregistration Power of Attorney, any Letter of Credit, any Permitted Sublease and any Security Document to which Lessee is a party and all notices, acknowledgements, consents and certificates required hereunder or thereunder or entered into in connection herewith or therewith and any other document or agreement agreed from time to time by Lessor and Lessee to constitute a Transaction Document

1.3 Unless otherwise specified and except where the context otherwise requires, any reference in this Agreement to:

- (a) any person shall be construed so as to include its successors and permitted assigns and permitted transferees in accordance with their respective interests;

- (b) any document (including this Agreement and each other Transaction Document) shall be construed as a reference to such document as amended, restated, supplemented, varied, assigned, transferred or novated from time to time in accordance with its terms and to the extent that such document is at the relevant time in effect;
- (c) any provision of law shall be construed as a reference to that provision as amended, supplemented, varied, re-enacted, replaced or restated from time to time;
- (d) any "**applicable law**" includes, without limitation, (i) applicable laws, acts, codes, conventions, decrees, decree-laws, legislation, statutes, treaties and similar instruments, (ii) applicable final judgments, orders, determinations or awards of any court from which there is no right of appeal (or, if there is a right of appeal, such appeal is not prosecuted within the allowable time) and (iii) applicable directives, guidance, guidelines, notices, orders, regulations and rules of any Governmental Authority (whether or not having the force of law but with which, if not having the force of law, compliance is customary);
- (e) a "**Clause**" shall be construed as a reference to a clause of this Agreement,
- (f) "**continuing**" shall, in relation to a Termination Event, be construed as a reference to a Termination Event which has not been waived or remedied in accordance with the terms of the Lease Agreement;
- (g) a "**person**" shall be construed as a reference to any association, company, corporation, firm, Governmental Authority, individual, joint venture, partnership (including any limited partnership and any limited liability partnership) or trust (in each case whether or not having separate legal personality);
- (h) a "**Schedule**" shall be construed as a reference to a schedule to this Agreement,
- (i) a "**successor**" shall be construed so as to mean a successor in title of a person and any person who under the applicable laws of its jurisdiction of incorporation or domicile has assumed the rights and obligations of such person or to which, under such laws or by agreement or otherwise, such rights and obligations have been transferred;
- (j) the "**winding-up**", "**dissolution**", "**administration**" or "**re-organisation**" of a person shall be construed so as to include any equivalent or analogous proceedings under the applicable law of the jurisdiction in which such person is incorporated or formed or any jurisdiction in which such person carries on business including the seeking of liquidation, winding-up, examinership, re-organisation, dissolution, administration, arrangement, adjustment, protection or relief of debtors, and
- (k) words importing the plural shall include the singular and *vice versa*.

1 4 Clause and Schedule headings shall be ignored in the interpretation of this Agreement.

## 2. Assignment, Charge and Notices

## **2.1 Assignment**

As security for the payment, performance and discharge of the Secured Obligations, the Assignor hereby assigns absolutely and agrees to assign absolutely, with full title guarantee and by way of first priority security, the Collateral in favour of the Assignee

## **2.2 Charge**

To the extent that the Collateral is not capable of assignment pursuant to Clause 2.1 (and notwithstanding the provisions of Clause 2.1), as security for the payment, performance and discharge of the Secured Obligations, the Assignor hereby charges, with full title guarantee and by way of first fixed charge, the Collateral in favour of the Assignee

## **2.3 Initial Notice**

Immediately upon execution of this Agreement, the Assignor shall in relation to the assignment in respect of the Relevant Insurance Property, execute and deliver a notice of assignment to the insurers of the Aircraft in the form set out in the Schedule.

## **2.4 Further Notices**

The Assignor hereby undertakes (a) to execute and deliver (and to use all commercially reasonable efforts to procure that each such other person as the Assignee and/or the Security Trustee may require (acting reasonably) executes and delivers) such further notices of assignment as the Assignee and/or the Security Trustee may require (acting reasonably), each of which notices shall be in such form as the Assignee and/or the Security Trustee may require (acting reasonably) and (b) to use all commercially reasonable efforts to procure that each such person as the Assignee and/or the Security Trustee may require (acting reasonably) executes and delivers a related acknowledgement of assignment to the Assignor, the Assignee and the Security Trustee, each of which acknowledgements shall be in such form as the Assignee and/or the Security Trustee may require (acting reasonably), in each case in relation to the assignment of the Collateral effected pursuant to Clause 2.1

