

## **AUSTRIAN PLEDGE AGREEMENT**

between

**ACE AVIATION VI LIMITED**

a company registered in Malta with registration number C 101563 and registered address at Level 5, Skyparks Business Centre, Malta International Airport, Luqa LQA 4000, Malta

Hereinafter the "**Pledgor**" or "**Owner**"

and

**CHALLENGE AVIATION P.L.C.**

a company registered in Malta with registration number C 113656 and registered address at Challenge Group Skyparks Business Centre Level 5, Malta International Airport, Luqa LQA 4000, Malta

Hereinafter the "**Issuer**"

and

**FINCO TRUST SERVICES LIMITED**

a company registered in Malta with registration number C 13078 and registered address at The Bastions Office, No. 2 Emlin Cremona Street, Floriana FRN 1281, Malta

Hereinafter the "**Pledgee**" or "**Security Trustee**"

and

**CHALLENGE AIRLINES (BE) S.A.**

a private limited liability company registered under the laws of Belgium bearing company registration number 0669921491 and having its registered office at Rue du Fort, 3, L' Escal, Level 3, 4460 Grâce-Hollogne, Belgium

Hereinafter the "**Third Party Holder**"

dated

16 April 2026

Boeing 747-409F  
Austrian registration mark: OE-LRI  
Manufacturer's Serial No: 33729

## WHEREAS

1. The Pledgor is the legal owner of one (1) Boeing B747-409F Aircraft bearing Manufacturer's Serial Number 33729 with Four (4) General Electric CF6-80C2B1F Engines bearing serial numbers 706641, 706692, 706778 and 706241 (the "**Aircraft**", as further described in **Annex 1** hereto) which is currently operated by the Third Party Holder pursuant to a Lease Agreement (as defined below); the Aircraft is currently registered in the Austrian aircraft registry under the registration mark OE-LRI;
2. Pursuant to the Prospectus, the Issuer will issued bonds up to the amount of EUR 30,000,000, repayable to the subscribing Bondholders (as defined in the Prospectus) as per the relevant Final Terms (as defined in the Prospectus) and subject to the applicable bond conditions under Maltese Law (the "**Bond**"), pursuant to which the Security Trustee was appointed to represent the Bond holders and hold any security to be provided under the Bond conditions to the Bond holders as a security trustee.
3. As part of the security package to be provided under the Bond, the Pledgor shall pledge all of its rights, title and interest in and to the Aircraft to the Security Trustee as security for the repayment and discharge of the Issuer's obligations pursuant to the applicable Bond conditions, including but not limited to the obligation to repay the Bond holders at the end of the Bond period (the "**Secured Obligations**").
4. Accordingly, the Issuer, the Pledgor and the Security Trustee have concluded a Security Trust Deed (MSN 33729) subject to Maltese Law (the "**Security Trust Deed**");
5. As a consequence of the Aircraft being registered in Austria, it is necessary to comply with specific Austrian legal provisions regarding the perfection and enforcement of a pledge. In order to comply with these provisions, the Parties herewith will also enter into this Austrian Pledge Agreement. The purpose of this Austrian Pledge Agreement is to supplement the Security Trust Deed in order to comply with the applicable mandatory Austrian legal provisions.

### 1. DEFINITIONS

Unless otherwise defined herein, capitalized terms used in this Austrian Pledge Agreement shall have the same meaning as in the Security Trust Deed.

**"Bond"** means the secured bond issuance programme of a maximum of €30,000,000 by the Issuer in terms of the Prospectus or, as the case may be, the amount of such Bonds for the time being issued and outstanding, as amended, restated, supplemented or otherwise modified from time to time.

**"Lease Agreement"** means the Aircraft Operating Lease Agreement dated 20th August 2024 between the Pledgor as lessor and the Third Party Holder, as lessee, as amended, restated, supplemented or otherwise modified from time to time.

**"Pledge"** means the pledge as created under this Austrian Pledge Agreement and by the instruction to possess the Aircraft by the Pledgor to the Third Party Holder.

**“Prospectus”** means the base prospectus dated 16 April 2026 issued by the Issuer in accordance with the provisions of Chapter four (4) of the Capital Markets Rules issued by the Malta Financial Services Authority and of Commission Regulation (EU) 2017/1129, as the same may from time to time be amended, varied and/or supplemented.

**“Pledge Closing Date”** means the date of execution of this Austrian Pledge Agreement.

**“Security Trust Deed”** shall have the meaning specified in the Preamble.

## **2. COVENANT TO PAY**

The Issuer undertakes to pay and discharge all Secured Obligations in the manner described in the Security Trust Deed to the Bondholders.

## **3. PLEDGE**

3.1. The Pledgor grants this Pledge to the Pledgee with respect to the Secured Obligations of the Issuer under the Bonds.

3.2. Creation of the Pledge

As a continuing security for the payment and discharge of the Secured Obligations, the Pledgor, with full title guarantee, hereby fully pledges and charges the Aircraft, as further described in **Annex 1** in favour of and to the order of the Pledgee by way of a first priority legal pledge.

3.3. Perfection of the Pledge

The Pledgor undertakes to instruct the Third Party Holder to hold the Aircraft solely for the benefit of the Pledgee and not for the benefit of the Pledgor in accordance with the instruction to possess (*“Besitzanweisung”*) attached hereto as **Annex 2**.

In order to ensure that third parties are aware of the fact that the Third Party Holder holds the Aircraft truly, publicly and conspicuously in the name and for the account of the Pledgee, the Third Party Holder shall ensure that at all times fireproof nameplates are affixed and remain affixed to the Airframe and on each of the Engines containing the following text:

“This [Aircraft/Engine] is owned by ACE AVIATION VI LIMITED, is leased to CHALLENGE AIRLINES (BE) S.A., and is subject to a pledge in favor of FINCO TRUST SERVICES LIMITED.

Accordingly it may not be or remain in the possession of, or be operated by, any other person without the prior written consent of ACE AVIATION VI LIMITED and FINCO TRUST SERVICES LIMITED.”

