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FLYBE GROUP PLC

(Registered in England and Wales with registered number 01373432)

Notice of General Meeting requisitioned by a Shareholder

Directors' recommendations to vote AGAINST the Resolutions

Notice of a general meeting of the Company to be held at the offices of Bryan Cave Leighton Paisner LLP, Adelaide House, London Bridge, London EC4R 9HA at 11.00 am on 22 March 2019 is set out in Part 6 of this document.

Whether or not you intend to attend the Requisitioned Meeting in person, you are requested to validly appoint a proxy in accordance with the instructions set out in Part 4 of this document and in the Notes to the Requisitioned Meeting set out in Part 6 of this document. **You will not receive a Form of Proxy for the Requisitioned Meeting in the post, however, you may request a hard copy Form of Proxy directly from the Registrars, Link Asset Services, 34 Beckenham Road, Beckenham, BR3 4TU (telephone number: 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 am to 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Lines are open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales).** The appointment of a proxy will not preclude you from attending and voting in person at the Requisitioned Meeting, or any adjournment thereof, if you wish to do so and are so entitled.

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EXPECTED TIMETABLE

Date of circulation of this document	22 February 2019
Latest time and date for receipt of CREST proxy instructions, forms of proxy and electronic registrations of proxy appointments	11.00 am on 20 March 2019
Record time and date for voting at the Requisitioned Meeting	6.00 pm on 20 March 2019
Requisitioned Meeting	11.00 am on 22 March 2019

References to time are to London time. If any of the dates and/or times in this expected timetable change, the revised dates and/ or times will be notified to Shareholders by announcement through a Regulatory Information Service.

PART 1

LETTER FROM THE DIRECTORS OF FLYBE GROUP PLC

(Registered in England and Wales with registered number 01373432)

Directors

Simon Laffin
Heather Lawrence
Elizabeth McMeikan
Christine Ourmières-Widener
Ian Milne

Registered Office

New Walker Hangar
Exeter International Airport
Clyst Honiton
Exeter
EX5 2BA

22 February 2019

Dear Shareholder

Notice of general meeting requisitioned by a Shareholder

1. Introduction

On 1 February 2019, the Company received a valid requisition notice from certain nominee shareholders of Hosking.

The requisition notice requires the Directors to call a general meeting for the purpose of proposing resolutions to appoint Eric Kohn as a Director of the Company and to remove Simon Laffin as a Director of the Company. A notice convening the Requisitioned Meeting for 11.00am on 22 March 2019 is set out in Part 6 of this document.

An additional resolution intended to direct the Directors to appoint Mr Kohn to carry out an investigation into events since the announcement of the Formal Sale Process on 14 November 2018 was also requested by Hosking's nominees to be proposed at a general meeting. As announced by the Company on 30 January 2019, this requested resolution would, if passed, be ineffective under the Company's constitution; it is not therefore being proposed to shareholders. Notwithstanding the invalidity of this third resolution, the Company has confirmed to Hosking and announced that, if Mr Kohn is appointed as a Director, he will enjoy the usual rights, powers and freedoms of action enjoyed by all Directors.

The purpose of this letter is to explain why the Directors strongly believe that the resolution to be proposed at the Requisitioned Meeting to appoint Mr Kohn as a Director, and why the Independent Directors strongly believe that the resolution to be proposed at the Requisitioned Meeting to remove Simon Laffin as a Director, are **NOT** in the best interests of the Company and its Shareholders and to recommend unanimously that Shareholders **VOTE AGAINST THE RESOLUTIONS** at the Requisitioned Meeting.

2. Reasons given by Hosking for the requisition

As Shareholders who together hold not less than 5 per cent. of the total voting rights exercisable in the Company, Hosking's nominees are entitled to require the Company to circulate a statement of no more than 1,000 words to Shareholders in respect of the Requisitioned Meeting. A copy of the statement received by the Company from Hosking's nominees is contained in Part 3 of this document, which has been reproduced without amendment. The Company and the Board have not verified and do not endorse or take any responsibility for the contents of Part 3 of this document.

3. Directors' response to the requisition

Since receiving the requisition notice from Hosking's nominees:

- the Company has published the Scheme Circular to Shareholders which includes the proposed scheme of arrangement through which the Connect Airways offer for the shares in the Company is being made; and

- the sale of the Company's operating subsidiaries to Connect Airways has been completed in accordance with the sale and purchase agreement dated 15 January 2019.