## **3. Effectiveness of Security**

3.1 Throughout the Security Period, the Lien constituted by this Agreement shall:

- (a) be a continuing security for the full and final payment, satisfaction and discharge of the Secured Obligations,
- (b) not be considered as satisfied, discharged or prejudiced by any intermediate payment, satisfaction or settlement of any or all of the Secured Obligations or any other matter or thing whatsoever, other than the full and final payment and discharge of the Secured Obligations;
- (c) be in addition to and shall not operate so as in any way to prejudice or affect or be prejudiced or affected by any other Lien, security, guarantee, indemnity or other right or remedy that the Assignee or the Security Trustee may now or at any other time have in respect of any or all of the Secured Obligations, and

- (d) not be prejudiced by (i) any time or indulgence granted to any person, (ii) any failure or delay by the Assignee or the Security Trustee in perfecting or enforcing any other Lien, security, guarantee, indemnity or other right or remedy that the Assignee or the Security Trustee may now or at any other time have in respect of any or all of the Secured Obligations or (iii) any waiver, act, omission, unenforceability or invalidity of any such other Lien, security, guarantee, indemnity or other right or remedy.

3.2 This Agreement and each Lien constituted by this Agreement shall extend to and cover any sum, or sums of money or other obligations which shall from time to time constitute the balance of the Secured Obligations.

3.3 Neither Section 93 nor Section 103 of the Law of Property Act 1925 shall apply to this Agreement

#### **4 Representation and Warranty**

The Assignor hereby represents and warrants to the Assignee that (save as provided or permitted under the Transaction Documents) it has not prior to the date hereof assigned, charged or otherwise encumbered the Collateral or any moneys payable thereunder, other than pursuant to this Agreement.

#### **5 Covenants**

The Assignor acknowledges to the Assignee that the amount secured by this Agreement, and in respect of which this Agreement and each Lien created by this Agreement is enforceable, is the full amount of the Secured Obligations from time to time. The Assignor hereby covenants in favour of the Assignee that it will promptly pay and discharge all of the Secured Obligations subject to and in accordance with the terms of the Transaction Documents.

#### **6 Negative Pledge**

The Assignor hereby covenants with the Assignee that (save as provided or permitted under the Transaction Documents)

- (a) it will not do anything which may in any way jeopardise or otherwise prejudice the Lien constituted hereby or the rights of the Assignee hereunder;
- (b) it will not, except with the prior written consent of the Assignee, agree to any variation of the Collateral or release any party from its, or waive any breach of any party's obligations under or in relation to the Collateral or consent to any act or omission which would otherwise constitute a breach of any party's obligations under any of the Transaction Documents in relation to the Collateral;
- (c) it will not, without the prior written consent of the Assignee, assign, charge, sell or otherwise dispose of the Collateral or create or incur any Lien in or upon the Collateral, save for the Liens constituted by this Agreement; and
- (d) it will not exercise any right of set-off, counterclaim or defence against the Assignee with respect to the Collateral

## **7 Assignor's Continuing Obligations**

Notwithstanding anything to the contrary contained in this Agreement.

- (a) the Assignor will remain liable to perform all of its obligations in relation to the Collateral and the Transaction Documents;
- (b) the Assignee will not (by reason of this Agreement or otherwise) in any circumstances be under any liability whatsoever as a result of any failure by the Assignor to perform any of its obligations in relation to the Collateral or any Transaction Document; and
- (c) the Assignee will not (by reason of this Agreement or otherwise) in any circumstances be required or obliged
  - (i) to assume or to perform any of the Assignor's obligations in relation to the Collateral or any Transaction Document;
  - (ii) (except as otherwise provided in any Transaction Document to which it is a party) to enforce against any person any term or condition of any Transaction Document or to enforce any right or benefit assigned and/or charged pursuant to this Agreement or to which the Assignee may at any time be entitled in relation to the Collateral or to exercise any right, power or remedy conferred upon it by or under this Agreement or applicable law; and/or
  - (iii) to make any enquiry as to the nature or sufficiency of any payment received by the Assignee under or in relation to this Agreement or to make any claim or to take any action with respect to the Collateral or to collect any moneys assigned and/or charged pursuant to this Agreement.

