

DEED OF IRREVOCABLE UNDERTAKING

To: Wright Bidco Limited, company number 11732177
1st Floor
4 Cork Street
London
W1S 3LB

("Bidco" or "you")

11 January 2019

Dear Sirs

PROPOSED ACQUISITION OF FLYBE GROUP PLC ("TARGET")

1. Introduction

1.1 I understand that the Bidco intends to acquire all the issued and to be issued ordinary share capital of the Target substantially on the terms, and subject to the conditions, set out in attached draft press release (the "Announcement") pursuant to the Scheme (as defined below). I understand that the Bidco has the right to elect to implement the Acquisition (as defined below) by means of an Offer (as defined below).

2. Interests in Target shares

2.1 I warrant and represent to you that:

2.1.1 I am the registered holder and/or beneficial owner of (or am otherwise able to control, for the purposes of this deed, the exercise of all rights attaching to) the shares in the capital of the Target specified in column 1 of the Schedule ("Existing Shares");

2.1.2 I have been granted options and awards over shares in the Target under the Target's share scheme(s) ("Share Scheme(s)") as specified in column 2 of the Schedule ("Awards"), the Awards are still subsisting and I am beneficially entitled to the Awards, subject to vesting conditions where indicated in column 3 of the Schedule;

2.1.3 the Schedule contains full and accurate details of all the shares and other securities in the capital of the Target of which I am the registered holder, beneficial owner or controller and, other than as set out in this paragraph 2.1, I do not have any other interest in any securities of the Target or any right to subscribe, purchase or otherwise acquire any such interest; and

2.1.4 I have full power, authority and the right, free from any legal or other restrictions, and will at all times (until this deed terminates under paragraph 8.1) continue to have all relevant power, authority and right, to enter into and perform my Obligations (as defined below).

3. Exercise of voting rights

3.1 From the time the Bidco releases the Announcement to the date on which this deed terminates, I undertake to you that I shall exercise (and procure the exercise of):

- 3.1.1 the votes attached to:
- (a) the Existing Shares;
 - (b) any other shares in the Target of which I may become the registered holder or beneficial owner or in respect of which I may otherwise become entitled to exercise all rights/interests after the date of this deed whether pursuant to the Awards or otherwise; and
 - (c) any other shares in the Target attributable to or derived from any shares referred to in paragraphs (a) or (b) above,
- collectively the “Shares” on a Relevant Resolution (as defined in paragraph 3.4 below); and
- 3.1.2 the rights attached to the Shares to requisition or join in the requisition of any general or class meeting of the Target for the purpose of considering a Relevant Resolution,
- in each case only as directed by the Bidco.
- 3.2 For the purposes of voting on a Relevant Resolution, I shall (and shall procure that the registered holder of any Shares shall) appoint (or procure the appointment of) as my proxy any person nominated to me in writing by the Bidco to attend and vote at the relevant meeting of the Target.
- 3.3 Without prejudice to paragraph 3.2, I shall within ten business days after the posting of the Acquisition Document (as defined below) (without prejudice to any right I have to attend and vote in person at a General Meeting or Court Meeting):
- 3.3.1 execute and return (or procure the execution and return by the registered holder of any Shares) the forms of proxy enclosed with the Acquisition Document in accordance with the instructions printed on them; and/ or
 - 3.3.2 if applicable, in respect of any Shares held in uncertificated form or CREST, take or instruct the taking of any action which may be required by the Target or its nominated representative in order to make a valid proxy appointment and give valid proxy instructions, in each case instructing the proxy to vote in favour of the resolutions to implement the Acquisition.
- 3.4 A “Relevant Resolution” is:
- 3.4.1 a resolution proposed at a General Meeting or a Court Meeting, the passing of which is necessary to implement the Acquisition or which, if not passed, might result in any condition of the Acquisition not being fulfilled or which might impede or frustrate the Acquisition in any way;
 - 3.4.2 a resolution to adjourn a meeting at which a resolution falling within paragraph 3.4.1 is to be considered; and
 - 3.4.3 any resolution to amend a resolution falling within paragraph 3.4.1 or 3.4.2.
- 3.5 I undertake to you that prior to the Acquisition becoming effective or my Obligations terminating in accordance with this deed, I shall not and (if applicable) I shall procure that none of the registered holders of any Shares shall (unless otherwise instructed by the Bidco):

- 3.5.1 requisition, or join in requisitioning, any general or class meeting of the Target which would or might restrict or impede the Scheme becoming effective or, as the case may be, the Offer becoming unconditional; nor
- 3.5.2 revoke or amend any proxy referred to in paragraph 3.3 above or submit new forms of proxy voting against any or all of the Relevant Resolutions;
- 3.5.3 exercise the voting rights attaching to all or any of the Shares, either in person or by a proxy, at the relevant Flybe shareholder meetings to vote against any of the Relevant Resolutions; nor
- 3.5.4 vote in favour of any resolution of Target shareholders to approve any scheme of arrangement, merger or other business combination of the Target in competition with the Acquisition.