The Scheme Circular explains in Part 1 the background to and reasons for the Board's decisions to recommend the Connect Airways Offer and to agree to sell the operating subsidiaries through the sale and purchase agreement. The text of this section of the Scheme Circular is reproduced in Part 2 of this document for ease of reference. We encourage Shareholders to read Part 2 of this document in full before deciding how to vote on the Resolutions at the Requisitioned Meeting.

The Board fully understands the disappointment of Shareholders that the Formal Sale Process has not resulted in a higher financial return to them. The Board are also all Shareholders. The decisions taken by the Board to recommend what was ultimately a disappointingly low offer and to agree to sell the operating subsidiaries were difficult, but necessary. The current market for air travel has been challenging for all participants: Flybmi (a company unrelated to Flybe) went into administration last week following six other European airlines ceasing to operate in the last twelve months. Had the Board not taken the actions that it did to secure the Connect Airways offer and then, when forced to do so by new developments outside of its control, agree the sale of the operating subsidiaries, Flybe would have ceased to operate, Shareholders would have received no value whatsoever for their shares, all of Flybe's employees would have lost their jobs and Flybe's suppliers and pensions scheme members would all have suffered material financial losses. This situation has been avoided by the Board's actions.

Following the completion of the sale of the Company's operating subsidiaries to Connect Airways, the Company is a non-trading entity with no subsidiaries and no material assets other than the limited cash remaining from the consideration received from the sale, which will be required to cover transaction costs and residual and rundown costs of the Company.

Proposal to appoint Mr Kohn

Hosking requested a meeting with the Company's Senior Independent Director, Elizabeth McMeikan, to discuss its concerns in relation to the conduct of the Formal Sale Process. The Board offered to arrange this meeting but is disappointed that on doing so it did not receive any response from Hosking.

The Nomination Committee of the Company invited Mr Kohn to meet with it to enable the Board, in this document, to make a recommendation to Shareholders as to how to vote on the resolution to appoint him as a Director of the Company.

Having met with Mr Kohn, the Board has been unable to confirm his independence from Hosking. The Company now has no operating subsidiaries and, if the Scheme does not become effective, the Board intends to wind-up the Company once its affairs are settled. The Directors do not believe therefore that Mr Kohn will add to the Board's decision-making or efficient running. Accordingly, the Board believes that the resolution to appoint Mr Kohn as a Director of the Company is not in the best interests of the Company or its Shareholders as a whole and unanimously recommends that you **VOTE AGAINST** the resolution to appoint Mr Kohn at the Requisitioned Meeting, as each member of the Board intends to do in respect of his or her own beneficial shareholdings.

Proposal to remove Simon Laffin

Simon has several decades' experience of being both an executive and non-executive director of major listed companies. Simon has served as Chairman of Flybe since 2013 and served as interim CEO in the period October 2016 to January 2017 pending the appointment of Christine Ourmières-Widener. Simon's experience in leadership roles at public companies and deep knowledge of Flybe's business has been vital in the Board navigating a very difficult period in the Company's history to achieve an outcome which provides a small return for Shareholders if the Scheme is approved, whilst keeping Flybe flying, saving jobs and protecting members of its pension scheme from losing a significant part of their pension entitlements.

The Independent Directors remain fully supportive of Simon Laffin as both Chairman and a Director and believe that he has dedicated himself tirelessly to leading the Board through a very difficult period.

The Independent Directors believe that the resolution to remove Simon Laffin as a Director of the Company is not in the best interests of the Company or its Shareholders as a whole and unanimously recommend that you **VOTE AGAINST** the resolution to remove Mr Laffin at the Requisitioned Meeting, as each of the Independent Directors intends to do in respect of his or her own beneficial shareholdings.

4. Offer from Connect Airways for the shares in the Company

Separately from the sale of the Company's operating subsidiaries, the offer from Connect Airways to Shareholders to acquire their shares in the Company by means of the Scheme remains in progress. Following the sale of the Company's operating subsidiaries, if the Scheme is not approved, the Company is anticipated to have no surplus funds or assets and the Directors intend to take steps to wind-up the Company and Shareholders are likely to receive no value for their shares in the Company. If the Scheme becomes effective, Connect Airways will be the sole registered shareholder at the record time for voting at the Requisitioned Meeting.