3.4. Engines

All or any of the engines described by Engine Serial Numbers in **Annex 1**, which are installed on the Aircraft as of the Pledge Closing Date and which are owned by the Pledgor from the Pledge Closing Date are covered by the Pledge created by this Austrian Pledge Agreement.

Any Engine or Part at any time removed from the Aircraft (whether or not thereafter installed on any other airframe as described in Clause 6.1.5) shall remain subject to the Pledge created by this Austrian Pledge Agreement, even if the Engine or Part is installed on another aircraft.

Any replacement Engine or Part that is installed on the Aircraft, shall become subject to the Pledge created by this Austrian Pledge Agreement. Any such replacement Engine or Part shall then become subject to the conditions and terms of the Austrian Pledge Agreement, which shall then be confirmed in writing with a supplement to this Austrian Pledge Agreement, which shall be substantially in the form attached hereto as **Annex 3** and in which any such replacement Engine or Part will be specified and identified and in which the Third Party Holder will be instructed by the Pledgor to possess the replacement Engine or Part on behalf of the Pledgee. The Pledgor and the Third Party Holder undertake that the replacement Engine or Part will be of at least equal value as the removed Engine or Part, and confirms to the requirements of a Replacement Engine, as defined in the Lease Agreement, and is the property of the Pledgor.

#### **4. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS**

4.1. The Pledgor represents, warrants and guarantees to the Pledgee as of the date hereof and the Pledge Closing Date:

- 4.1.1. that it is the owner of the Aircraft and has valid right, title and interest to the Aircraft;
- 4.1.2. that the Aircraft is not subject to any Security Interest (other than the Pledge and any other form of security granted to the Pledgee in connection with the Security Trust Deed and the other Transaction Documents) in favour of any third party, so that this Austrian Pledge Agreement effectively creates a first ranking pledge over the Aircraft in favour of the Pledgee;
- 4.1.3. that it is a limited liability company duly incorporated and validly existing under the laws of Malta and that it has full power and authority to execute this Austrian Pledge Agreement, to comply with its provisions and perform its obligations hereunder, and that all corporate and other action required to authorise its execution and performance of this Austrian Pledge Agreement has been duly taken;
- 4.1.4. that this Austrian Pledge Agreement constitutes the legal, valid and binding obligations of the Pledgor enforceable against it (except as may be limited by applicable insolvency, bankruptcy, moratorium, examinership, reorganization, or other similar laws affecting enforceability of creditors' rights generally and the availability of equitable remedies);
- 4.1.5. that the entry into and performance by the Pledgor of this Austrian Pledge Agreement does not and will not violate in any respect (i) any applicable law, or

(ii) its constitutional documents, or (iii) any agreement, contract or undertaking to which it is a party.

4.2. The Third Party Holder represents and warrants to the Pledgee and the Pledgor:

- 4.2.1. that it is a company duly incorporated and validly existing under the laws of Belgium and that it has full power and authority to execute this Austrian Pledge Agreement, to comply with its provisions and perform its obligations hereunder;
- 4.2.2. that this Austrian Pledge Agreement constitutes legal, valid and binding obligations enforceable against it;
- 4.2.3. that the entry into and performance by the Third Party Holder of this Austrian Pledge Agreement does not and will not violate in any respect (i) any applicable law, or (ii) its constitutional documents, or (iii) any agreement, contract or undertaking to which it is a party.

4.3. Undertakings

The Pledgor further undertakes:

- 4.3.1. except as permitted by the terms of the Security Trust Deed, not to sell, assign or otherwise dispose of the Aircraft and not to create any other security interest over the Aircraft other than the first priority Pledge under this Austrian Pledge Agreement (and any other form of security granted to the Pledgee in connection with the Security Trust Deed and the other Transaction Documents), for the full term of this Austrian Pledge Agreement;
- 4.3.2. save for prior written approval from the Pledgee, to abstain from any act which would cause the Third Party Holder to lose possession of the Aircraft, or cause or permit the de-registration of the Aircraft or cause or permit a change of the airport where the Aircraft is based; the Pledgor also agrees to take such steps as the Pledgee may reasonably require to prevent any de-registration of the Aircraft;
- 4.3.3. without the Pledgee's prior written consent, not to accept redelivery of the Aircraft or permit the Aircraft to be redelivered to the Pledgor other than in accordance with the terms of this Austrian Pledge Agreement;
- 4.3.4. to inform the Pledgee in writing of any event which could adversely affect the first priority Pledge under the Austrian Pledge Agreement, including but not limited to accidents, seizure, detention or judicial action;
- 4.3.5. to procure that no executory seizure (“Vollstreckung des Pfandrechts”) is made on the Aircraft, and that any such seizure thereon is lifted within 30 days of it first being made, in each case by or on behalf of any creditor of the Pledgor in respect of any business or liability of the Pledgor;
- 4.3.6. upon an enforcement of this Austrian Pledge Agreement and an ensuing sale of the Aircraft, upon the request of the Pledgee, to assign to the purchaser all its rights in all agreements in existence from time to time containing warranties or

undertakings from any manufacturer, supplier or seller of the Aircraft or any part thereof;

- 4.3.7. not to do anything or permit to be done anything that could adversely affect the first priority nature of the Pledge; and
- 4.3.8. upon demand of the Pledgee, to create in favour of the Pledgee a pledge or any other appropriate form of security interest as the Pledgee may require, as security for the Secured Obligations, over its rights to any insurance policy in respect of the Aircraft.

