

DATED 20 April 2026

ACE AVIATION VI LIMITED

as Pledgor

and

FINCO TRUST SERVICES LTD

as Pledgee

PLEDGE OF INSURANCE POLICIES AGREEMENT

A PLEDGE AGREEMENT entered into on the 20 April 2026

BETWEEN:

- (1) **ACE AVIATION VI LIMITED**, a company incorporated in accordance with the Laws of Malta and having its registered office at Level 5, Skyparks Business Centre, Malta International Airport, Luqa LQA 4000, Malta with company registration number C101563 (hereinafter referred to as the “Pledgor” or “Security Provider”); and
- (2) **FINCO TRUST SERVICES LTD** a private limited liability company registered under the laws of Malta having its registered office at The Bastions Office No. 2, Emvin Cremona Street, Floriana FRN 1281, Malta and bearing company registration number C 13078, duly authorised and qualified to act as a trustee in terms of article 43(3) of the Trusts and Trustees Act (Cap. 331 of the laws of Malta (hereinafter referred to as the “Pledgee” or “Security Trustee”).

(The Pledgor and the Pledgee shall hereinafter together be referred to as the “Parties” and each a “Party”).

WHEREAS:

- A. Pursuant to a Prospectus, Challenge Aviation p.l.c., a public limited liability company registered under the laws of Malta bearing company registration number C 113656 and having its registered office at Level 5, Skyparks Business Centre, Malta International Airport, Luqa LQA 4000, Malta (hereinafter called the “Company” or the “Issuer”) shall issue up to €30,000,000 in Secured Bonds;
- B. The security to be constituted for the benefit of the Bondholders consists of, *inter alia*, property belonging to the Pledgor;
- C. The Pledgor, in order to further secure the Secured Obligations has agreed to pledge, to the Pledgee, all its rights, title and interest in and to all proceeds of the Insurance Policies specified or referred to in this Pledge Agreement and under the terms and conditions thereof;
- D. The Pledgee holds the benefit of this Agreement, including the security created and other rights granted in it, on trust for the Bondholder; and
- E. The Pledgor hereby provides to the Pledgee the pledge set out herein and enters into this Pledge Agreement on the terms and conditions and subject to the limitations set out herein.

NOW IT IS HEREBY AGREED AS FOLLOWS :

1. DEFINITIONS

- 1.1. Terms defined above have the same meaning when used in this Agreement.
- 1.2. Unless otherwise defined herein or a contrary indication appears, words defined in the Prospectus shall have the same meanings in this Agreement.
- 1.3. In addition to the definitions contained in various provisions of this Agreement:

Agreement or Pledge means this agreement entered into by and between the

Agreement	parties dated 20 April 2026.
Bonds or Secured Bonds	means the issue, by the Company, of up to €30,000,000 in secured bonds subject to the terms and conditions of the Prospectus.
Bondholder/s	a holder of Secured Bonds.
Encumbrance	includes pledge, sub-pledge, hypothec, privilege, charge mortgage, security transfer of title, retention of title, security assignment, pledge arrangement, guarantee, trust arrangement or security interest or any other encumbrance whatsoever.
Event of Default	has the same meaning ascribed to it as in Clause 10 of the Trust Instrument.
Insurance Policy	means the insurance policy of which brief particulars are set out in Schedule 1 to this Agreement, as any such policy may be amended, varied, supplemented, replaced or extended from time to time.
Insurer	means, with regards to each Insurance Policy, the insurance company specified in Schedule 1 to this Agreement.
Prospectus	means collectively the base prospectus in connection with the issue of up to €30 million Secured Bonds (as may be amended, varied or supplemented).
Security Documents	means inter alia the Trust Instrument.
Secured Obligations	has the same meaning as is assigned to it in Clause 3.
Trust Instrument	means the trust instrument entered into by and between the Parties and the Issuer dated 16 April 2026 for the securing of the Bonds.

2. INTERPRETATION

- 2.1. The words “including” or “in particular” are to be construed as being by way of illustration or emphasis only and are not to be construed as, nor shall they take effect as, limiting the generality of any preceding words.
- 2.2. Unless expressly provided otherwise, any reference in this Agreement to a Clause or a Schedule or Annex is meant to be a reference to a Clause or a

Schedule or Annex hereof and references to this Agreement include its Schedules and Annexes.

- 2.3. Unless the context requires otherwise, references to provisions of any law or regulation shall be construed as references to those provisions as replaced, amended, modified or re-enacted from time to time.
- 2.4. Words importing the singular include the plural and *vice versa* and words importing a gender include every gender; reference to a person includes any individual, trust, fund, partnership, company or body corporate.
- 2.5. References to the Prospectus or any Security Document shall be construed as references to such document as the same may be amended or supplemented or assigned or novated from time to time;
- 2.6. Clause headings are inserted for reference only and shall be ignored in construing this Agreement.