Yours sincerely

The Directors
Flybe Group plc

PART 2

EXTRACT FROM THE SCHEME DOCUMENT

BACKGROUND TO AND REASONS FOR THE BOARD'S DECISIONS TO RECOMMEND THE CONNECT AIRWAYS BID AND AGREE TO SELL THE COMPANY'S OPERATING SUBSIDIARIES

The following text has been extracted without amendment from Part 1 of the Scheme Circular sent to Shareholders on 7 February 2019 and has been reproduced here for the ease of reference of Shareholders:

“Background to the Scheme

Since the appointment of Christine Ourmières-Widener as CEO, Flybe had implemented a clear strategy focused on tighter fleet management, improving revenue per seat performance and increasing load factors. Flybe's pursuit of operational excellence had led to a significant reduction in maintenance lead-times and higher customer satisfaction. Delivering this new strategy required management to address several material legacy issues such as engine and aircraft contracts, which significantly increased cash requirements.

The current broader market for air travel has been challenging for all parties. There have been a number of airlines who have gone out of business over the past year and several others have issued profit downgrades. While Flybe had made tangible progress in delivering its strategy, maintaining momentum had been hampered by the challenging market environment. Ongoing fuel and currency impacts presented particularly significant headwinds for Flybe as did the rapid and significant tightening on Flybe's liquidity from the card acquirer market. In addition, the general economic outlook and conditions had impacted the business leading to a further weakening in consumer demand, affecting cash, revenues and profit adversely.

On 17 October 2018, Flybe announced that, due to weak consumer demand in domestic and near-continent markets, together with higher fuel prices and a weaker sterling, the Company's profit performance would be lower than previously expected.

On 14 November 2018, Flybe announced its interim management report for the 6 month period to 30 September 2018, which made clear that if the Flybe Group's card acquirers were to choose to seek significantly higher cash collateral and the Flybe Group could not access sufficient additional liquidity, this would give rise to a material uncertainty which might cast significant doubt on its ability to continue as a going concern. The Company announced therefore that it was undertaking a comprehensive strategic review of its options, including a potential sale of the Company by way of the Formal Sale Process (also announced on 14 November 2018) and exploring a move to a Standard Listing to allow the Company more flexibility in carrying out asset divestments to generate cash. The latter move was subsequently approved by over 99% of Shareholder votes at a general meeting on 14 December 2018.

Flybe received a number of expressions of interest both before and after the announcement of the Formal Sale Process. These expressions of interest included proposals for the acquisition of Flybe as a whole and also for parts of the business or certain assets. After initial discussions with the interested parties, Flybe shortlisted a smaller number of potential offerors to conduct initial due diligence based on a range of criteria, including deliverability, financial capability and strategic fit. The selected potential offerors were asked to submit proposals for Flybe and subsequently Flybe entered into detailed discussions with a small number of parties.

These discussions led to the current offer from Connect Airways when two existing interested parties came together and informed Flybe of this fact shortly before the Announcement. In addition to Connect Airways making the offer to Flybe Shareholders, the Connect Lenders agreed to make available to Flybe and Flybe Limited a secured committed credit facility of up to £20 million, subject to a number of conditions. This facility was subsequently amended on 15 January 2019 in connection with the Subsidiary Sale, further details of which are set out

below. Although the price per share offered by Connect Airways was disappointingly low, its proposal was ultimately the only proposal capable of immediate execution to enable Flybe and the Flybe Subsidiaries to continue to trade as going concerns.

Reasons for the recommendation of the Acquisition at the time of the Announcement

The Flybe Directors evaluated the offer by Connect Airways on behalf of the Flybe Shareholders as a whole. In deciding to recommend the Acquisition to the Flybe Shareholders at the time of the Announcement, the Flybe Directors took into account a range of factors, including those outlined below.

The Flybe Group's card acquirers normally pass on cash for credit card bookings for future flights, less a proportion retained as security. However, as highlighted in the interim management report released on 14 November 2018, they are contractually entitled to retain enough cash to ensure that they are fully secured. Flybe's principal credit card acquirer changed its collateral requirements and began to retain significantly more cash against their exposure. This change in position materially and rapidly weakened the Company's unrestricted cash position and raised concerns with the Flybe Group's banks.

The Flybe Directors saw a business combination with Connect Airways and the £20 million credit facility to be provided by the Connect Lenders as attractive to the Flybe Group's customers, employees, suppliers and the wider community, particularly against the backdrop of the hardening attitude of the credit card acquirers and banks. Flybe's access to increased scale and significant financial resources through such a combination were regarded as likely to deliver greater stability during times of market turbulence and enable the business to focus on profitable growth. The Flybe Directors believed that adding the long-haul network, greater economies of scale, connectivity experience, successful airline partnerships and the wet lease operations of the owners of Connect Airways would provide the opportunity to develop enhanced customer experience, optimise operational performance and accelerate partnerships with other airline operators. It also confirmed the Flybe Group's feeder capabilities at key airports including Manchester Airport and London Heathrow Airport.

