

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 stock broker, bank manager, fund manager, solicitor, accountant or other appropriate independent financial adviser who is authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriate authorised independent financial adviser.

If you sell or have sold or otherwise transferred all your Ordinary Shares, you should send this document at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. If you sell or have sold part only of your holding of Ordinary Shares, please consult the bank, stockbroker or other agent through whom the sale or transfer was effected. Any person (including, without limitation, custodians, nominees and trustees) who may have a contractual or legal obligation or may otherwise intend to forward this document to any jurisdiction outside the United Kingdom should seek appropriate advice before taking any action. The distribution of this document and any accompanying documents into jurisdictions other than the United Kingdom may be restricted by law. Any person not in the United Kingdom into whose possession this document and any accompanying documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Subject to the Resolution being passed, an application will be made to the UKLA for the category of the Company's listing of Ordinary Shares on the Official List to be transferred from Premium Listing to Standard Listing. Following the transfer to Standard Listing, the Ordinary Shares will continue to be traded on the London Stock Exchange's Main Market for listed securities.

Flybe Group plc

(Registered in England and Wales with registered number 01373432)

Proposed transfer of the Company's listing category on the Official List from Premium to Standard

and

Notice of General Meeting

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of Flybe in Part I of this document, which contains the unanimous recommendation of the Directors that you vote in favour of the Resolution to be proposed at the General Meeting referred to below.

Notice of a General Meeting of the Company to be held at the offices of Bryan Cave Leighton Paisner LLP, Adelaide House, London Bridge EC4R 9HA at 9.00 am on 14 December 2018 is set out at the end of this document. Whether or not you intend to attend the General Meeting in person, you are requested to complete a valid proxy instruction so as to arrive as soon as possible and, in any event, no later than 9.00 am on 12 December 2018 (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 to the Registrar, Link Asset Services (CREST participant ID RA10), so that it is received by no later than 9.00 am on 12 December 2018 (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). Proxy appointments may also be submitted via the internet

at www.flybe-shares.com so that the appointment is received by no later than 9.00 am on 12 December 2018 (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 will not receive a Form of Proxy for the General 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: 0871 664 0300. Calls cost 12p per minute plus your phone company's access charge. If you are outside the United Kingdom, please call +44 371 664 0300. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales).**

The completion and return of a Form of Proxy, the submission of a CREST Proxy Instruction or the electronic registration of a proxy appointment, will not preclude you from attending and voting in person at the General Meeting, or any adjournment thereof, if you wish to do so and are so entitled.

A summary of the action to be taken by Shareholders is set out in paragraph 8 of Part I of this document and in the Notice of General Meeting.

Capitalised terms have the meanings ascribed to them in Part III of this document.

This document is published on 27 November 2018.

FORWARD-LOOKING STATEMENTS

This document includes statements that are, or may be deemed to be, **forward-looking statements**. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms **anticipates, believes, could, estimates, expects, intends, may, plans, projects, should** or **will**, or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include, but are not limited to, statements regarding Flybe and its intentions, beliefs or current expectations concerning, among other things, results of operations, prospects, growth and strategies of Flybe.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the actual results of Flybe and its operations and the development of the markets and the industry in which it operates or is likely to operate and its operations may differ materially from those described in, or suggested by, the forward-looking statements contained in this document. In addition, even if the results of operations and the development of the markets and the industry in which Flybe operates are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. A number of factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, general economic and business conditions, industry trends, competition, changes in law and regulation, currency fluctuations or advancements in research and development.

Forward-looking statements may, and often do, differ materially from actual results. Any forward-looking statements in this document reflect Flybe's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to Flybe's future operations, results of operations and growth strategy.

Flybe does not undertake to update the forward-looking statements to reflect actual results or any change in events, conditions or assumptions or other factors unless otherwise required by the Prospectus Rules, the DTRs and/or the Listing Rules.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The dates given are based on the Company's current expectations and may be subject to change. If any of the times or dates below change, the Company will give notice of the change by issuing an announcement through a Regulatory Information Service. Details of the revised times and/or dates will also be available on www.flybe.com/investors.

All times shown in this timetable are London times unless otherwise stated.

Event	Time and/or date
Proposed Transfer announced	14 November 2018
Posting of this Circular	27 November 2018
Latest time for receipt of CREST Proxy Instructions, Form of Proxy or electronic registration of a proxy appointment for the General Meeting	9.00 a.m. on 12 December 2018
Flybe Group plc General Meeting to approve the Proposed Transfer	9.00 a.m. on 14 December 2018
Expected date upon which the Proposed Transfer will become effective	The Company will give at least 20 business days' notice by RIS announcement of the date that the transfer will become effective and the earliest date the transfer can become effective is 17 January 2019 ¹

¹ Assuming that the Resolution is passed at the General Meeting, the Company intends to issue an RIS giving the required 20 Business Days' notice on 14 December 2018.