3. PROVISION OF PLEDGE

- 3.1. The Pledgor hereby pledges all its rights, title and interest in and to all proceeds of the Insurance Policy to the Pledgee, as a continuing security for the due and punctual performance of the Company's obligations under the Prospectus and the Trust Instrument (all such obligations hereinafter referred to as the "Secured Obligations").
- 3.2. The Pledgor shall deliver, or procure the delivery thereof, to the Pledgee an acknowledgment in writing by the Insurer/s recognising that the same Insurance Policy has been pledged in favour of the Pledgee on the date of this Agreement in accordance with the draft specimen letter attached herewith and marked as Schedule 2.

4. SECURED OBLIGATIONS

This Pledge Agreement secures, until full and final settlement, the Secured Obligations together with all accruing interest and all losses, costs, charges and expenses incurred by the Pledgee in connection with the protection, preservation or enforcement of, or in connection with the taking of such measures calculated to protect, preserve or enforce, its rights under the Prospectus and the Security Documents.

5. USE OF PLEDGE

Subject to the provisions of Clause 11, until an Event of Default has occurred the Pledgor may claim under the Insurance Policy in the ordinary course of its business.

PROVIDED that all monies received by virtue of any such Insurance Policy shall be applied in making good the loss or damage in respect of which the

monies were received or in such other manner as the Security Trustee shall approve.

6. REALISATION OF PLEDGE

6.1. Upon the occurrence of an Event of Default, the Pledgee shall be entitled to:

6.1.1. immediately notify the Insurer that an Event of Default has occurred and that the Pledgee is entitled to claim payment from the Insurers of any and/or all amounts due and payable in respect of the Insurance Policy; and

6.1.2. claim from the Insurer all moneys due and payable or that may, in the future, be due and payable under the Insurance Policy. The Pledgee shall be entitled to retain from any amounts received as aforesaid such amount as is sufficient to satisfy the Secured Obligations and shall pay any balance remaining thereafter to the Pledgor.

6.2. For the purpose of realising the Pledge, the Pledgor shall, upon the Pledgee's request, promptly furnish the Pledgee with all relevant documents, and shall render all assistance which is necessary or expedient in respect of the realisation of the Pledge.

6.3. The net proceeds (namely, the proceeds less any taxes, fees costs and expenses) resulting from the realisation of all or part of the Pledge shall be applied by the Pledgee in discharge of the Secured Obligations.

7. WAIVER

No failure or delay by the Pledgee in exercising any right, power or remedy hereunder shall impair such right, power or remedy or operate as a waiver thereof, nor shall any single or partial exercise of the same preclude any further exercise thereof or the exercise of any other right, power or remedy.

8. RELEASE OF PLEDGE

Upon full and final settlement of all Secured Obligations, the Pledgee shall at the cost and expense of the Pledgor, confirm to the Pledgor in writing the release of the Pledge, do everything necessary to effect that release, and surrender the surplus of proceeds, if any, resulting from any realisation of the Pledge to the Pledgor.

9. DURATION AND INDEPENDENCE

Without prejudice to Clause 8, this Pledge Agreement shall not expire before and unless all Secured Obligations have been fully and finally discharged and there is no amount outstanding under the Secured Obligations, whether for principal, interest, fees, discounts or other costs, expenses, charges or otherwise.

10. REPRESENTATIONS AND WARRANTIES

The Pledgor represents and warrants to the Pledgee that at the date of this Agreement:

- 10.1. the information provided in this Agreement relating to the Insurance Policy is accurate and complete in all respects and does not omit any information which, if disclosed, would make that information untrue or misleading;
- 10.2. the Insurance Policy is in full force and effect and are free from any Encumbrances and other third party rights;
- 10.3. all premiums and other moneys payable in respect of each Insurance Policy have been duly and promptly paid in full;
- 10.4. the Pledge provided to the Pledgee will have (upon execution of this Agreement) first-ranking priority;
- 10.5. the Pledgor is a private limited liability company established and validly existing under Maltese law;
- 10.6. the Pledgor has the power and authority to provide the Pledge and to enter into, perform and execute this Agreement and all necessary corporate action has been taken and all consents have been obtained with regard to the execution and performance of this Agreement;
- 10.7. the Pledge constituted hereunder is valid and enforceable;
- 10.8. the Pledgor is not unable to pay its debts, involved in any company recovery proceedings, or being dissolved or being wound up (whether voluntary or by order of the Court) in terms of the Companies Act (Chapter 386 of the Laws of Malta).