The Flybe Directors took into careful consideration the risks inherent in the successful execution of Flybe's business plan given the developing adverse factors versus the opportunity that a cash offer and the offer of funding for the business provided. Such risks included further softening in demand in the short-haul market, potential for further cash flow challenges in the short-term (through credit card acquirer retention or otherwise), weather events and further adverse movements in fuel prices, sterling and customer sentiment.

In the absence of the Acquisition and the funding to be provided by the Connect Lenders, the Flybe Directors considered that neither Flybe nor the Flybe Subsidiaries would be able to continue to trade as going concerns. Even absent the Subsidiary Sale (described further below), were Flybe or the Flybe Subsidiaries to have been placed into administration, the Flybe Directors did not believe that an administrator would have been able to operate the business as a going concern and in such circumstances Flybe Shareholders would have been unlikely to have received any value in respect of their Flybe Shares.

The Flybe Directors therefore concluded that, taking into account Flybe's difficult financial position and the expectation that the pressure on Flybe's cash flow would continue to put at risk Flybe's and the Flybe Subsidiaries' ability to continue to trade as going concerns, the Acquisition and funding from the Connect Lenders represented the only available means of securing Flybe's and the Flybe Subsidiaries' futures. The Flybe Directors were advised both that the financial terms of the Acquisition were fair and reasonable with regard to Shareholders and also that the Acquisition, when considered together with the financial support to be made available under the Bridge Facility Agreement, represented the best prospect of enabling Flybe Limited to meet its obligations to employees, pension scheme members and other creditors and continue to trade and therefore enable the Flybe Directors to preserve the value of the Company for the benefit of its creditors and Shareholders.

Background to the Subsidiary Sale

Following the Announcement, despite significant efforts, Flybe was not able to satisfy the conditions to utilisation of the Bridge Facility Agreement because the credit card acquirers were unwilling to increase their exposure during the period to the expected effective date of the Scheme; therefore Flybe was unable to draw any funds under it.

In order to enable Flybe Limited to continue to trade and thereby preserve the interests of Flybe's Shareholders and other stakeholders of the Flybe Group (including customers, employees, pension scheme members and other creditors) Flybe needed immediate funding and the ongoing support of the Flybe Group's credit card acquirers and banks. Because in the time available there were no other parties in a position to meet both Flybe's funding needs and the requirements of Flybe's banks and credit card acquirers, the Flybe Directors concluded, and were so advised, that the only way to avoid Flybe and Flybe Limited having to be placed into administration was to progress the transaction with Connect Airways and thereby preserve the interests of its Shareholders and stakeholders by accessing such funding and retaining its financiers' support was to enter into a new agreement to sell its operating subsidiaries. On 15 January 2019, Flybe therefore entered into the Subsidiary Sale SPA, agreeing to sell the Group's main trading company, Flybe Limited (including Flybe Aviation Services Limited), and the digital company Flybe.com Limited to Connect Airways for £2.8 million (payable to Flybe Group plc), subject only to a limited number of conditions. At the same time the Bridge Facility Agreement was revised and £10 million was utilised by Flybe Limited immediately to support the business with a further £5 million being utilised on 25 January 2019. In addition, to improve liquidity a number of improved arrangements with the Flybe Group's credit card acquirers and banks were also reached in conjunction with the Subsidiary Sale.

Flybe's move to a Standard Listing, previously approved by Flybe Shareholders on 14 December 2018, became effective on 17 January 2019. The conditions to the Subsidiary Sale SPA are currently being progressed by the parties with the expectation that they will be satisfied and that completion of the Subsidiary Sale will occur on or before the long stop date under the Subsidiary Sale SPA of 22 February 2019.

At the same time as entering into the Subsidiary Sale SPA, Flybe and Connect Airways ensured that the Acquisition would continue to be available to Flybe Shareholders through the Scheme so that Flybe Shareholders would continue to have the benefit of a cash offer for their Flybe Shares.

