

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other appropriate independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser in a territory outside the United Kingdom.

Flybe Group PLC

(incorporated in England and Wales with registered number 01373432)

Registered office:

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Clyst Honiton
Exeter
EX5 2BA

To holders of options under the Flybe Performance Share Plan and the Flybe Performance Share Plan 2018 (the "**PSPs**")

8 February 2019

Dear Participant

Recommended acquisition of Flybe Group PLC ("Flybe") by Connect Airways Limited ("Connect Airways") to be effected by means of a court sanctioned scheme of arrangement under Part 26 of the Companies Act 2006

1 Introduction

On 11 January 2019 the boards of Flybe and Connect Airways announced that they had reached agreement on the terms of a recommended cash offer to be made by Connect Airways to acquire all of the issued and to be issued share capital of Flybe (the "**Acquisition**"). It is proposed that the acquisition will be implemented pursuant to a scheme of arrangement under Part 26 of the Companies Act 2006 (the "**Scheme**"). If the Scheme becomes effective, all Flybe Shares subject to the Scheme will be transferred to Connect Airways in exchange for one pence in cash per Flybe Share.

You are receiving this letter as you hold option(s) ("**Option(s)**") granted under the PSPs the vesting and exercise of which are subject to the satisfaction of certain performance conditions. If the proposed acquisition by Connect Airways takes place, this will have an impact on your Option(s).

This letter does not apply to any "top up" award you received in Autumn 2016 in connection with the Flybe Share Incentive Plan. You will receive a separate letter regarding this.

This letter should be read alongside the documentation sent to shareholders about the proposed Scheme on 7 February 2019. This can be found at <https://www.flybe.com/investors> (the "**Scheme Document**")

The following steps are key to the Scheme:

"Court	The meeting of the Scheme Shareholders ordered by the Court at
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"Meeting"	which the Scheme Shareholders are asked to approve the Scheme. This is expected to be held on 4 March 2019.
"Sanction Date"	The date on which the Court is asked to sanction the Scheme. This is expected to be on 8 March 2019.
"Scheme Effective Date"	The date on which the Scheme takes effect (i.e. the day on which Connect Airways takes control of Flybe). This is expected to be 11 March 2019.

For the purposes of this letter we have assumed that if the Scheme goes ahead it will do so in accordance with the dates set out above. However, if for some reason the Scheme Effective Date is delayed, the dates set out in this letter may also change.

2 **What will happen to your Option(s) if the Scheme is completed?**

It is not expected that at the time the Scheme is completed any of the performance conditions attaching to your Option(s) will be satisfied. Therefore your Option(s) will lapse on the Scheme Effective Date.

In addition if the sale of Flybe Limited to Connect Airways is completed prior to the Scheme becoming effective it is expected that your Option(s) will lapse on the completion of the sale of Flybe Limited. Further details of the sale of Flybe Limited are contained in the Scheme Document.

You will be advised if any different outcome for your Option(s) arises.

3 **What will happen to your Option(s) if the acquisition does not go ahead?**

If for any reason the Scheme and the sale of Flybe Limited do not go ahead, your Option(s) will continue subject to the rules of the PSPs.

4 **What if I have questions?**

If you have any questions you can email peopleteam@flybe.com or contact Anna Lee by telephone on 01392 672249.

Please note that Flybe cannot provide legal, tax or financial advice on the merits of the Scheme or the proposal contained in this letter.

5 **Recommendation**

The Flybe Directors, who have been so advised by Evercore Partners International LLP unanimously consider the absence of any proposal to participants to be fair and reasonable in the context of the Scheme as a whole. In providing advice to the Flybe Directors, Evercore Partners LLP has taken into account the commercial assessments of the Flybe Directors.

Yours faithfully



Christine Ourmières-Widener
Director

Notes:

- (i) Words and expressions defined in the Scheme Document have the same meaning in this letter
- (ii) Words and expressions defined in the Scheme Document and the rules of the PSPs shall, unless the context otherwise requires, have the same meaning in this letter. To the extent (if any) that there are any inconsistencies between the contents of this letter and the Scheme Document or the rules of the PSPs, the terms of the Scheme Document or the rules of the PSPs, as the case may be, will prevail.
- (iii) The Flybe Directors, whose names are set out in paragraph 2 of Part 7 of the Scheme Document, accept responsibility for all the information contained in this document (including any expressions of opinion and all information in respect of the Flybe Group which has been incorporated by reference into this document). To the best of the knowledge and belief of the Flybe Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (iv) Evercore Partners International LLP, which is authorised and regulated by the FCA in the United Kingdom, is acting solely for Flybe as financial adviser in relation to the matters referred to in this document and for no one else. Evercore Partners International LLP will not be responsible to anyone other than Flybe for providing the protections afforded to its clients or for providing advice in relation to the contents of this document or any arrangement referred to herein. Apart from the responsibilities and liabilities, if any, which may be imposed on Evercore Partners International LLP by FSMA, or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where exclusion of liability under the regulatory regime would be illegal, void or unenforceable, neither Evercore Partners International LLP, nor any of its affiliates, owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person other than Flybe in connection with this document, any statement contained herein or otherwise and no representation, express or implied, is made by it, or purported to be made on its behalf, in relation to the contents of this document, including its accuracy, completeness or verification of any other statement made or purported to be made by it, or on its behalf in relation to Flybe or the matters contained in this document. To the fullest extent permitted by applicable law, Evercore Partners International LLP and its affiliates accordingly disclaim all and any responsibility or liability, whether arising in tort, contract or otherwise (save as referred to above) which they might otherwise have in respect of this document or any statement contained in it. Evercore Partners International LLP has given, and not withdrawn, its consent to the inclusion in this document of the references to its name and the advice it has given to Flybe in the form and context in which they appear.
- (v) Nothing in this letter or the Scheme Document extends the exercise period for your Option(s). Any Option(s) that have already lapsed or would otherwise lapse prior to the Scheme becoming effective will not be or become exercisable as a result of the Scheme and will remain subject to the rules of the PSPs.