

Dated 15 January 2019

**FLYBE GROUP PLC and others
(as Borrowers and/or Guarantors)**

**DLP HOLDINGS S.À R.L.
(as Agent)**

Facility Amendment Agreement

Morgan Lewis

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THIS AGREEMENT is dated 15 January 2019 and made

BETWEEN

- (1) **FLYBE GROUP PLC** registered in England with number 01373432 (**Flybe Group PLC**);
- (2) **THE AFFILIATE** of the Flybe Group PLC listed in Part 1 of Schedule 1 (*Part 1 – The Borrower*) as original borrower (together with the Flybe Group PLC, the **Existing Borrowers**);
- (3) **THE AFFILIATES** of the Company listed in Part 2 of Schedule 1 (*Part 2 – The Guarantors*) as original guarantors (together with the Company, the **Existing Guarantors**); and
- (4) **DLP HOLDINGS S.À R.L.** as agent for the Lenders (in this capacity, the **Agent**).

RECITALS

- (A) We refer to the facility agreement between, among others, Flybe Limited and the Agent dated 11 January 2019 as amended from time to time (the **Facility Agreement**).
- (B) On or around the date of this Agreement Flybe Group PLC and Connect Airways Limited (**Connect Airways**) have entered into a purchase agreement in respect of, among other things, the entire issued share capital of Flybe Limited (the **SPA**). The point in time in which the SPA is signed and dated by the parties thereto is referred to in this Agreement as the **SPA Signing Date**.
- (C) The purpose of this Agreement is to permit Flybe Group PLC to resign as the Company, Obligor's Agent, a Borrower and, subsequently, a Guarantor in accordance with the provisions of this Agreement and to make certain other amendments to the Facility Agreement, in each case in accordance with the provisions of this Agreement.
- (D) The Agent is signing this Agreement on behalf of the Finance Parties in accordance with clause 29.1(b) (*Required consents*) of the Facility Agreement.

Now it is hereby agreed as follows:

1 INTERPRETATION

- 1.1 Unless otherwise defined in this Agreement, terms defined in the Facility Agreement as amended in accordance with this Agreement (the **Amended Facility Agreement**) bear the same meaning in this Agreement.
- 1.2 Subject to the amendments set out in this Agreement, all the provisions of the Finance Documents shall remain in full force and effect in accordance with their terms and all references in and to the Facility Agreement and the other Finance Documents or any derivative terms shall, unless the context otherwise requires, be taken as references to the Amended Facility Agreement.
- 1.3 The provisions of clause 1.2 (*Construction*) of the Facility Agreement are incorporated in this Agreement as if fully set out in it and as if references in that clause to "this Agreement" were references to this Agreement and otherwise mutatis mutandis.
- 1.4 Each of the Agent and the Company designate this Agreement as a Finance Document.

2 RESIGNATIONS

- 2.1 With effect on and from the SPA Signing Date Flybe Group PLC:
 - 2.1.1 resigns as a Borrower under the Facility Agreement;

- 2.1.2 resigns as the "Company" under the Facility Agreement, Flybe Limited is appointed as the "Company" in its place and agrees to assume the obligations of the "Company" and references to the Company in the Finance Documents shall be construed accordingly;
 - 2.1.3 resigns as the "Obligor's Agent" from under the Facility Agreement, Flybe Limited is appointed as the "Obligor's Agent" in its place and agrees to assume the obligations of the "Obligor's Agent" and references to the Obligor's Agent in the Finance Documents shall be construed accordingly; and
 - 2.1.4 resigns as the agent for service of process of each Obligor in relation to any proceedings before the English courts in connection with any Finance Document, Flybe Limited is appointed as the agent for service of process of each Obligor in relation to any proceedings before the English courts in connection with any Finance Document in its place and irrevocably accepts its appointment.
- 2.2 Subject to clause 2.3 below, the parties acknowledge and agree that following the operation of clause 2.1 above:
- 2.2.1 the sole Borrower under the Facility Agreement is Flybe Limited; and
 - 2.2.2 the Guarantors under the Facility Agreement are Flybe Limited and Flybe Group Plc.
- 2.3 With effect on and from Completion (as defined in the SPA), Flybe Group Plc resigns as a Guarantor and is automatically released from its obligations as a Guarantor under the Finance Documents.
- 2.4 The Agent shall procure that at Completion the Security Trustee:
- 2.4.1 releases Flybe Group PLC from all guarantees, covenants, liabilities and obligations of it under or pursuant to the Security Documents and the Facility Agreement;
 - 2.4.2 releases and discharges the Charged Property (as defined in the Security Documents) now or in the future belonging to Flybe Group PLC (the **Released Assets**) from the Security Interests created by Flybe Group PLC under the Security Documents;
 - 2.4.3 reassigns to Flybe Group PLC all the Released Assets assigned to the Security Trustee by or pursuant to the Security Documents;
 - 2.4.4 terminates, waives and revokes all powers of attorney granted by Flybe Group PLC to it in the Security Documents and all contractual obligations of Flybe Group PLC arising out of or in connection with the Security Documents;
 - 2.4.5 consents to Flybe Group PLC giving notice of that reassignment on its behalf to any person to whom notice of the assignment of any Released Assets to the Security Trustee by or pursuant to the Security Documents was given; and
 - 2.4.6 agrees that it will, at the reasonable request and cost of Flybe Group PLC, execute all documents and do all acts and things as may be necessary to give effect to this release and reassignment.