Reasons for continuing to recommend the Acquisition following the entry into of the Subsidiary Sale SPA

Following completion of the Subsidiary Sale, the Company will be a non-trading entity with no subsidiaries and no material assets other than the cash remaining from the consideration received under the Subsidiary Sale SPA, which will be required to cover transaction costs and residual and rundown costs of the Company. It is not anticipated that after meeting these costs there will be any remaining funds available for distribution to Flybe Shareholders.

Accordingly, following completion of the Subsidiary Sale, if the Scheme is not approved, the Flybe Directors intend to take steps to wind-up the Company and Shareholders are likely to receive no value for their shares in Flybe. Accordingly, the Flybe Directors believe that the terms of the Acquisition remain in the best interests of Flybe Shareholders as a whole and unanimously recommend that Flybe Shareholders vote in favour of the resolutions to be proposed at the Court Meeting and the General Meeting.

THE FLYBE DIRECTORS STRONGLY ADVISE THE FLYBE SHAREHOLDERS TO VOTE IN FAVOUR OF THE SCHEME AT THE MEETINGS IN ORDER TO RECEIVE THE CONSIDERATION OF 1P PER SHARE.

Recent very preliminary and highly conditional proposal from Mr Andrew Tinkler

On 1 February 2019 the Company received a very preliminary, short and highly conditional outline contingency proposal from Mr Andrew Tinkler which envisages a capital injection into Flybe and replacement of the funding provided by Connect Airways under the Bridge Facility Agreement (the "**Tinkler Proposal**"), but not an offer for the whole of Flybe or any other

acquisition structure. The Flybe Board understands that a pre-condition to the Tinkler Proposal is the Subsidiary Sale not being completed. The Company is bound to complete the Subsidiary Sale if the conditions to completion in the Subsidiary Sale SPA are satisfied or are waived by Connect Airways.

The Board does not consider that the Tinkler Proposal offers the certainty required to secure the future of the Company and the Flybe Group. Accordingly, the Board emphasises to Shareholders that it continues to regard the arrangements entered into with Connect Airways as being the only viable option available to the Company and the Flybe Group which provides the security that the business needs to continue to trade successfully."

PART 3

SHAREHOLDER STATEMENT

Statement to shareholders of Flybe Group plc (“Flybe”/ the “Company”)

1 February 2019

Dear Shareholders

Requisitioned General Meeting

We are writing, on behalf of Hosking Partners, as holders of, in aggregate, 6.34% of the shares in the Company to seek your support to effect a change at board level of the Company and to investigate the actions of the Company and its advisers.

This step comes in the context of the woeful performance of the board and its advisers in:

- arriving at a position where the directors, in the course of implementing the announced “formal sale process”, accept and recommend an offer at 1 pence per share (the **Offer**) for the Company by the Connect Airways consortium (the **Consortium**) valuing the Company at £2.2m at a time when its share price was c.16 pence; and
- entering into a binding agreement to sell Flybe’s operating business to the Consortium barely two business days after accepting the Offer and, in avoiding shareholder approval for the same, effectively blocking any other bidder from make an alternative offer (as confirmed in the Company’s announcement of 24 January).

The appointment of a new director, experienced in the industry and unconnected with the Offer, is essential. Eric Kohn as new independent director, will investigate what has happened and represent the interests of shareholders who have little or no visibility upon how this situation has arisen.

1. Interactions with the Company

We were taken by surprise at the announcement of Friday 11 January 2019 that the Consortium’s Offer had been recommended. In conversations with the current chairman and the executive directors, we were informed that the board hoped other bidders would be encouraged to come forward.

We were then frankly astonished on Tuesday 15 January 2019, when it was announced that the Company had agreed to sell its main trading company, Flybe Limited, to the Consortium for £2.8 million.

In response to our urgent questions raised, we were (eventually) told that the board had no other choice because of the Company’s liquidity position.

Yet since 15 January it has become apparent that in fact there **were** realistic alternatives on the table and/or steps the Company could have taken to improve its position, but the board seemingly did not properly engage or consider such alternatives and instead prioritised the Consortium.

2. Shareholder concerns

That the Offer was recommended at such a low price raises serious concerns that:

- the Offer seriously undervalued Flybe and did not properly value its slots, servicing business and its aircraft fleet; and/or

- the directors were allowing a false market in Flybe's shares to continue by not announcing to the market such information as to allow investors to make an informed decision about Flybe – if (which we do not accept) 1 pence per share actually reflected its true value.

We have lost confidence in the stewardship of the board and believe that they have been either incompetent, badly advised, out-manoeuvred, or all three. In particular, Simon Laffin has not adequately discharged his duties to the Company's shareholders and his position is no longer tenable.