## **5. PLEDGOR'S COVENANTS**

- 5.1. The Pledgor covenants that, until the Secured Obligations have been irrevocably and unconditionally discharged in full, it will:
  - 5.1.1. institute and maintain all such proceedings as the Pledgee may reasonably require to preserve or protect the interests of the Pledgee and the Pledgor under this Pledge and each of the other Transaction Documents;
  - 5.1.2. do or permit to be done each and every act or thing (including making all filings and registrations) which the Pledgee may from time to time reasonably require to be done for the purposes of enforcing the Pledgee's rights hereunder and in respect of the Pledge, and allow its name to be used as and when reasonably required by the Pledgee for that purpose;
  - 5.1.3. not part with possession of the Aircraft other than in accordance with the provisions of this Austrian Pledge Agreement, or assign or otherwise dispose of the Pledge or any part thereof or any of its rights therein without the prior written consent of the Pledgee; and
  - 5.1.4. not, without the prior written consent of the Pledgee, create or incur any lien or permit any lien to exist over the Pledge, save for the liens constituted by this Pledge and the other Transaction Documents.
- 5.2. Notwithstanding anything herein contained to the contrary, the Pledgor shall remain liable in respect of the Pledge to perform all the obligations in respect thereof and the Pledgee shall not be under any obligation or liability in respect of the Pledge by reason of this Pledge or anything arising therefrom nor shall the Pledgee be required to assume or be under any obligation in any manner to perform or fulfil any obligation of the Pledgor under or pursuant to any of the Pledge or make any payment thereunder, or to enforce any term or condition of the Pledge or to make enquiries as to the nature or sufficiency of any payment received by the Pledgee by virtue of this Pledge.

## **6. DISPOSSESSION**

- 6.1. Third Party Holder

- 6.1.1. The Parties agree that during the term of this Austrian Pledge Agreement, the Third Party Holder shall hold possession of the Aircraft according to the instruction to possess ("*Besitzanweisung*") attached hereto as **Annex 2** disregarding contrary obligations it may have under the Lease Agreement.
- 6.1.2. Only for the purpose of maintenance as authorized under the Lease Agreement, the Third Party Holder shall, during the term of this Austrian Pledge Agreement, part with possession of the Aircraft, unless the Pledgee has given its written approval.
- 6.1.3. The Third Party Holder shall only with the prior written approval from the Pledgee (i) de-register the Aircraft from the Austrian Aircraft Registry or cause such de-registration to occur (except following the expiry of the Lease Agreement by the effluxion of time), (ii) change the airport at which the Aircraft is based, or (iii) permit that any right on the Aircraft or any security, option or encumbrance in favour of any third party exists, subsists or is created.
- 6.1.4. The Third Party Holder shall not, other than for purposes of maintenance as authorized under the Lease Agreement, part with possession of any Engine(s) or parts of the Aircraft, unless the Pledgee has given its written approval. If (a) the Third Party Holder has received notice from the Pledgee that an Enforcement Event is continuing and (b) the Third Party Holder is required for any reason whatsoever to redeliver any Engine or parts to the Pledgor, the Third Party Holder shall instead redeliver the same to the Pledgee or to any substitute third-party holder as the Pledgee may designate. With prior written approval from the Pledgee, the Third Party Holder may:
- 6.1.4.1. install the Engine(s) on another airframe registered in the name of and/or operated by the Third Party Holder; or
- 6.1.4.2. store the Engine(s) at a facility to which the Third Party Holder has access.
- 6.1.5. If the event of loss of possession of any Engine(s) or Part(s) by the Third Party Holder involves possession of such Engine(s) by another company or entity other than the Third Party Holder, the Pledge over such Engine(s) or Part(s) under this Austrian Pledge Agreement may be lost. The Parties agree that any removed Engine(s) or Part(s) will remain the property of the Pledgor and subject to the Austrian Pledge Agreement no matter if they will be installed on another aircraft; any replacement Engine or Part that is installed on the Aircraft, and which meets the requirements for replacement engines specified in Clause 3.4 herein, becomes subject to the Pledge under this Austrian Pledge Agreement. Any such replacement Engine shall then become subject to the conditions and terms of the Austrian Pledge Agreement, which shall then be confirmed in writing with a supplement to this Austrian Pledge Agreement, which shall be substantially in the form attached hereto as **Annex 3** and in which any such replacement Engine will be specified and identified and in which the Third Party Holder will be instructed by the Pledgor to possess the replacement Engine on behalf of the Pledgee. If there are any major accidents, seizure, detention, or judicial action affecting the Aircraft, the Third Party Holder shall immediately

inform the Pledgor, which shall in turn, immediately inform the Pledgee to the extent required under the Security Trust Deed.

6.1.6. Should the Lease Agreement relating to the Aircraft be terminated for any reason and/or if the Third Party Holder has received notice from the Pledgee that an Enforcement Event is continuing, the Third Party Holder shall discharge its obligation to redeliver the Aircraft under the Lease Agreement by redelivering the same to the Pledgee or to any substitute third-party holder as the Pledgee may designate.

6.1.7. In order to secure the rights of the Pledgee under this Austrian Pledge Agreement, the Third Party Holder will grant and deliver to the Pledgee the Irrevocable Power of Attorney for Deregistration in a form attached hereto as Annex 4.

6.1.8. The Pledgee hereby agrees that such powers appointed to the Pledgee pursuant to clause 6.1.7 and **Annex 4** shall not be exercised unless and until an Enforcement Event has occurred and is continuing.

## 6.2. Indemnity

The Third Party Holder shall pay to the Pledgee on demand all reasonable expenses (including legal, survey and other costs) incurred by the Pledgee in respect of breach of the undertakings prescribed in Clause 6.1 and indemnify and hold harmless the Pledgee from and against all losses arising out of such breach, except if they are resulting from a breach by the Pledgee of any of its undertakings under this Austrian Pledge Agreement.

## 7. ENFORCEMENT

7.1. If an Enforcement Event occurs, the Third Party Holder shall, upon written notification by the Pledgee that an Enforcement Event has occurred, surrender the Aircraft to the Pledgee and the Pledge hereby created shall become immediately enforceable as described below:

7.2. The Pledgor herewith grants its express consent that upon the occurrence of an Enforcement Event, the Pledgee shall be entitled to realize without any writ, judgement or any other legal court document and/or action the Pledge or any parts thereof by applying Articles 466a to 466e of the Austrian Civil Code (*Allgemeines Bürgerliches Gesetzbuch*) and Article 368 of the Austrian Commercial Code (*Unternehmensgesetzbuch*) as follows:

7.2.1. The Pledgee shall submit to the Pledgor written evidence of the occurrence of an Enforcement Event, specify the amount in default, and announce its intention to enforce the pledge over the Aircraft or any parts thereof as agreed below if the relevant obligations are not performed in full.