3 FACILITY AGREEMENT AMENDMENTS

- 3.1 With effect on and from the SPA Signing Date the Facility Agreement is amended as follows:
- 3.1.1 clause 1.1 (*Definitions*) is amended by deleting the definition of Final Repayment Date in its entirety and replacing it with:

Final Repayment Date means the earlier of (i) Completion (as defined in the SPA) and (ii) 22 February 2019.

3.1.2 clause 1.1 (*Definitions*) is amended by adding a new definition of SPA in the correct alphabetical place as follows:

SPA means the sale and purchase agreement in respect of, among other things, the entire issued share capital of Flybe Limited between Connect Airways Limited as buyer and Flybe Group PLC as seller dated on or around 15 January 2019.

3.1.3 a new clause 19.27 is added as follows:

19.27 Conditions Subsequent

(a) The Company shall procure that, in respect of each General Electric CF34-8E5 aircraft engine, an insurance certificate in compliance with the insurance requirements set out in schedule 4 of the Global Engine Mortgage is provided to the Agent within three (3) Business Days following the first Utilisation Date.

(b) The Company shall procure that all notices required by the Agent pursuant to clause 4.3 of the Global Engine Mortgage are executed and delivered within three (3) Business Days following the first Utilisation Date, and the Company shall use reasonable endeavours to procure that the corresponding acknowledgments are executed promptly thereafter.

3.1.4 paragraphs 2(b), 2(d), 3(b), 5(a) and 5(d) of Schedule 2 (Conditions Precedent) are deleted and replaced with "Reserved".

3.2 The Agent confirms that, notwithstanding clause 5.1 (*Delivery of a Utilisation Request*), Flybe Limited may deliver a Utilisation Request for a £10,000,000 Loan on the SPA Signing Date with a proposed Utilisation Date of 15 January 2019.

3.3 Flybe Limited undertakes that it shall only utilise the banking, guarantee and indemnity facility provided by Barclays Bank PLC for it and its Subsidiaries' benefit.

4 UNDERTAKING

In consideration of the parties entering into this Agreement, in the event that the Borrower suffers an exceptional event or circumstance which affects its business or financial condition (such as the "Beast from the East"), the Agent (on behalf of the Lenders) and the Borrower hereby undertake to discuss in good faith in relation to whether additional funding will be provided by the Lenders to the Borrower.

5 GUARANTEE CONFIRMATION

Subject to clause 2.3 above, each Guarantor, by executing this Agreement, acknowledges and agrees to all of the terms of this Agreement and confirms that the guarantee and indemnity contained at clause 16 (*Guarantee and Indemnity*) of the Facility Agreement continues in full force and effect and, as of the SPA Signing Date, extends to all obligations under the Amended Facility Agreement subject to any limitations set out in clause 16 (*Guarantee and Indemnity*) of the Amended Facility Agreement.

6 SECURITY CONFIRMATION

Subject to clause 2.4 above, each Obligor, by executing this Agreement, confirms and acknowledges that notwithstanding the various amendments effected by this Agreement, the security created by such Obligor pursuant to each Security Document shall continue in full force and effect as a continuing security for all of the present and future obligations and liabilities of the Obligors to the Finance Parties including, without limitation, all amounts owing by the Borrower and each other Obligor under

the Amended Facility Agreement and each other Finance Document, in all cases subject to any limitations set out in the Security Documents.

7 COUNTERPARTS AND DELIVERY

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and which together shall constitute one and the same agreement.

8 GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection with this Agreement shall be governed by and construed in accordance with English law. Clause 37.1 (*Jurisdiction of English courts*) of the Facility Agreement is hereby incorporated by reference.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

SCHEDULE 1
The Original Parties

Part 1 – The Borrower

Name of Borrower	Registration number (or equivalent, if any)
Flybe Limited	02769768

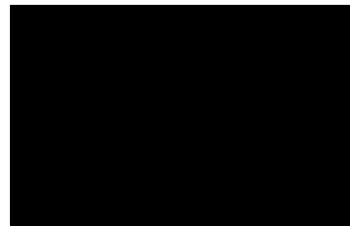
Part 2 – The Guarantors

Name of Guarantor	Registration number (or equivalent, if any)
Flybe Group PLC	01373432
Flybe Limited	02769768

The Agent

Signed for and on behalf of

DLP HOLDINGS S.À R.L.



Name: Johan van den Berg Elke Leenders

Title: Manager A

Trustmoore Luxembourg SA



Name: Jennifer M. Pulick

Title: Manager B

Cyrus Capital Partners, L.P.

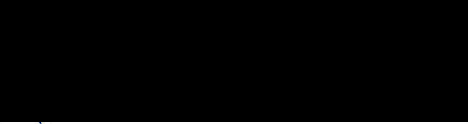
Execution Pages to Facility Amendment Agreement

The Company
FLYBE GROUP PLC

By: 

The Borrower

FLYBE LIMITED

By: 

The Guarantors
FLYBE GROUP PLC

By: 

FLYBE LIMITED

By: 