## **8. Enforceability of Security**

8.1 Upon the occurrence of any Termination Event and so long as such Termination Event is continuing, the Assignee (or, pursuant to the Lessor Security Agreement, the Security Trustee) may give written notice to the Assignor and/or any other relevant person (including the insurers with whom the Insurances are placed) declaring that the Assignee or the Security Trustee, as the case may be, may exercise any and all rights in or in relation to the Collateral and at all times thereafter the Assignee or the Security Trustee, as the case may be, shall be entitled without notice or further demand:

- (a) to exercise any and all rights of the Assignor in relation to all or any part of the Collateral;
- (b) to take possession of and hold and/or sell or otherwise dispose of or realise all or any part of the Collateral;
- (c) to collect, receive, compromise or settle, and to give a good release or discharge for, any and all claims in relation to all or any part of the Collateral;



- (d) to bring, take, defend, compromise, settle, submit to arbitration or discontinue any and all actions, disputes, proceedings or suits (civil or criminal) in relation to all or any part of the Collateral,
- (e) to appoint a Receiver of all or any part of the Collateral and to remove any Receiver so appointed and appoint another in his place,
- (f) to exercise in any lawful manner any rights, powers and remedies available to a secured creditor under any applicable law, all of which rights, powers and remedies are intended to be available to the Assignee under this Agreement;
- (g) to apply to any court of competent authority for any applicable order in relation to all or any part of the Collateral; and/or
- (h) to take all such action and do all such things as the Assignee (or, pursuant to the Lessor Security Agreement, the Security Trustee) may, in its sole and absolute discretion, consider necessary or appropriate for or in relation to any of the purposes of this Agreement,

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

- 8.2 Unless a Termination Event shall have occurred and be continuing (subject to any further requirement for notice by the Assignee contained in any notice of assignment executed and delivered pursuant to this Agreement), the Assignor will be entitled to exercise any and all rights in relation to the Collateral (except in relation to Insurance Proceeds relating to an Event of Loss), subject to the terms of the Transaction Documents
- 8.3 Subject to the terms of this Agreement, the Assignee may exercise any and all of its rights, powers and remedies under and in relation to this Agreement (including without limitation its power of sale) 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 fraud, gross negligence or wilful misconduct)
- 8.4 The Assignee will not be obliged to exercise any right, power or remedy conferred upon it by or under this Agreement 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 Aircraft. No action taken or omitted to be taken by the Assignee in accordance with the terms of this Agreement and/or any other Transaction Document 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.
- 8.5 The Assignee shall not under any circumstances be liable to account as an assignee and/or chargee of the Collateral or be liable for any loss arising from or in connection with the realisation of all or any part of the Collateral or otherwise for any act, neglect, default or omission for which an assignee and/or chargee of property such as the Collateral might be liable (unless caused by the Assignee's fraud, gross negligence or wilful misconduct)

8 6 Upon any sale by the Assignee of all or any part of the Assignee's right, title and interest in and to the Collateral, 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 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 therefor

## 9. Receiver

9 1 The appointment of a Receiver pursuant to Clause 8.1(e) shall be subject to the following provisions.

- (a) such appointment may be made either before or after the Assignee will have exercised any of its rights under this Agreement,
- (b) such appointment may be made upon such terms and conditions as the Assignee may, in its sole and absolute discretion, determine;
- (c) the Receiver shall be the agent of the Assignor, and the Assignor alone shall be responsible for his acts, defaults and remuneration;
- (d) the Receiver shall not under any circumstances be liable to account as an assignee and/or chargee of the Collateral or be liable for any loss arising from or in connection with the realisation of all or any part of the Collateral or otherwise for any act, neglect, default or omission for which an assignee and/or chargee of property such as the Collateral might be liable (unless caused by the Receiver's fraud, gross negligence or wilful misconduct);
- (e) the 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 Agreement and by applicable law with respect to the Collateral; and
- (f) without limiting Clause 9 1(b), the remuneration of the Receiver may be fixed by the Assignee (acting reasonably), and may include a commission calculated by reference to a gross amount of all money received or otherwise, but shall be payable by the Assignor and shall form part of the Secured Obligations.

9.2 Sections 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 1(e).

## 10. Application of Moneys

All moneys received by the Assignee (or any Receiver) in relation to the Collateral by reason of this Agreement shall be applied in accordance with the provisions of clause 20.3 of the Lease Agreement (in the case of the Relevant Insurance Property) and clause 21 2 of the Lease Agreement (in the case of the Relevant Requisition Compensation Property).