7.2.2. There must be a period of at least 30 Business Days between such submission (see above) and the sale of the Aircraft or any parts thereof.

7.2.3. The Parties herewith expressly agree that the Aircraft or any parts thereof have a market value.

7.2.4. Any private sale of the Aircraft or any parts thereof shall only be made upon prior assessment of the market value of the Aircraft or any parts thereof by an

independent internationally acknowledged aircraft appraiser chosen by the Pledgee at its reasonable discretion without the Pledgor's consent. A copy of the appraisal must be submitted to the Pledgor as soon as it becomes available to the Pledgee.

- 7.2.5. After the procedure described in subparagraphs 7.2.1 and 7.2.4 above has been completed, the Pledgee shall have the right to mandate a duly authorized agent chosen by the Pledgee at its reasonable discretion and without the Pledgor's consent to sell the Aircraft or any parts thereof. The purchase price of such sale by a mandated agent shall amount to at least 100% of their market value as determined in the appraisal pursuant to subparagraph 7.2.4 above.
- 7.2.6. In the event that no market value of the Aircraft or any parts thereof can be determined or that the Aircraft or any parts thereof could not be sold at a minimum of 100% of the respective market value within a period of one month from awarding the mandate to the duly authorized agent, either (a) the Aircraft shall be sold by public auction, whereas the minimum offer must not be lower than the outstanding balance (principal plus interest and any overdue interest) of the Secured Obligations at the scheduled date of the public auction plus any expenses incurred by the Pledgee including, but not limited to, costs for appraisal and authorized agent, or (b) any part of the Aircraft shall be sold by public auction, whereas the minimum offer shall be determined by the authorized agent, but, if applicable, must not be lower than 80% of its market value as determined in the appraisal pursuant to subparagraph 7.2.4 above.
- 7.2.7. Time and place of the auction and the type of Aircraft or detailed description of any parts thereof shall be published in "Flight International" and "Speed News". The Pledgor, Third Party Holder and third parties who may have rights with respect to the Aircraft or any parts thereof shall be separately notified fourteen calendar days prior to the date of the auction unless such notification is unpracticable.
- 7.2.8. The Pledgee is entitled to participate in a public auction.
- 7.2.9. The Pledgee shall not be liable for any acts or omissions of the aircraft appraiser, the mandated agent, or the agents selected by the aircraft appraiser or the mandated agent.
- 7.3. The Pledgor herewith expressly agrees that the Pledgee is entitled to enforce its rights and remedies under this Austrian Pledge Agreement in the above manner. The Pledgor expressly waives any rights of first refusal, option rights, consent requirements and any other rights which it might now or in the future have with respect to the Pledge, so that any enforcement of the Pledge may occur freely and without restriction.
- 7.4. Any costs arising out of the enforcement of the Pledge (including, but without limitation, the costs of the appraisal and the mandated agent) shall be paid and/or reimbursed to the Pledgee from the realization price.

- 7.5. The Pledgor may notify the Pledgee of potential bona-fide purchasers willing to acquire the respective Aircraft or any part thereof at the price assessed by the aircraft appraiser. A bona-fide purchaser shall only be a person that is able to pay the full price of the respective Aircraft or any part thereof immediately in cash.
- 7.6. The Pledgor hereby irrevocably authorizes and empowers the Pledgee:
- (i) to mandate a duly authorized agent in the name of the Pledgor;
  - (ii) to demand and apply for a public auction in the name of the Pledgor;
  - (iii) to sign all documents and make all legally binding declarations related thereto, in particular to sign one or more sale agreements, to receive the purchase price on the Pledgor's behalf, and to determine all terms and conditions of such agreements. The Pledgor shall upon request of the Pledgee execute and deliver such documents as may be required to transfer to the purchaser of the Aircraft or any parts thereof; and
  - (iv) to take all steps in the name of the Pledgor necessary to effect enforcement hereunder.
- Furthermore, Pledgor grants the Pledgee a power of substitution with regard to the authorizations under this Clause 7.
- 7.7. The Pledgee may determine in its absolute discretion which of the securities granted herein shall be used to satisfy the Secured Obligations.

## **8. CONTINUING AND INDEPENDENT SECURITY**

- 8.1. The security created by this Pledge shall be a continuing security for the payment, satisfaction and discharge in full of the Secured Obligations.
- 8.2. The security so created:
- (a) shall not be considered as satisfied, discharged, prejudiced or set aside by any intermediate payment, satisfaction or settlement of the whole or any part of the Secured Obligations or any other matter or thing whatsoever unless and until the Pledgee is satisfied (acting reasonably) that all of the Secured Obligations are satisfied, discharged or settled; and
  - (b) shall be in addition to, and shall not operate so as in any way to prejudice or affect or be prejudiced or affected by, any lien, guarantee, indemnity or other security or right or remedy now or hereafter held by the Pledgee for all or any part of the Secured Obligations.
- 8.3. Neither the security hereby granted nor the rights, powers and remedies conferred on the Pledgee by this Pledge or by applicable law shall be discharged, impaired, prejudiced or otherwise affected by any of the following events or circumstances (regardless of whether such events or circumstances occur with or without the knowledge or consent of the Pledgor):