4. Acceptance of Offer and Awards proposal

- 4.1 If the Acquisition is implemented by way of an Offer, I undertake to you as follows:
 - 4.1.1 I will be able to and I shall accept or, where applicable, instruct the acceptance of, the Offer in accordance with paragraph 4.2 in respect of the Shares;
 - 4.1.2 notwithstanding any rights of withdrawal in the Acquisition Document or otherwise conferred by any Relevant Requirements (as defined below), I shall not withdraw or otherwise revoke any acceptance of the Offer in respect of any of the Shares and will not cause or instruct the registered holder of any Shares to do so;
 - 4.1.3 the Shares will be transferred pursuant to the Offer with full title guarantee free from any lien, charge or other encumbrance or equity or other third party right of any nature and with all rights of any nature now or at any time attaching or accruing to them, including the right to all dividends declared or paid after the date of this deed; and
 - 4.1.4 I shall from time to time promptly complete, execute and deliver such documents and do all such other things as shall be necessary to give full effect to each of my Obligations.
- 4.2 I shall fulfil the undertaking in paragraph 4.1.1 in accordance with the procedure for acceptance set out in the Acquisition Document:
 - 4.2.1 no later than 3.00 pm on the tenth business day after the publication of the Acquisition Document; or
 - 4.2.2 if later, in relation to Shares falling within paragraphs 3.1.1(b) or 3.1.1(c), not later than five business days after I become their registered holder or beneficial owner (or I otherwise become entitled to exercise all rights/interests in respect of them).
- 4.3 I further undertake to you that I shall accept the proposals made by the Bidco to the holders of Awards under the Share Scheme(s) which comply with the Cooperation Agreement and the requirements of the Code in respect of my Awards, to the extent that the same have not lapsed or been exercised, no later than five business day after receipt of such proposal, or otherwise allow such Awards to lapse.

5. Dealings

- 5.1 I further undertake to you that I shall not and I shall procure that the registered holder of any Shares shall not:

- 5.1.1 sell, transfer, encumber or otherwise dispose of, or grant any option or other right over any of the Shares or any interest in them except pursuant to the Acquisition, except that:
- 5.1.2 I may with the Bidco's prior written consent (such consent not to be unreasonably withheld or delayed), transfer (or procure the transfer of) some or all of my interest in any Shares (in one or more transactions) to one or more of my close relatives and/or related trusts (as defined in the Code) provided that:
 - (a) such transfer is undertaken as part of my bona fide tax planning; and
 - (b) on or before such transfer the transferee or beneficiary has entered into an undertaking in favour of the Bidco on terms no less favourable to the Bidco than those set out herein;
- 5.1.3 accept or undertake to accept any offer made or proposed to be made in respect of any of the Shares (by whatever means implemented) or vote in favour of any resolution of Target shareholders to approve any scheme of arrangement, merger or other business combination of the Target in competition with the Acquisition;
- 5.1.4 except for securities attributable to or derived from any of the Shares or Share Schemes or pursuant to the exercise of Awards, acquire any interest in any securities of the Target or in any other securities, options or derivatives referenced to the share capital of the Target and/or the price of the Target's shares; or
- 5.1.5 enter into any agreement or arrangement, or instruct the registered holder or beneficial owner of the Shares to enter into any agreement or arrangement (in any case whether conditionally or unconditionally and whether or not legally binding) to do any of the acts referred to in paragraphs 5.1.1 to 5.1.3,

provided that, the undertakings given by me in this deed are given by me solely in relation to my interest in the Shares and shall not restrict any actions taken by me in any capacity as a director of the Target or any of its subsidiaries or associated companies.

- 5.2 Without prejudice to my undertakings in paragraph 5.1, I shall notify the Bidco promptly of details of any dealings by me, my close relatives and any related companies and trusts in any shares of the Company as soon as reasonably practicable and, in any event, before 10.00 am on the business day following the relevant dealing.

6. Consents

I consent to:

- 6.1 this deed being disclosed to the Panel;
- 6.2 the inclusions of references to me and details of this deed being set out in the Announcement substantially in the terms attached, in the Acquisition Document and in any other related or ancillary announcement or document as required by the Code (as defined below); and
- 6.3 this deed being available for inspection as required by the Code during the offer period.