## 11. Delegation

The Assignee will be entitled, at any time and as often as may be necessary or appropriate, to delegate any or all of the powers and discretions vested in it by this Agreement (including the power vested in it by virtue of Clause 14) in such manner, upon such terms, and to such persons as the Assignee may in its sole and absolute discretion determine

**12. Conditional Discharge Only**

Any settlement or discharge between the Assignee and the Assignor will be conditional upon no security or payment to the Assignee or the Security Trustee by any person under or in relation to any Transaction Document being avoided or set aside or ordered to be refunded or reduced by virtue of any applicable law (including without limitation in the context of any winding-up, dissolution, administration or re-organisation).

**13 Reassignment and Release of Charge**

Following the full and final discharge of the Secured Obligations (as confirmed in writing by the Assignee), the Assignee will, upon the request and at the cost of the Assignor and subject to Clause 12, re-assign and release to the Assignor, without recourse or warranty, such right, title and interest as the Assignee may then have in and to the Collateral

**14. Appointment of Attorney**

- 14.1** The Assignor hereby by way of security irrevocably appoints each of the Assignee and any Receiver severally to be its true and lawful attorney (with full power of substitution and delegation), for and on behalf of the Assignor and in its name or in the name of the Assignee and Receiver (as the case may be) and as the Assignor's act and deed to sign, seal, execute, deliver and do all such assurances, acts and things which the Assignee and Receiver (as the case may be) may deem to be appropriate or advisable in order to give full effect to the purposes of this Agreement, including without limitation, to ask, require, demand, receive, compound and give acquittance for any and all moneys and claims for any and all moneys due under or arising out of the Collateral (to the extent assigned and/or charged pursuant to this Agreement), to endorse any cheque, draft or other document, instrument or order in connection therewith and to make any claim or to take any action or to institute any suit, legal action or other proceeding which the Assignee and Receiver (as the case may be) may consider to be appropriate or advisable in connection with the Collateral (to the extent assigned and/or charged pursuant to this Agreement), and generally in the Assignor's name and on its behalf to exercise all or any of the powers, authorities and discretions conferred by or pursuant to this Agreement or applicable law on the Assignee and Receiver (as the case may be), and, without prejudice to the generality of the foregoing, to seal and deliver and otherwise perfect any deed, assurance, agreement, instrument, act or thing which the Assignee and Receiver (as the case may be) may deem appropriate for the purpose of exercising any of such powers, authorities and discretions, provided that the authority conferred in this Clause 14.1 shall only be exercisable for so long as the security created under this Agreement has become enforceable in accordance with the terms of this Agreement.

14.2 The power conferred by Clause 14.1 shall be a general power of attorney under the Powers of Attorney Act 1971, and the exercise of the power by the Assignee and Receiver as the case may be, shall be conclusive evidence of its right to exercise to exercise the same.

14.3 The Assignor hereby unconditionally and irrevocably ratifies and confirms and agrees to ratify and confirm whatever any attorney appointed pursuant to Clause 14.1 shall do or purport to do in the exercise or purported exercise of any or all of the powers, authorities and discretions conferred pursuant to Clause 14.1

**15. Further Assurance and Protection of Security**

15.1 The Assignor will take all such actions and do all such things as the Assignee may from time to time require (acting reasonably) so as to establish, maintain, perfect, preserve and/or protect the rights of the Assignee under or in relation to this Agreement, each Lien created (or intended to be created) by this Agreement and/or the priority (or intended priority) of each such Lien.

15.2 The Assignee shall, without prejudice to its other rights, powers and remedies under this Agreement, be entitled (but not obliged) to take all such action and do all such things as it may from time to time consider (acting reasonably) necessary or appropriate so as to establish, maintain, perfect, preserve and/or protect its rights under or in relation to this Agreement, each Lien created (or intended to be created) by this Agreement and/or the priority (or intended priority) of each such Lien provided that the Assignee shall, for so long as there shall not have occurred and be continuing a Termination Event, consult in good faith with the Assignor in relation to the taking of any such action or the doing of any such thing

15.3 Any action taken or thing done pursuant to this Clause 15 shall be at the Assignor's sole cost and expense.

**16. Miscellaneous**

16.1 This Agreement may be executed in any number of counterparts and on separate counterparts, each of which when executed and delivered shall constitute an original, but all counterparts shall together constitute one and the same instrument. Delivery of a counterpart of this Agreement by e-mail attachment or fax shall be an effective mode of delivery. In relation to each counterpart, upon confirmation by or on behalf of a Party that such Party authorises the attachment of its counterpart signature page to the final text of this Agreement, such counterpart signature page shall take effect, together with such final text, as a complete authoritative counterpart