- (a) any time, forbearance or other indulgence given or agreed by the Pledgee or with the Pledgor and/or any other person in relation to this Pledge or any other Transaction Document; or
- (b) any legal limitation, disability or incapacity relating to the Pledgor and/or any other person; or
- (c) any amendment or supplement to or variation, modification, novation, restatement or replacement of all or any part of the Secured Obligations or any of this Pledge or any other Transaction Document or any document connected therewith; or
- (d) any invalidity, irregularity, unenforceability, imperfection or avoidance of or any defect in any security granted by, or the obligations of the Pledgor and/or any other person in relation to this Pledge, any other Transaction Document or any of them or any amendment to or variation thereof or of any other document or security comprised therein; or
- (e) any change in the name, constitution or otherwise of the Pledgor or any other person or the merger of the Pledgor and/or any other person with any other corporate entity; or
- (f) the liquidation, bankruptcy or dissolution (or proceedings analogous thereto) of the Pledgor or any other person or the appointment of a receiver or administrative receiver or administrator or trustee or similar officer of any of the assets of the Pledgor or any other person or the occurrence of any circumstances whatsoever affecting the liability of the Pledgor or any other person to discharge its obligations in relation to the Pledge or any Transaction Document; or
- (g) any challenge, dispute or avoidance by any liquidator of the Pledgor or any other person in respect of any claim by the Pledgor or any other person by right of subrogation in any such liquidation; or
- (h) any release, renewal, exchange or realization of any security or obligation provided under or by virtue of this Pledge or any of the other Transaction Documents or the provision to the Pledgee at any time of any further security for the obligations of the Pledgor and/or any other person in relation to the Pledge or any Transaction Document; or
- (i) any failure or delay on the part of the Pledgee (whether intentional or not) to take or perfect or enforce any security agreed to be taken under or in relation to this Pledge or any other Transaction Document; or
- (j) any other act, matter or thing which might otherwise constitute a legal or equitable discharge of any of the Pledgor's obligations under this Pledge or impair or discharge the Pledgor's liability under this Pledge.

## **9. FURTHER ASSURANCE**

The Pledgor covenants that it will, promptly on request by the Pledgee, do all such things and duly execute, sign, perfect, deliver and (if required) register, in each case at the cost of the Pledgor, every such further document as in the reasonable opinion of the Pledgee may be required for the purpose of carrying out the intent and purpose of this Pledge and to ensure that the Pledgee obtains the full benefit of this Pledge and of the rights and powers herein granted.

#### **10. POWER OF ATTORNEY**

- 10.1. For the purpose of securing the interest of the Pledgee in the Pledge and the performance of its obligations to the Pledgee under this Pledge, the Pledgor irrevocably and by way of security appoints the Pledgee to be its attorney (with full power of substitution and delegation, including power to authorise the person so appointed to make further appointments, in both cases, with regard to all or any part of the Pledge) on behalf of the Pledgor and in its name or otherwise, to execute any document or do any act or thing which the Pledgee (or such substitute or delegate) may, in its or his absolute discretion, consider necessary or desirable for the exercise of any of the powers of the Pledgee or which the Pledgor is obliged to execute or do, whether under this Pledge, the Pledge or the Security Agreement to which the Pledgor is a party; and without prejudice to the generality of its power to appoint substitutes and to sub-delegate, the Pledgee and any person appointed the substitute or delegate of the Pledgee shall, in connection with the exercise of the said power of attorney, be the agent of the Pledgor (so far as applicable law permits). The Pledgor shall so far as applicable law permits be solely responsible for the acts and defaults and liable on any contracts or engagements made or entered into by the Pledgee and in no circumstances whatsoever shall the Pledgee be in any way responsible for such acts or defaults (other than as a consequence of the gross negligence or wilful misconduct of the Pledgee).
- 10.2. The Pledgee hereby agrees that such powers appointed to the Pledgee pursuant to Clause 10.1 shall not be exercised unless and until an Enforcement Event has occurred and is continuing.
- 10.3. The Pledgor hereby unconditionally and irrevocably ratifies and confirms and agrees to ratify and confirm whatever any such attorney appointed pursuant to Clause 10.1 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 10.1.

#### **11. RELEASE OF PLEDGE**

Upon the Pledgee (acting reasonably) being satisfied that all Secured Obligations have been irrevocably received, discharged or recovered in full (notice of which shall be given by the Pledgee to the Pledgor), the Pledgee shall at the request of, and at the expense of the Pledgor, release the Pledge from the security created by this Pledge and execute in favour of the Pledgor any such instrument to effect such release.

#### **12. SUCCESSIONS IN TITLE**

12.1. The obligations on the part of the Pledgor contained in this Pledge shall bind it and its successors and shall inure to the benefit of the Pledgee and its and any subsequent successors and assigns.

12.2. The Pledgor may not assign or transfer any of its rights or obligations under this Pledge.

### **13. GOVERNING LAW AND JURISDICTION**

13.1. This Austrian Pledge Agreement and all non-contractual obligations arising in connection herewith, shall be governed by, and construed in accordance with, Austrian law.

13.2. The parties hereto submit to the jurisdiction of the competent courts in Vienna, 1st district.


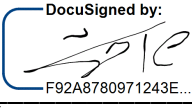
13.3. Clause 13.2 is for the exclusive benefit of the Pledgee which reserves the right to commence proceedings in relation to any matter which arises out of or in connection with this Pledge in the courts of any country other than Austria and which have or claim jurisdiction to that matter. The Pledgor shall not commence any proceedings in any country other than Austria in relation to a matter which arises out of or in connection with this Pledge.

13.4. Nothing in this Clause 13 shall exclude or limit any right which the Pledgee may have (whether under the applicable law of any country, an international convention or otherwise) with regard to the bringing of proceedings, the service of process, the recognition or enforcement of a judgment or any similar or related matter in any jurisdiction.

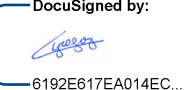
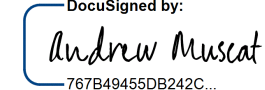
13.5. In this Clause 13, "proceedings" means proceedings of any kind, including an application for a provisional or protective measure.

[Signature Pages follow]

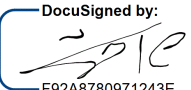


**ACE AVIATION VI LIMITED (as Owner and Pledgor)**

by:    
6192E617EA014EC... F92A8780971243E...  
Title: Colin Gregory Yossi Shoukroun  
Director Director

**CHALLENGE AVIATION P.L.C. (as Issuer)**

by:    
6192E617EA014EC... 767B49455DB242C...  
Title: Colin Gregory Andrew Muscat  
Director Director

**CHALLENGE AIRLINES (BE) S.A. (as Third Party Holder)**

by:     
F92A8780971243E... 80B1ECBFACCB4A4... 5ABAE4F737FC4D3...  
Title: Yossi Shoukroun Thomas Woos Daniel Ganem  
Director COO CFO

**FINCO TRUST SERVICES LIMITED (as Security Trustee)**

by:  \_\_\_\_\_  
Title: Director.