11. UNDERTAKINGS OF THE PLEDGOR

The Pledgor undertakes:

- 11.1. to forthwith notify, as at the date of this Agreement in writing, substantially in the form set out in Schedule 3 (Notice of Pledge), the Insurer of the creation of the Pledge and to request from each such Insurer to confirm vis-à-vis the Pledgee the receipt of the notice;
- 11.2. to provide (and to instruct the Insurer to provide) the Pledgee with all information, evidence and documentation which the Pledgee may reasonably request in connection with the administration and realisation of Insurance Policy. After an Event of Default, the Pledgee is authorised to obtain all information and documents (including statements and other information on the current status of the Insurance Policy) directly from the Insurers in its own name, and the Pledgee and their representatives are permitted to inspect, audit and make copies of and extracts from all records and all other documents in the possession of the Pledgor which pertain to the Pledge;

- 11.3. not to create or permit to subsist any Encumbrances over any part of the Insurance Policy;
- 11.4. to inform the Pledgee upon becoming aware that their Insurance Policy have become void or unenforceable;
- 11.5. to pay all premiums and other moneys due and payable to the Insurer in respect of each Insurance Policy when due;
- 11.6. to do all things necessary to maintain each Policy in full force and effect and renew each Policy as and when it falls due for renewal;
- 11.7. to inform the Pledgee upon gaining knowledge of any seizure by third parties that relates or may relate to the Pledge or any other third-party measures which may impair or jeopardise the Pledge. In the event of any such measures, the Pledgor shall provide the Pledgee with the order of seizure and any document which the Pledgee may request that are necessary or expedient for a defence against such seizure or measures. In addition, the Pledgor shall inform the third party promptly in writing of the Pledge and render the Pledgee all assistance required or expedient to protect their Pledge.

12. COST AND EXPENSE

The Pledgor shall be bound from time to time forthwith on demand to pay to or reimburse the Pledgee for all costs, taxes, charges and expenses (including legal and other fees on a full indemnity basis and all other out-of-pocket expenses) incurred by the Pledgee in exercising or taking such measures calculated to exercise any of their rights or powers hereunder or in suing for or seeking to recover any sums due hereunder or otherwise preserving or enforcing or taking such measures calculated to preserve or enforce its rights hereunder or in defending any claims brought against it in respect of this Agreement or in terminating and releasing the Pledge upon performance and satisfaction of all Secured Obligations and payment of all monies hereby secured.

13. NOTICES

- 13.1. Any notice or other communication in connection with this Agreement shall be in writing and shall be delivered personally, sent by registered mail or sent by facsimile or electronic communication (with confirmation copy by registered mail) to the following addresses:

13.1.1. If to the Pledgor:

Address : **Ace Aviation VI Limited**
Level 5, Skyparks Business Centre, Malta International
Airport, Luqa LQA 4000, Malta

Contact: legal.hq@challenge-group.com

13.1.2 If to the Pledgee:

Address : **Finco Trust Services Limited**
The Bastions Office No. 2, Emvin Cremona Street,
Floriana FRN 1281, Malta
Contact: AndreaDebattista@fincotrust.com

13.2. Any notice or other communication under this Agreement shall be in English.

14. GOVERNING LAW AND JURISDICTION

14.1. This Agreement shall be governed by and construed in accordance with the laws of Malta.

14.2. For any disputes arising out of or in connection with this Agreement the courts of Malta shall have jurisdiction.

15. LIABILITY AND INDEMNIFICATION

The Pledgee shall not be liable for any loss or damage suffered by the Pledgor, save in respect of such loss or damage which is suffered as a result of any negligence, gross negligence or wilful misconduct on the part of the Pledgee.

16. AMENDMENTS

Any amendment to, or modification of, this Agreement, including this Clause 16, shall be effective only if made in writing.

17. SCHEDULES

All Schedules and Annexes to this Agreement shall form an integral part hereof.

18. SEVERABILITY

Should any provision of this Agreement be or become invalid or unenforceable, or should this Agreement be accidentally incomplete or become incomplete, this shall not affect the validity or enforceability of the remaining provisions hereof. In lieu of the invalid or unenforceable provision or in order to remedy any incompleteness, a provision shall apply which comes as close as possible to that which the Parties had intended or would have intended if they had considered the matter. In the event that any Pledge provided under this Agreement shall be impaired or be or become invalid or unenforceable this shall not affect the validity or enforceability of any other Pledge provided under this Agreement.

19. COUNTERPARTS

This Agreement may be executed in any number of counterparts and by the different parties to this Agreement on separate counterparts, each of which when executed and delivered shall be an original but all the counterparts shall together constitute one and the same instrument.

IN WITNESS whereof this Agreement has been executed by or on behalf of the Parties hereto and is intended to be and is hereby delivered on the day and year first above written.