16.2 Any amendment, supplement or variation to this Agreement must be in writing and executed by each Party.

16.3 Neither the failure to exercise, nor the delay in any exercise of, nor the single or partial exercise of, any right, power or remedy by the Assignee under or in relation to this Agreement shall (a) operate as a waiver of such right, power or remedy, (b) prevent any further or other exercise of such right, power or remedy or (c) prevent the exercise of any other right, power or remedy. The rights, powers and remedies of the

Assignee provided in this Agreement are cumulative and not exclusive of any rights, powers or remedies provided by law.

- 16.4 Any waiver or consent given by a Party under or in relation to this Agreement must, in order to be effective, be in writing and shall only be effective in the specific circumstances in which it is given.
- 16.5 If, at any time, any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Agreement nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired.
- 16.6 A person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Agreement provided that (a) a Receiver appointed pursuant to Clause 8.1(e) shall be entitled to enforce and enjoy the benefit of the terms of Clause 9 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 Agreement (including without limitation Clause 9)) and (b) the Security Trustee shall be entitled to enforce and enjoy the benefit of the terms of Clauses 2.4 and 8 subject to and in accordance with the provisions thereof

**17. Costs and Expenses**

- 17.1 Each Party is responsible for costs and expenses relating to this Agreement subject to and in accordance with the provisions of clause 27 9 of the Lease Agreement.

**18. Assignments and Transfers**

- 18.1 This Agreement shall be binding upon and enure to the benefit of each Party and its successors and permitted assigns and permitted transferees.
- 18.2 The Assignor shall not be entitled to assign and/or transfer any or all of its rights and/or obligations under this Agreement.
- 18.3 The Assignee shall be entitled to assign all of its rights under this Agreement to the Security Trustee pursuant to the Lessor Security Agreement, but shall not otherwise be entitled to assign and/or transfer any of its rights and/or obligations under this Agreement.

**19. Notices**

- 19 1 All notices, requests, demands or other written communications in relation to this Agreement shall be made in accordance with the provisions of clause 34 of the Lease Agreement.
- 19 2 For such purposes:

- (a) the notice details of the Assignor are

Flybe Limited  
New Walker Hanger

Exeter International Airport  
Clyst Honiton  
Exeter EX5 2BA  
United Kingdom

Attention: General Counsel and Director of Fleet Planning  
Fax: +44 1392 266772

(b) the notice details of the Assignee are:

AVAP Leasing (Europe) IV Pte Ltd  
c/o Avation PLC  
65 Kampong Bahru  
169370 Singapore

Attention: Group General Counsel  
Fax: +65 6252 5158

with a copy to

Export Development Canada  
150 Slater Street  
Ottawa, Ontario  
Canada K1A 1K3

Loan Administration.

Attention: Loans Services  
Fax: (613) 598-2514  
Email: [LS-aerospace@edc.ca](mailto:LS-aerospace@edc.ca)

Covenants & Compliance

Attention: Covenants Officer  
Fax: (613) 598-3186  
Email: [covenantsofficer@edc.ca](mailto:covenantsofficer@edc.ca)

Credit Matters:

Attention: Credit Risk Management  
Fax: (613) 598-3186

or, in each case, such other notice details that a Party may from time to time notify to the other Party upon not less than five (5) Business Days' prior written notice.

## **20. Governing Law and Jurisdiction**

- 20.1 This Agreement and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with English law
- 20.2 Each Party irrevocably agrees for the benefit of the other Party that the courts of England shall have jurisdiction to hear and determine any suit, action or proceeding (Proceedings), and to settle any disputes, which may arise out of or in connection with

this Agreement and for such purpose irrevocably submits to the jurisdiction of such courts.