We therefore propose that Eric Kohn should be appointed as new independent director with immediate effect.

Eric Kohn is the Founder and Chairman of Barons Financial Services, with over thirty years' experience in all disciplines of corporate finance, including aerospace. He was a member of the Board of Directors of Avcorp Industries, a publicly listed Canadian aerospace manufacturer, from November 2004 to June 2017. He acted as financial advisor to Intro Aviation in its acquisition of the airlines CityJet and VLM Airlines from Air France-KLM, and was a member of the Board of Directors of VLM Airlines from April 2014 to May 2016.

Questions to which the new director will urgently seek answers (based upon such limited information as we have obtained) on behalf of all shareholders include:

- what options, such as approaching Flybe's lessors to request changes to lease conditions in order to improve liquidity, were considered by the board from November onwards?
- why did Flybe and its advisers apparently ignore the fact that Virgin and Stobart were sharing information to assemble a bid in breach of their respective NDA obligations as early as late December?
- why was this breach waived by the board on 9 January?
- why did Flybe and its advisers turn a blind eye to Virgin and Stobart approaching lessors, banks and other Flybe creditors to re-negotiate the arrangements – in doing so sharing highly sensitive information in a manner that seems to have put the group into an incredibly vulnerable position financially?
- why were other expressions of interest in the Company seemingly not followed up by the Company with the same energy as was applied to the Consortium? Were other interested parties afforded equal access to the same information and to the Company's credit card processors as Virgin and Stobart?

3. Voting recommendation

The first and second resolutions, if passed, will immediately remove Simon Laffin as chairman and a director of the Company and appoint Eric Kohn as a director.

We also consider that Mr Kohn should be empowered by resolution of the shareholders to investigate what has happened from announcement of the sale process to recommendation of the Offer and entry into of the Flybe Limited agreement. As the Company has resisted that resolution, we have sent the Company a requisition for a further meeting dealing only with that resolution, so as not to delay this requisition.

We believe it is in the best interests of the Company and its shareholders to pass the proposed resolutions in order to get answers to the questions posed above.

We urge you to VOTE IN FAVOUR OF EACH OF THE RESOLUTIONS being raised at the requisitioned General Meeting.

Yours faithfully

Signed by Nortrust Nominees Limited
as registered nominee shareholder on behalf of

Hosking Global Fund Plc
Hosking Partners Equity Fund LLC
Hosking Partners Global Equity Trust

Contact Simon Hooper
shooper@hoskingpartners.com (020 7004 7850)

NOTE: THE VIEWS EXPRESSED IN THIS STATEMENT ARE THOSE OF HOSKING PARTNERS AND NOT THE NOMINEE

PART 4

ACTION TO BE TAKEN

The Board believes that the resolution to appoint Mr Kohn is not in the best interests of the Company or its Shareholders as a whole and unanimously recommends that you **VOTE AGAINST** the resolution to appoint Mr Kohn, as each member of the Board intends to do in respect of his or her own beneficial shareholdings.

The Independent Directors believe that the resolution to remove Mr Laffin is not in the best interests of the Company or its Shareholders as a whole and unanimously recommend that you **VOTE AGAINST** the resolution to remove Mr Laffin, as each Independent Director intends to do in respect of his or her own beneficial shareholdings.

Voting by Proxy

It is important that Shareholders have the opportunity to vote, even if they are unable to come to the Requisitioned Meeting. Whether or not you intend to attend the Requisitioned Meeting in person, we request that you make a valid proxy instruction by submitting a proxy appointment via the internet at www.flybe-shares.com so that the appointment is received by no later than 11.00 am on 20 March 2019 (or, in the case of an adjournment, not later than 48 hours (excluding non-business days) before the time fixed for the holding of the adjourned meeting).

If you hold Ordinary Shares in CREST, you may appoint a proxy by completing and transmitting a CREST proxy instruction in accordance with the procedures set out in the CREST Manual so that it is received by the Registrars, Link Asset Services (CREST participant ID RA10), by no later than 11.00 am on 20 March 2019 (or, in the case of an adjournment, not later than 48 hours (excluding non-business days) before the time fixed for the holding of the adjourned meeting).