7. Secrecy and market abuse

- 7.1 Except to any extent required by any Relevant Requirements, I shall keep secret:

- 7.1.1 the possibility, terms and conditions of the Acquisition and the existence and terms of this deed; and
- 7.1.2 details of our discussions relating to the Acquisition (whether before or after the release of the Announcement),

except in each case to the extent that such matters are made public through the issue of the Announcement or any other documentation relating to the Acquisition and provided that I may disclose the same on a similarly confidential basis to the Target, its advisers and my advisers. The obligations in this paragraph 7.1 shall survive termination of this deed.

- 7.2 To the extent any information you have given to me in relation to the Acquisition is inside information for the purposes of the Criminal Justice Act 1993 or the Market Abuse Regulation No. 596/2014, I will comply with the applicable restrictions in those enactments on dealing in securities and disclosing inside information.
- 7.3 I confirm that, in relation to the execution of this deed, I am not a client of Rothschild & Co or Barclays Bank plc for the purposes of the rules of the Financial Conduct Authority and that accordingly neither Rothschild & Co nor Barclays Bank plc is acting for me or responsible to me for providing protections afforded to its clients or advising me in relation to this deed or the Acquisition.
- 7.4 Nothing in this deed shall restrict me in joining with the board of the Target to make any announcement or publicly identify the Bidco and its controllers as permitted by Rule 2.3(d) of the Code (subject to any dispensation granted by the Panel).
- 7.5 Without prejudice to paragraph 8 below, I agree to notify you and the Panel as soon as reasonably practicable if I become aware that I am no longer able to comply with the terms of this Deed or no longer intend to do so in accordance with Rule 2.10(c) of the Code.
- 7.6 In the event that the Acquisition proceeds by way of an Offer, all the obligations and provisions set out in this deed relating to the Acquisition should be read as obligations and provisions to accept the Offer and I will, if so desired by Bidco, enter into a replacement deed of undertaking on terms agreed between Target and Bidco, acting reasonably, giving effect to such obligations and provisions in a form specific to the requirements of an Offer and upon such deed of undertaking becoming effective this deed shall terminate and be of no further effect.

8. Termination

- 8.1 Without prejudice to paragraph 7.6 above, this deed shall terminate, and all Obligations will lapse and cease to have effect (except as otherwise expressly stated), on the date the Acquisition in the case of an Offer, becomes or is declared unconditional in all respects, or in the case of a Scheme, becomes effective, or prior to that date if:
 - 8.1.1 the Announcement is not released by 11:59pm on 15 January 2019 or such later date as the Bidco and the Target may agree;
 - 8.1.2 the Acquisition Document is not published within 28 days of the date of release of the Announcement (or within such longer period as the Panel may agree); or
 - 8.1.3 the Acquisition lapses or is withdrawn on or before 30 September 2019, provided that this paragraph 8.1.3 shall not apply:

- (a) where the Acquisition is withdrawn or lapses solely as a result of the Bidco exercising its right to implement the Acquisition by way of an Offer rather than by way of a Scheme or vice versa; or
- (b) if a new, revised or replacement scheme of arrangement pursuant to Part 26 of the Companies Act 2006 or takeover offer (within the meaning of section 974 of the Companies Act 2006) is or has been announced by the Bidco, in accordance with Rule 2.7 of the Code, at the same time as any such lapse or renewal. If the Bidco announces a new, revised or replacement scheme of arrangement or offer at the same time as such lapse or renewal, this deed shall continue to apply in respect of such scheme or offer so that references to the Acquisition shall be read as references to such scheme or offer and references to the Announcement shall be read as references to the Bidco's announcement of such scheme or offer.

8.2 On termination of this deed neither party shall have any claim against the other save in respect of any prior breach.

8.3 Nothing in this deed shall oblige the Bidco to announce the Acquisition or, if announced, to make the Acquisition, if it is not required to do so by the Relevant Requirements.