**FINCO TRUST SERVICES LIMITED (as Security Trustee)**

by: \_\_\_\_\_  
Title: \_\_\_\_\_

A. Description of Aircraft

One aircraft as described below.

1	Type and model of aircraft:	747-409F
2	Manufacturer of aircraft:	Boeing
3	Manufacturer's serial number of aircraft:	33729
4	Registration mark of aircraft:	Austrian OE-LRI

B. Description of Engines

1	Manufacturer:	General Electric
2	Type and model of engines:	CF6-80C2B1F
3	Serial numbers:	(i) 706641 (ii) 706692 (iii) 706778; and (iv) 706241

**INSTRUCTION TO POSSESS ("BESITZANWEISUNG")**

Date: \_\_\_\_\_

From: ACE AVIATION VI LIMITED ("Pledgor")

To: CHALLENGE AIRLINES (BE) S.A. ("Third Party Holder")

Copy: CHALLENGE AVIATION P.L.C. ("Issuer")  
FINCO TRUST SERVICES LIMITED ("Pledgee")

Dear Sirs,

**INSTRUCTION TO POSSESS THE AIRCRAFT BOEING 747-409F, MANUFACTURER'S SERIAL NUMBER 33729, REGISTRATION MARK OE-LRI (THE "AIRCRAFT") FOR THE BENEFIT OF FINCO TRUST SERVICES LIMITED, AS PLEDGEE ("BESITZANWEISUNG")**

We hereby notify you that we have pledged (the "Pledge") the aircraft **BOEING 747-409F**, Serial Number **33729**, together with the Engines and Parts (the "Aircraft") to FINCO TRUST SERVICES LIMITED ("Pledgee"), in accordance with the terms of an Austrian Pledge Agreement dated \_\_\_\_\_ between the Pledgee, the Pledgor, the Issuer and the Third Party Holder, in relation to the Aircraft (the "**Austrian Pledge Agreement**"). Capitalized terms used in these instructions shall have the same meaning as in the Austrian Pledge Agreement.

We irrevocably instruct you with regard to the Aircraft:

- (i) to hold possession ("*innehaben*") of the Aircraft not for the benefit of the Pledgor anymore, but for the benefit of the Pledgee with regard to the Pledge until such time as Pledgee acknowledges in writing the release of the Aircraft;
- (ii) to follow our future instructions with regard to the Aircraft only when accompanied by a written confirmation by Pledgee;
- (iii) not to return the Aircraft to us without the prior written consent of the Pledgee;
- (iv) to surrender the Aircraft to the Pledgee upon written notification by the Pledgee that an Enforcement Event has occurred; and
- (v) not to transfer holdership (*Halterschaft*) to any other person unless (1) the Pledgee consents to such transfer, and (2) such other person has received and acknowledged an instruction to possess for the benefit of the Pledgee with regard to the Pledge in form and substance equivalent to this instruction to possess.

These instructions shall prevail the obligations that you have under the Lease Agreement.

This letter shall be governed by Austrian law, and all disputes arising out of or in connection with this letter shall finally be settled before the competent courts in Vienna, 1<sup>st</sup> district.

As a sign of your acknowledgement of this instruction to possess, we kindly ask you to sign and return to us the signed acknowledgement letter attached herein.

Yours sincerely,

---

ACE AVIATION VI LIMITED

## ACKNOWLEDGEMENT

Date: \_\_\_\_\_

From: CHALLENGE AIRLINES (BE) S.A. ("**Third Party Holder**")

To: ACE AVIATION VI LIMITED ("**Pledgor**")  
FINCO TRUST SERVICES LIMITED ("**Pledgee**")

Copy: CHALLENGE AVIATION P.L.C. ("**Issuer**")

Dear Sirs,

**INSTRUCTION TO POSSESS THE AIRCRAFT BOEING 747-409F, MANUFACTURER'S SERIAL NUMBER 33729, REGISTRATION MARK OE-LRI FOR THE BENEFIT OF FINCO TRUST SERVICES LIMITED ("BESITZANWEISUNG").**

CHALLENGE AIRLINES (BE) S.A. acknowledges receipt of above referenced instruction to possess and confirms that it will comply with such instructions.

Yours sincerely,

\_\_\_\_\_

CHALLENGE AIRLINES (BE) S.A.

**ENGINE REPLACEMENT CONFIRMATION LETTER - AGREEMENT**

**CHALLENGE AIRLINES (BE) S.A.**

a private limited liability company registered under the laws of Belgium bearing company registration number 0669921491 and having its registered office at Rue du Fort, 3, L' Escale, Level 3, 4460 Grâce-Hollogne, Belgium

As the "**Third Party Holder**"

and

**ACE AVIATION VI LIMITED**

a company registered in Malta with registration number C 101563 and registered address at Level 5, Skyparks Business Centre, Malta International Airport, Luqa LQA 4000, Malta

As the "**Pledgor**" and "**Owner**"

and

**FINCO TRUST SERVICES LIMITED**

a company registered in Malta with registration number C 13078 and registered address at The Bastions Office, No. 2 Emvin Cremona Street, Floriana FRN 1281, Malta

As the "**Pledgee**" and "**Security Trustee**"

We refer to the Austrian Pledge Agreement dated \_\_\_\_\_ between FINCO TRUST SERVICES LIMITED, as Security Trustee and Pledgee, ACE AVIATION VI LIMITED, as Owner and Pledgor, CHALLENGE AVIATION P.L.C., as Issuer and CHALLENGE AIRLINES (BE) S.A., as Third Party Holder, in relation to the Aircraft with MSN 33729 and registration mark OE-LRI (the "**Austrian Pledge Agreement**"). Capitalized terms used in this letter-agreement shall have the same meaning as in the Austrian Pledge Agreement.

As per Clause 3.3 of the Austrian Pledge Agreement, the Third Party Holder confirms that, on \_\_\_\_\_, engine with ESN number \_\_\_\_\_ (the "**Removed Engine**") was removed

from the aircraft with MSN 33729 (the “**Aircraft**”) and was replaced with engine with ESN number \_\_\_\_\_ (the “**Replacement Engine**”) on \_\_\_\_\_.