PART I

LETTER FROM THE CHAIRMAN

Flybe Group plc

(Incorporated and registered in England with registered no. 01373432)

Directors

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

Registered Office

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

27 November 2018

Dear Shareholder

Proposed transfer of the Company's listing category on the Official List from Premium to Standard

1 INTRODUCTION

On 14 November 2018, Flybe announced the proposed transfer of the Company's listing category on the Official List. Shareholders will be asked to vote on the proposed transfer of the Ordinary Shares out of the category of a "Premium Listing (commercial company)" on the Official List and into the category of a "Standard Listing (shares)" on the Official List (the "**Proposed Transfer**").

Under the Listing Rules, the Proposed Transfer requires the Company to first obtain the prior approval of the Shareholders. The approval of at least 75 per cent. of the Shareholders voting (whether in person or by proxy) at the General Meeting will be required.

If the Proposed Transfer does not occur because Shareholders do not vote in favour of the Resolution, then the Company will continue to maintain its Premium Listing and will not benefit from the reduction in administrative costs generally and the greater degree of regulatory flexibility that a Standard Listing would provide. Please see paragraphs 2 and 3 of this Part I and Part II for further information.

The purpose of this Circular is to provide details of the Proposed Transfer and to explain why the Board considers it to be in the best interests of the Company and Shareholders as a whole. The Directors are recommending that you vote in favour of the Resolution to be proposed at the General Meeting, as they intend to do in respect of their own beneficial holdings of Ordinary Shares, being in aggregate 871,664 Ordinary Shares, representing approximately 0.4 per cent. of Flybe's issued ordinary share capital as at 26 November 2018 (the latest practicable date prior to the publication of this document).

2 BACKGROUND TO AND REASONS FOR THE PROPOSED TRANSFER

When the Company joined the Main Market on its 2010 IPO, it elected to apply for admission of its Ordinary Shares to the Premium segment of the Official List and the shares have been listed on the Premium segment since their admission in December 2010. A Premium Listing was considered to be appropriate at the time of the IPO when the Company's market capitalisation was approximately £215m and was considered by the Board to continue to be appropriate until recently, since when the Company's market capitalisation has fallen substantially. This fall has principally been caused by the increased headwinds generally affecting the aviation industry impacting the Company's financial performance, and in particular leading to several profit

downgrades during the last two years. These headwinds have included cost pressures arising from higher fuel prices, adverse currency movements, weaker consumer demand in domestic and near-continent markets and general unfavourable macroeconomic conditions, in part impacted by the uncertainty caused by ongoing Brexit negotiations.

Under the Listing Rules, there are two principal forms of listing available for the equity shares of commercial companies traded on the Main Market of the London Stock Exchange: (i) the Standard segment that complies fully with the relevant European directives, as adopted by all member states in the European Union; and (ii) the Premium segment to which the FCA applies a wide range of additional 'super-equivalent' provisions.

As set out in the Company's interim results for the period ended 30 September 2018, during the second half of its current financial year and the remainder of 2019, the Company intends to strengthen its cash reserves by undertaking a programme of asset disposals and other financing measures, including possible sales and lease-backs of engines and aircraft and divestment of non-core activities, alongside its more ordinary course fleet financing and trading activities. The Listing Rules require that all such transactions are classifiable for the purpose of Chapter 10 of the Listing Rules, which is applicable to companies admitted to the Premium segment. One of the tests against which transactions are classified is the ratio between the consideration involved in the transaction and a company's market capitalisation. If the ratio equals or exceeds 25%, the transaction is treated as a "class 1 transaction" which requires the transaction to be subject to shareholder approval, necessitating the production of a shareholder circular, the calling of a general meeting, the commissioning of third party expert reports and the involvement of advisers such as a sponsor, accountants and lawyers. This also takes up significant management resource and leads to significant additional costs and delays. Because of the Company's reduced market capitalisation (approximately £47.9m as at 26 November 2018, being the latest practicable date prior to the publication of this document), while the Company remains admitted to the Premium segment, even very small transactions will be classified as class 1 transactions.

Your Board has carefully considered the commercial requirements of the Company in the medium term and believes that the additional regulatory requirements imposed by maintaining its listing on the Premium segment are no longer in the best interests of the Company. Continued compliance with all of the requirements of a Premium Listing will substantially limit the Company's flexibility in its implementation of its plans, imposing what the Board regards as disproportionate and inappropriate financial and process burdens on the Company and introducing conditions and delays into otherwise straightforward and relatively modest transactions that counterparties may regard as unattractive to them.

Companies on the Standard segment of the Official List are not required to classify transactions or to seek shareholder approval for them. By moving to a listing on the Standard segment, the Company would therefore have both greater flexibility in undertaking its proposed programme of disposals and would not be being required to incur the substantial costs and go through a burdensome administration process associated with repeated publication of circulars to approve individual transactions.

Your Board believes that having regard to the current market capitalisation of the Company, its shareholder base and its business plans in the medium term, a transfer of the Company's listing to the Standard segment of the Official List, with continued trading on the Main Market of the London Stock Exchange, represents the best balance between, on the one hand, the positive benefits of the potential for greater liquidity and access to capital offered by a Main Market listing and, on the other, the greater flexibility and reduced direct and indirect costs of compliance associated with the Standard segment of the Official List.