- 20.3 The submission by the Parties to the jurisdiction mentioned in Clause 20.2 shall not (and shall not be construed so as to) limit the right of any Party to take Proceedings against the other Party in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not, if and to the extent permitted by applicable law.
- 20.4 The Assignor hereby consents generally in respect of any Proceedings arising out of or in connection with this Agreement to the giving of any relief or the issue of any process in connection with such Proceedings including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given in such Proceedings.
- 20.5 To the extent that the Assignor may in any jurisdiction claim for itself or its assets immunity from suit, execution, attachment (whether in aid of execution or judgment or otherwise) or other legal process and to the extent that in any such jurisdiction there may be attributed to itself or its assets such immunity (whether or not claimed), the Assignor hereby irrevocably agrees not to claim and hereby irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction

**IN WITNESS WHEREOF** the Parties have caused this Agreement to be executed as a deed by the duly authorised representatives of the Parties and this Agreement is intended to be and is hereby delivered on the day and year first above written.

**THE SCHEDULE**  
**FORM OF NOTICE OF ASSIGNMENT OF INSURANCES**

To: Participating Insurers  
In the Flybe Limited  
Hull All Risks, Hull War Risks and All Risks Spares Insurances

From: Flybe Limited (the "Lessee")  
AVAP Leasing (Europe) IV Pte Ltd (the "Lessor")  
Export Development Canada, in its capacity as security trustee for and on  
behalf of certain persons (in such capacity, the "Security Trustee")

[●] 2015

Dear Sirs

**One (1) ATR 72-600 Aircraft bearing Manufacturer's Serial Number 1300 (the Aircraft)**

- 1 We refer to the lease agreement relating to the Aircraft dated 19 February 2015 between the Lessor and the Lessee, as amended and novated pursuant to the lease novation agreement dated on or about the date hereof and entered into between Avation PLC, the Lessor and the Lessee (the Lease Agreement).
2. We hereby give notice that
  - (a) by a security agreement of even date herewith (the "**Lessee Security Agreement**"), the Lessee assigned and agreed to assign by way of first priority security to the Lessor all of its right, title and interest in and to, *inter alia*, the Insurances, and
  - (b) by a security agreement of even date herewith, the Lessor assigned and agreed to assign by way of first priority security to the Security Trustee all of its right, title and interest in and to, *inter alia*, the Insurances (either in its own capacity or pursuant to the Lessee Security Agreement).
3. For the purposes hereof Insurances means any and all insurances (other than liability insurances) from time to time maintained or required to be maintained in relation to the Aircraft or any part thereof by the terms of the Lease Agreement, including without limitation all the benefits of, and all claims under, and the right to make all claims under, all such insurances
- 4 Unless you are notified otherwise by the Lessor or by the Security Trustee, please continue to follow the instructions of the Lessee in respect of the Insurances (except in respect of the occurrence of any event of loss in relation to the Aircraft). Upon notice from the Lessor or the Security Trustee, please follow the Lessor's or the



Security Trustee's, as the case may be, instructions in respect of the Insurances (provided that the notice of the Security Trustee shall in all circumstances prevail).

5. This notice and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with English law.

Yours faithfully

**Lessee**

\_\_\_\_\_  
for and on behalf of  
**FLYBE LIMITED**

Name:

Title:

**Lessor**

\_\_\_\_\_  
for and on behalf of  
**AVAP LEASING (EUROPE) IV PTE LTD**

Name

Title

**Security Trustee**

\_\_\_\_\_  
for and on behalf of

**EXPORT DEVELOPMENT CANADA**

Name.

Title:

**EXECUTION PAGE**

**Lessee Security Agreement**

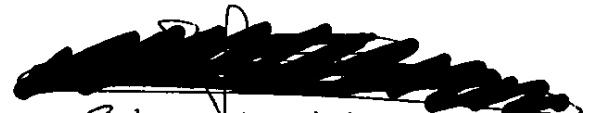
**One (1) ATR 72-600 Aircraft**

**MSN 1300**

**The Assignor**

**EXECUTED AND DELIVERED as a DEED by**  
**FLYBE LIMITED**  
acting by its  
in the presence of

)  
)  
)  
)

  
Sylvain G LOUX  
Senior Fleet Planning Executive

Signature of Witness



Name of Witness:

MANNAH GREENSLADE

Address of Witness



**The Assignee**

**SIGNED, SEALED AND DELIVERED AS A DEED by**  
\_\_\_\_\_  
as attorney for and on behalf of  
**AVAP LEASING (EUROPE) IV PTE LTD**  
in the presence of

)  
)  
)  
)

Signature of Witness.

\_\_\_\_\_

Name of Witness:

\_\_\_\_\_

Address of Witness:

\_\_\_\_\_

\_\_\_\_\_

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