Yossi Shakkroun
2/1/0

Colin Gregory
COLIN GREGORY
For and on behalf of
The Pledgor

Amrwa Dabulhite
Amrwa Dabulhite
For and on behalf of
The Pledgee

SCHEDULE 1

INSURANCE POLICIES AND INSURERS

Name of Company	Insurer	Type of insurance cover	Expiry date of insurance policy
<p>CHALLENGE GROUP and/or Challenge Airlines (IL) Ltd and/or CHALLENGE AIRLINES (BE) S.A. and/or CHALLENGE AIRLINES (MT) and/or CHALLENGE AIR CARGO LTD and/or CHALLENGE HANDLING S.A. and/or CHALLENGE TECHNIC GMBH and/or CHALLENGE TECHNIC EHF and/or CHALLENGE TECHNIC, SOCIEDADE UNIPessoal LDA and/or Challenge Aviation Services Limited and/or CHALLENGE AVIATION HOLDING LIMITED and/or associated and/or subsidiary and/or affiliated companies, including specifically ACE AVIATION VI LIMITED</p>	<p>Lloyd's and London markets via Marsh Ltd (Broker), 1 Tower Place West, Tower Place, London EC3R 5BU</p>	<p>(a) Hull (including Spares) All Risks of loss or damage whilst flying and/or on the ground, for an agreed value each aircraft; (b) Hull (including Spares) War and Allied Risks as excluded by the War Hi-jacking and Other Perils Exclusion Clause (AVN 48B) other than paragraph (b) thereof (wording based on LSW 555D), for an agreed value each aircraft; (c) Aviation Legal Liability including aircraft third party, passenger, baggage, cargo, mail and aviation general third party (including premises, products and hangarkeepers) legal liability, for a Combined Single Limit (Bodily Injury/Property Damage) of not less than USD 750,000,000 any one occurrence</p>	<p>31st October, 2026</p>

The insurance relates specifically to the **B747-400** aircraft bearing manufacturer's serial number **33729** and registered marks **OE-LRI**.

Schedule 2

**ACKNOWLEDGMENT IN CONNECTION
WITH INSURANCE POLICIES**

To: Finco Trust Services Limited
as security trustee (the Pledgee)

Date: 7th May 2026

Re: Insurance Policy [] ("the Insurance Policy")

Dear Sirs,

We refer to the Pledge of Insurance Policies Agreement dated 20th April 2026 (the "Pledge Agreement"). We hereby acknowledge the pledge of the Insurance Policy specified in Schedule 1 of the Pledge Agreement by Ace Aviation VI Limited in favour of the Pledgee and hereby acknowledge the terms and conditions set out in the Pledge Agreement and confirm our acceptance to the provisions of the Pledge Agreement, in particular Clause 6 of the said Agreement.

Yours sincerely,

[Name of Insurer]

by: _____

SCHEDULE 3

NOTICE OF PLEDGE

ACE AVIATION VI LIMITED Level 5, Skyparks Business Centre, Malta International Airport, Luqa LQA 4000, Malta

To: Lloyd's and London market insurers, c/o Marsh Ltd, 1 Tower Place West, Tower Place, London EC3R 5BU

Date: 7th May 2026

Dear Sirs,

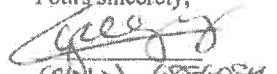
We refer to a Pledge of Insurance Policies Agreement dated 20th April 2026 (the "Pledge Agreement") a copy of which is attached hereto. We hereby give notice that we have provided, as security, a Pledge over any and all of our present and future rights and claims in respect of the aviation insurance policy/ies, covering Hull All Risks, Hull War and Allied Risks, and Aviation Legal Liability in respect of B747-400 aircraft (MSN 33729, registration OE-LRI) (the "Insurance Policy/ies") and any interest thereon.


Upon notification to you by Finco Trust Services Limited (the "Pledgee") that an Event of Default (as such term is defined in the Pledge Agreement) has occurred, we will not be allowed, from that date, to make any claim in relation to the Insurance Policy/ies unless the Pledgee instructs you otherwise. Upon the said notification the Pledgee shall be entitled to be paid all or part of the amounts due or to be due under the Insurance Policy/ies.

Please acknowledge receipt of this notice by signing the enclosed confirmation and returning the same to the following address:

Finco Trust Services Ltd, The Bastions Office No. 2, Emvin Cremona Street, Floriana FRN 1281, Malta.

Yours sincerely,


COLIN GREGORY
The Pledgor


Yossi Shoukroun

Enclosures: Form of Acknowledgement

Copy of the Pledge Agreement

**SCHEDULE 4
COPY OF AGREEMENT/S GIVING RISE TO THE INSURANCE
POLICY/IES**