You may also request a hard copy Form of Proxy for use in connection with the Requisitioned Meeting or any adjournment thereof directly from the Registrars, Link Asset Services, on Tel: 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 am to 5.30 pm, Monday to Friday excluding public holidays in England and Wales. You are requested to complete and sign such Form of Proxy in accordance with the instructions printed on it so as to be received by the Registrars at Link Asset Services, 34 Beckenham Road, Beckenham, Kent BR3 4TU, as soon as possible and, in any event, by no later than 11.00 am on 20 March 2019 (or, in the case of an adjournment, not later than 48 hours (excluding non-business days) before the time fixed for the holding of the adjourned meeting).

Unless the Form of Proxy, CREST proxy instruction or an electronic registration of proxy appointment (as applicable) is received by the relevant date and time specified above, it will be invalid. Completion and return of an electronic registration of a proxy appointment, the submission of a CREST proxy instruction or a Form of Proxy will not preclude you from attending and voting in person at the Requisitioned Meeting if you wish to do so and are so entitled.

Shareholder helpline

If you have any questions relating to this document or the completion and return of the Forms of Proxy, please call Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am and 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

PART 5

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

“Acquisition”	the proposed acquisition by Connect Airways of the entire issued and to be issued share capital of Flybe, to be effected by the Scheme;
“Announcement”	the announcement by Connect Airways of its firm intention to make an offer to acquire Flybe in accordance with Rule 2.7 of the City Code on Takeovers and Mergers;
“Bridge Facility Agreement”	the facility agreement entered into between the Company and the Connect Lenders on 15 January 2019;
“Connect Airways”	Connect Airways Limited, a company incorporated in England and Wales with company number 11732177;
“Connect Lenders”	DLP Holdings, Stobart Aviation and Virgin Atlantic Airways;
“CREST”	the Relevant System (as defined in the CREST Regulations) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the Regulations);
“CREST Manual”	the manual, as amended from time to time, provided by Euroclear describing CREST and supplied by Euroclear in accordance with the Regulations;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755);
“Directors” or “Board”	the directors of Flybe whose names are set out in Part 1 of this document (or, where the context requires, the directors of Flybe from time to time) and “Director” means any one of them;
“Euroclear”	Euroclear UK & Ireland Limited, incorporated in England and Wales with registered number 02878738;
“Flybe”	Flybe Group plc, a public limited company incorporated under the laws of England and Wales with the registered number 01373432;
“Flybe Subsidiaries”	all of the subsidiaries (direct or indirect) of Flybe before completion of the Subsidiary Sale under the Subsidiary Sale SPA;
“Formal Sale Process”	the process by which Flybe announced on 14 November 2018 that it was seeking one or more potential bidders to acquire Flybe by means of a formal sale process;
“Form of Proxy”	the form of proxy which can be requested from the Registrars for use by Shareholders in connection with the Requisitioned Meeting;
“Independent Directors”	the Directors, other than Simon Laffin;
“Official List”	the Official List of the UK Listing Authority;
“Ordinary Shares”	the existing ordinary shares of 1 pence each in the share capital of the Company;

“Registrars”	Link Asset Services;
“Regulatory Information Service”	a regulatory information service that is approved by the FCA and that is on the list of regulatory information service providers maintained by the FCA;
“Requisitioned Meeting”	the general meeting of Flybe to consider the Resolutions, notice of which is set out in Part 6 of this document;
“Resolutions”	the resolutions to remove Simon Laffin from the Board and to appoint Eric Kohn to the Board as set out in the notice of the Requisitioned Meeting in Part 6 of this document, which are to be proposed at the Requisitioned Meeting;
“Scheme”	the proposed scheme of arrangement under Part 26 of the Companies Act 2006 between Flybe and its Shareholders to implement the Acquisition with or subject to any modification, addition or condition approved or imposed by the court and agreed to by Flybe and Connect Airways;
“Scheme Circular”	the circular sent by the Company to Shareholders in connection with the Scheme dated 7 February 2019;
“Shareholder”	a holder for the time being of Ordinary Shares;
“Standard Listing”	the “Standard Listing (shares)” segment of the Official List;
“Subsidiary Sale”	the proposed sale of the Flybe Subsidiaries to Connect Airways in accordance with the Subsidiary Sale SPA;
“Subsidiary Sale SPA”	the conditional sale and purchase agreement entered into between Flybe and Connect Airways on 15 January 2019 in relation to the sale of the Flybe Subsidiaries, the net inter-company debt between Flybe and the Flybe Subsidiaries and certain assets of Flybe related to the business of the Flybe Subsidiaries.