9. Interpretation

9.1 In this deed:

"Acquisition" means the proposed acquisition by the Bidco of the issued and to be issued ordinary share capital of the Target which may be implemented by way of an Offer or a Scheme, and includes any new, revised, improved or increased offer by or on behalf of the Bidco to acquire shares in the Target (and, if made by a subsidiary of the Bidco, all references to **"you"** or the **"Bidco"** shall be deemed to include that subsidiary);

"Acquisition Document" means the formal document containing the terms of the Offer or, if applicable, the Scheme and the explanatory memorandum in respect of the Scheme;

"business day", "offer" and "offer period" have the meanings set out in the Code; **"Code"** means the City Code on Takeovers and Mergers;

"Cooperation Agreement" means the cooperation agreement entered into between the Target and the Bidco dated on or around the date hereof relating to the Acquisition;

"Court Meeting" means any meeting of the shareholders of the Target convened by an order of a court (including any adjournments or postponements thereof) in order for the shareholders of the Target to consider, and if thought fit approve, the Scheme;

"General Meeting" means any general meeting of the shareholders of the Target (including any adjournments or postponements thereof) convened in order for the shareholders of the Target to consider, and if thought fit approve, the Acquisition and any related matters;

being **"interested in"** or having **"interests in"** shares or securities shall be interpreted in accordance with the Code and Part 22 of the Companies Act 2006;

"Obligations" means each and all of my undertakings, agreements, warranties, representations, appointments and consents set out in this deed;

“Offer” means the Acquisition implemented by way of a takeover offer within the meaning of section 974 of the Companies Act 2006;

“Panel” means the Panel on Takeovers and Mergers;

“Relevant Requirements” means the requirements of the Code, the Panel, any applicable law or regulation, the High Court of Justice in England and Wales, the Financial Conduct Authority, London Stock Exchange plc, the Market Abuse Regulation, the Listing Rules, the Prospectus Rules and the Disclosure Guidance and Transparency Rules, or the requirements of any other relevant regulatory authority;

“Scheme” means the Acquisition implemented by way of a scheme of arrangement pursuant to Part 26 of the Companies Act 2006; and

“subsidiary” includes subsidiary undertaking, both terms having the meanings set out in the Companies Act 2006.

9.2 References to time are references to the time in London, United Kingdom.

9.3 Any time, date or period referred to in this deed may be varied by mutual written agreement between the parties but, as regards any time, date or period originally fixed or so varied in accordance with this paragraph 9.3, time shall be of the essence.

10. **Obligations**

10.1 Except to the extent specified in this deed, my Obligations are unconditional and irrevocable.

10.2 In respect of any Shares not registered in my name, I undertake to instruct that their registered holder(s) comply with the Obligations.

10.3 This deed has been signed in my capacity as a shareholder (including, where appropriate, in my capacity as beneficial owner of the Shares and/or as a person able to control the exercise of all rights, including voting rights, attaching to Shares) and not in any other capacity. For the avoidance of any doubt, this deed shall not restrict any actions taken by me in any capacity as a director of the Target or any of its subsidiaries or associated companies.

11. **Whole agreement**

This deed contains the whole agreement between us relating to the subject matter of this deed at the date of this deed to the exclusion of any terms implied by law which may be excluded by contract. I acknowledge that I have not been induced to sign this deed by any representation, warranty or undertaking not expressly incorporated into it.

12. **Specific performance**

I acknowledge and agree that damages may not be an adequate remedy for breach of any of my Obligations and that, without prejudice to any other remedies you may have, you shall be entitled to the remedies of injunction, specific performance and other equitable relief.

13. **Power of attorney**

I irrevocably appoint, by way of security for the performance of my Obligations, any director of the Bidco to be my attorney in my name and on my behalf to sign, execute and deliver any form of proxy required by the Bidco appointing any person nominated by the Bidco to attend and vote on any Relevant

Resolution and to sign, execute and deliver all such other documents and to do all such other acts and things as may be necessary for or incidental to approving the Scheme and/or the performance of any of my other Obligations, if I fail to comply with any such Obligation within the relevant time specified for compliance and I irrevocably undertake to ratify such act if called upon to do so.

14. General

14.1 **Personal representatives:** This deed (except to the extent it relates to my position as a director of the Target) will bind my estate and personal representatives.

14.2 **Rights of third parties:** No term of this deed is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not party to it.

14.3 **Severability:** The invalidity, illegality or unenforceability of any provision of this deed shall not affect the continuation in force of the remainder of this deed.

15. Governing law

This deed and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law. I submit to the exclusive jurisdiction of the English courts for all purposes in relation to this deed.

I intend this deed to be a deed and sign and deliver it as a deed.

THE SCHEDULE

No. of Existing Shares	No. of Awards	Vesting conditions (Y/N)	Name of registered holder	Name of beneficial owner
62,500	NIL	N/A	Aurora Nominees Limited	Heather Lawrence and Edward Lawrence

Signed as a deed by **HEATHER LAWRENCE** in the presence of:

Witness signature  _____

Witness name
(block capitals) *BEN JONES*

Witness address
*ADELAIDE HOUSE
LONDON BRIDGE
LONDON
EC4A 9HA*

Signature 