The Pledgor confirms that it is the owner of the Replacement Engine and that the Replacement Engine was free and clear of any liens or encumbrances at the time it was installed onto the Aircraft. It further confirms that the Replacement Engine is at least of equal value as the Removed Engine, and otherwise confirms to the requirements set forth in the definition of “Replacement Engine” in the Lease Agreement.

Accordingly, the Replacement Engine is, as from the date of where the Replacement Engine was installed onto the Aircraft, subject to the conditions and terms of the Austrian Pledge Agreement. The Removed Engine is not released from the Pledge. The Third Party Holder is herewith irrevocably instructed to hold possession ("*innehaben*") of the Replacement Engine not for the benefit of Pledgor anymore, but for the benefit of Pledgee until such time as Pledgee acknowledges in writing the release of the Replacement Engine and comply with all other obligations he has assumed in the Aircraft Pledge Agreement, including in view of the Replacement Engine.

**ACE AVIATION VI LIMITED** (as Owner and Pledgor)

by: \_\_\_\_\_  
Title:

**FINCO TRUST SERVICES LIMITED** (as Security Trustee and Pledgee)

by: \_\_\_\_\_  
Title:

**CHALLENGE AIRLINES (BE) S.A.** (as Third Party Holder)

by: \_\_\_\_\_  
Title:

**Irrevocable Power of Attorney for  
Deregistration**

**Challenge Airlines (BE) S.A,**

a company incorporated under the laws of Belgium, with its registered office at Rue du Fort, 3 , L' Escale, Level 3, 4460 Grâce-Hollogne, Belgium (the "**Grantor**")

hereby irrevocably appoints

**FINCO TRUST SERVICES LIMITED**

a company incorporated under the laws of Malta with its office at The Bastions Office, No. 2 Emvin Cremona Street, Floriana FRN 1281, Malta (the "**Grantee**"), and any statutory representatives of the Grantee (the Grantee and its statutory representatives hereinafter also each referred to as the "**Attorney**") to be its attorney-in-fact (with full power to sub-delegate this power of attorney, including power to authorize the person so appointed or delegated to delegate this power of attorney further)

and authorises them

to do all or any of the following acts as the Attorney shall, and in the manner that the Attorney shall, in its or his absolute and unfettered discretion deem necessary or advisable, namely

**Unwiderrufliche Vollmacht zur  
Deregistrierung**

**Challenge Airlines (BE) S.A.,**

eine nach dem Recht von Belgien gegründete Gesellschaft mit Sitz in Rue du Fort, 3 , L' Escale, Level 3, 4460 Grâce-Hollogne, Belgium (der „**Gewaltgeber**“)

bestellt hiermit unwiderruflich

**FINCO TRUST SERVICES LIMITED**

eine nach dem Recht Malta gegründete Gesellschaft mit der Geschäftsanschrift in The Bastions Office, No. 2 Emvin Cremona Street, Floriana FRN 1281, Malta (der „**Gewalthaber**“), und alle organschaftliche Vertreter des Gewaltgebers (der Gewaltgeber und seine organschaftlichen Vertreter nachfolgend jeweils einzeln auch als der „**Bevollmächtigte**“ bezeichnet) als seine Bevollmächtigten (mit der vollen Befugnis zur Unterbevollmächtigung, einschließlich der Befugnis, die so ernannte oder beauftragte Person zu bevollmächtigen, weitere Unterbevollmächtigungen zu erteilen)

und bevollmächtigt diese

alle oder einzelne der folgenden Handlungen vorzunehmen, die der Bevollmächtigte nach seinem uneingeschränkten und freien Ermessen für notwendig oder ratsam hält, nämlich

1. to take possession of the one (1) Boeing B747-409F Aircraft bearing Manufacturer's Serial Number 33729 with Four (4) General Electric CF6-80C2B1F Engines bearing serial numbers 706641, 706692, 706778 and 706241 and current registration mark OE-LRI, and all manuals, logbooks, drawings, plans, tags, data, technical records, including traceability records, task cards and information back-to-birth of any and all parts thereof and all documentation, certificates, exemptions, authorisations and licences required to be maintained for the unrestricted operation thereof (together the **"Aircraft"**);
  2. to ground, secure, park, move, fly, reposition, maintain, repair and insure the Aircraft and to complete or reconstruct its manuals, technical records and documentation and/or procure any of the same;
  3. to effect the deregistration of the Aircraft from the Austrian aircraft register and/or any other aircraft register on which the Aircraft may be registered from time to time;
1. das eine (1) Luftfahrzeug Boeing 747-409F mit der Seriennummer 33729, seine vier (4) General Electric CF6-80C2B1F Triebwerke, Modelnummern 706641, 706692, 706778 and 706241, und dem aktuellen Eintragungskennzeichen OE-LRI, sowie alle Handbücher, Logbücher, Zeichnungen, Pläne, Schilder, Daten, technische Aufzeichnungen, einschließlich Rückverfolgbarkeitsaufzeichnungen, Aufgabenkarten und Informationen bis zurück zum Hersteller aller Teile davon sowie alle Unterlagen, Zertifikate, Freistellungsbescheinigungen, Genehmigungen und Lizenzen, die für den uneingeschränkten Betrieb des Flugzeugs erforderlich sind, in Besitz zu nehmen (das **"Flugzeug"**);
  2. das Luftfahrzeug am Boden stehen zu lassen, zu sichern, abzustellen, zu bewegen, zu fliegen, umzupositionieren, zu warten, zu reparieren und zu versichern und seine Handbücher, technischen Unterlagen und Dokumentationen zu vervollständigen oder zu rekonstruieren und/oder einen Dritten mit jeder dieser Angelegenheiten zu beauftragen;
  3. die Abmeldung des Luftfahrzeugs aus dem österreichischen Luftfahrzeugregister und/oder jedem anderen Luftfahrzeugregister, in dem das Luftfahrzeug zum konkreten Zeitpunkt eingetragen sein kann, zu veranlassen;