PART 6

NOTICE OF GENERAL MEETING

FLYBE GROUP PLC

(Incorporated in England and Wales with registered number 01373432)

NOTICE IS HEREBY GIVEN that a general meeting (the "**General Meeting**") of Flybe Group plc (the "**Company**") will be held at 11.00 am (London time) on 22 March 2019 at the offices of Bryan Cave Leighton Paisner LLP, Adelaide House, London Bridge, London EC4R 9HA for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary resolutions:

ORDINARY RESOLUTIONS

1. **THAT** having consented to act as such, Eric Kohn be and is hereby appointed as a director of the Company with immediate effect.
2. **THAT** Simon Laffin be and is hereby removed as a director of the Company with immediate effect.

By order of the Board

Catherine Ledger
Company Secretary

Registered Office:
New Walker Hangar
Exeter International Airport
Clyst Honiton
Exeter
EX5 2BA

22 February 2019

Registered in England & Wales
No. 01373432

NOTES TO THE NOTICE OF GENERAL MEETING

- 1 Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote on their behalf at the General Meeting. A Shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder. A proxy need not be a Shareholder of the Company.
- 2 The return of a completed Form of Proxy, or any electronic or CREST proxy instruction (as described in paragraphs 3-6 below), will not prevent a Shareholder attending the General Meeting and voting in person if he/she wishes to do so and is so entitled.
- 3 Proxy appointments submitted via the internet at www.flybe-shares.com must be received not later than 11.00 am on 20 March 2019 (or, in the case of an adjournment, not later than 48 hours (excluding non-business days) before the time fixed for the holding of the adjourned meeting).
- 4 If you are a user of the CREST system (including a CREST personal member), you may appoint one or more proxies or give an instruction to a proxy by having an appropriate CREST message transmitted. To appoint a proxy or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, the CREST message must be received by the Registrars (CREST participant ID RA10) not later than 11.00 am on 20 March 2019 (or, in the case of an adjournment, not later than 48 hours (excluding non-business days) before the time fixed for the holding of the adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the Registrars are able to retrieve the message.
- 5 CREST Personal Members or other CREST sponsored members should contact their CREST sponsor for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and systems timings, please refer to the CREST Manual (available via www.euroclear.com). The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- 6 Alternatively, you may request a hard copy Form of Proxy directly from the Registrars, Link Asset Services. A hard copy Form of Proxy together with any power of attorney or other authority under which it is signed, or a duly certified copy thereof, must be received by the Registrars at Link Asset Services, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 11.00 am on 20 March 2019 (or, in the case of an adjournment, not later than 48 hours (excluding non-business days) before the time fixed for the holding of the adjourned meeting).
- 7 Entitlement to attend and vote at the meeting and the number of votes which may be cast at the meeting will be determined by reference to the register of members of the Company as at 6.00 pm on 20 March 2019.
- 8 If the meeting is adjourned, entitlement to attend and vote will be determined by reference to the register of members of the Company as at 6.00 pm two days prior to the adjourned meeting (excluding non-working days). Changes to the register of members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- 9 Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
- 10 The right to appoint proxies does not apply to persons nominated to receive information rights under section 146 of the Companies Act 2006. Persons nominated to receive information rights under section 146 of the Companies Act 2006 who have been sent a copy of this Notice of General Meeting are hereby informed that they may have a right under an agreement with the registered member by whom they were nominated to be appointed, or to have someone else appointed, as a proxy for this meeting.
- 11 If they have no such right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the member as to the exercise of voting rights. Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements.
- 12 In the case of joint holders, where more than one of the joint holders purports to vote (including voting by proxy), the only vote which will count is the vote of the person whose name is listed before the other joint holder(s) on the register of members of the Company for the share.
- 13 Any Shareholder attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting, but no such answer need be given if (i) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (ii) the answer has already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
- 14 A copy of this Notice of General Meeting, and other information required by section 311A of the Companies Act 2006, can be found at www.flybeplc.com. Neither the content of the Company's website nor any website accessible by hyperlinks to the Company's website is incorporated in, or forms part of, these notes.
- 15 Shareholders should only use any electronic address provided in either this Notice of General Meeting or any related documents (including the Directors' letter and the proxy form) to communicate with the Company for the purposes expressly stated.
- 16 At 6.00 pm on 20 February 2019, the Company had 216,656,776 Ordinary Shares in issue. Therefore, the total number of voting rights in the Company was 216,656,776. The Ordinary Shares have a nominal value of 1 pence each. On a poll, each holder of Ordinary Shares has one vote per share.