4. to apply for and obtain from the aviation authority of the Republic of Austria or any other authority having jurisdiction over the Aircraft from time to time a certificate of airworthiness or certificate of airworthiness for export or any other document which might be required for the export and deregistration in respect of the Aircraft;
  5. to register and re-register the Aircraft at any time in any jurisdiction;
  6. to initiate and terminate, any proceedings, make, settle or waive claims, and settle any liabilities in respect of or in connection with or arising from or affecting the Aircraft;
  7. to apply to any court, authority or person for any orders, consents or approvals in order to effect the foregoing; and
  8. to sign or execute and deliver all documents and to do all such acts as the Attorney shall in its or his absolute and unfettered discretion deem necessary or advisable for the purposes of effecting any of the above,
  9. to enter upon any land and/or premises owned by or under the control of the Grantor or to which the Grantor has or may secure access, with or without vehicles and equipment, for the purpose of
4. von der Luftfahrtbehörde der Republik Österreich oder einer anderen Behörde, die für das Luftfahrzeug zuständig ist, ein Lufttüchtigkeitszeugnis oder ein Lufttüchtigkeitszeugnis für die Ausfuhr für das Luftfahrzeug oder andere Dokumente, die für die Ausfuhr oder Deregistrierung des Luftfahrzeuges erforderlich sind, zu beantragen und zu erhalten;
  5. das Luftfahrzeug jederzeit in jeder Jurisdiktion zu registrieren und umzuregistrieren;
  6. in Bezug auf oder in Verbindung mit dem Luftfahrzeug Verfahren einzuleiten und zu beenden, Ansprüche zu erheben, zu vergleichen oder auf diese zu verzichten und Verbindlichkeiten zu tilgen;
  7. bei jedem Gericht, jeder Behörde oder Person Entscheidungen, Zustimmungen oder Genehmigungen zu beantragen, um das Vorstehende zu bewirken; und
  8. alle Dokumente in der erforderlichen Form zu unterzeichnen und zu übergeben und alle Handlungen vorzunehmen, die der Bevollmächtigte nach seinem freien und uneingeschränkten Ermessen für notwendig oder ratsam hält, um die oben genannten Maßnahmen durchzuführen,
  9. alle Grundstücke und/oder Räumlichkeiten, die sich im Eigentum oder unter der Kontrolle des Gewaltgebers befinden oder zu denen der Gewaltgeber Zugang hat oder sichern kann, mit oder ohne

effecting any of the above without liability for loss or damage

and requests

any person to whom the Attorney shall show or give a copy of this Power of Attorney to give to the Attorney such assistance in respect of the foregoing as the Attorney may reasonably request.

This Power of Attorney shall be conclusive and binding upon the Grantor. The Grantor waives its right under § 1020 Austrian Civil Code to revoke this Power of Attorney as long as any obligations of ACE AVIATION VI LIMITED, CHALLENGE AVIATION P.L.C. or the Grantor vis-à-vis the Grantee arising from agreements concluded with the Grantee at the time this Power of Attorney was granted is outstanding.

Each Attorney is free from any restrictions on self-contracting or multiple representation.

Fahrzeuge und Ausrüstungsgegenstände zu betreten, um die oben genannten Maßnahmen durchzuführen, ohne dass dem Bevollmächtigten daraus eine Haftung für Verlust oder Schaden entstehen würde

und ersucht

jede Person, welcher der Bevollmächtigte eine Kopie dieser Vollmacht zeigt oder aushändigt, dem Bevollmächtigten in Bezug auf das Vorstehende die Unterstützung zu gewähren, um die der Bevollmächtigte vernünftigerweise ersucht.

Diese Vollmacht ist für den Gewaltgeber abschließend und verbindlich. Der Gewaltgeber verzichtet auf sein Recht, diese Vollmacht gemäß § 1020 zu widerrufen, solange eine zum Zeitpunkt der Gewährung der vorliegenden Vollmacht bestehende Verbindlichkeit der ACE AVIATION VI LIMITED, CHALLENGE AVIATION P.L.C. oder des Gewaltgebers gegenüber dem Bevollmächtigten aus Verträgen, die mit dem Bevollmächtigten zum Zeitpunkt der Erteilung der vorliegenden Vollmacht abgeschlossen waren, nicht erfüllt wurde.

Jeder Bevollmächtigte ist von den Beschränkungen des Selbstkontrahierens und der Mehrfachvertretung befreit.

No person, corporation or authority having dealings with the Attorney under this Power of Attorney shall be under any obligation to make any enquiries as to whether the power to act hereunder has arisen and all acts hereunder shall be valid and binding upon the Grantor.

Keine Person, Körperschaft oder Behörde, die mit dem Bevollmächtigten im Rahmen dieser Vollmacht zu tun hat, ist verpflichtet, Nachforschungen darüber anzustellen, ob die Befugnis zum Handeln nach dieser Vollmacht entstanden ist, und ob alle Handlungen nach dieser Vollmacht für den Gewaltgeber gültig und verbindlich sind.

This Power of Attorney and any non-contractual obligations arising from or in connection with its exercise are governed by and shall be construed in accordance with the laws of the Republic of Austria to the exclusion of the conflict of laws provisions and the United Nations Convention on Contracts for the International Sale of Goods.

Diese Vollmacht und alle außervertraglichen Verpflichtungen, die sich aus oder in Verbindung mit ihrer Ausübung ergeben, unterliegen dem Recht der Republik Österreich mit Ausnahme der Kollisionsnormen und der Bestimmungen des Übereinkommens der Vereinten Nationen über Verträge über den Internationalen Warenkauf.

In case of a discrepancy between the German and the English version of this power of attorney, the German language text shall prevail.

Im Falle eines Widerspruchs zwischen der deutschen und der englischen Version dieser Vollmacht, ist die deutsche Version maßgebend.

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Date / Datum

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Challenge Airlines (BE) S.A.

**CONSENT OF THE OWNER OF THE AIRCRAFT**

(ACCORDING TO § 10 (3) ZLLV)

ACE AVIATION VI LIMITED (as owner of the Aircraft) declares herewith its irrevocable consent in favour of the Grantor and the Grantee to apply for and to effect the de-registration of the Aircraft from the register of Austrian aircraft register.

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ACE AVIATION VI LIMITED