3 IMPLICATIONS FOR THE GROUP AND ITS TRADING ARRANGEMENTS

The transfer to Standard Listing will not affect the way in which Shareholders buy or sell Ordinary Shares and, following the transfer, existing share certificates in issue in respect of Ordinary Shares will remain valid. The Ordinary Shares will also continue to be eligible to be held in ISAs (individual

savings accounts) and SIPPs (self-invested personal pensions). As for a company with a Premium Listing, a company with a Standard Listing is still required to have a minimum of 25 per cent. of its shares in public hands and will continue to be obliged to publish a prospectus when issuing new shares to the public unless such issue falls within one of the permitted exemptions. Companies with a Standard Listing are also still required to disclose inside information to the market and to comply with the provisions of the DTRs, including to make notifications of dealings in shares. They must also prepare annual audited financial reports, half yearly financial reports and interim management statements to the same standards and within the same timeframe as companies with a Premium Listing are required to do.

A more detailed summary of the differences between the regulatory requirements of companies with a Standard Listing and those with a Premium Listing is contained at Part II of this document. While the Ordinary Shares have a Standard Listing, they will not be eligible for inclusion in the UK series of FTSE indices.

The higher level of regulation contained in the 'super-equivalent' provisions referred to in paragraph 2 above has been designed to offer shareholders in Premium Listed companies additional rights and protections. Accordingly, investors should be aware that any investment in a company that has a Standard Listing is likely to carry a higher risk than an investment in a company with a Premium Listing.

4 CORPORATE GOVERNANCE FOLLOWING THE PROPOSED TRANSFER

As a result of the Proposed Transfer, the Board does not intend any reduction in the standards of reporting and corporate governance which the company currently maintains and intends voluntarily to continue to apply the UK Corporate Governance Code, as applicable to smaller companies, to offer pre-emption rights in accordance with the Listing Rules, and to comply with the requirements of Chapter 11 (which relates to related party transactions) and Chapter 12 (which relates to dealings in own securities) of the Listing Rules. The provisions of the Takeover Code will also continue to apply to the Company.

As the Company is choosing voluntarily to comply with Chapter 11 and Chapter 12 of the Listing Rules in the future, the UKLA will not approve the contents of any circular prepared for the purpose of such transactions nor will a sponsor be required to be appointed in respect of any of these transactions. If the Company's intention voluntarily to comply with Chapter 11 and Chapter 12 of the Listing Rules should change in the future (which the Company as a company with a Standard Listing would be able to do at any time without shareholder approval), the Company would be able to undertake Chapter 11 and Chapter 12 transactions without the prior shareholder approval that would be required if the Company maintained its current Premium Listing.

5 FORMAL SALE PROCESS

The Company announced on 14 November 2018 it was undertaking a comprehensive review of the various strategic options open to it to address the current challenges facing the airline industry and maximise value for shareholders. One of the strategic options currently being assessed is the potential sale of the Company through the commencement of a "formal sale process" (as referred to in Note 2 of Rule 2.6 of the Takeover Code). There can be no certainty that an offer will be made, nor as to the terms on which any offer will be made, however, if an offer is made and becomes wholly unconditional it is likely that the Company will be delisted.

6 RESOLUTION PROPOSED AT THE GENERAL MEETING

As outlined above, the Proposed Transfer is conditional on the approval of Shareholders. This will be sought at the General Meeting to be held at 9.00 a.m. (London time) on 14 December 2018 at the offices of Bryan Cave Leighton Paisner LLP, Adelaide House, London Bridge, London EC4R 9HA. A notice convening the General Meeting, at which the Resolution will be proposed, is set out at the end of this document.

7 FURTHER INFORMATION

Your attention is drawn to the further information set out in Part II of this document which includes a summary of the differences between the Listing Rules that are applicable to the Company, by virtue of its Premium Listing and those which will apply if it moves to a Standard Listing. You are advised to read the whole of this document and not just rely on the summary information presented above.

8 ACTION TO BE TAKEN

It is important that Shareholders have the opportunity to vote, even if they are unable to come to the General Meeting. Whether or not you intend to attend the General 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 9.00 am on 12 December 2018 (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 Registrar, Link Asset Services (CREST participant ID RA10), by no later than 9.00 am on 12 December 2018 (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 General Meeting or any adjournment thereof directly from the Registrar, Link Asset Services, on Tel: 0371 664 0300. Calls cost 12p per minute plus your phone company's access charge. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, 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 Registrar at Link Asset Services, 34 Beckenham Road, Beckenham, Kent BR3 4TU, as soon as possible and, in any event, by no later than 9.00 am on 12 December 2018 (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 General Meeting if you wish to do so and are so entitled.

9 RECOMMENDATION

The Board considers that the Proposed Transfer is in the best interests of Shareholders as a whole and, accordingly, unanimously recommends that all Shareholders vote in favour of the Resolution at the General Meeting, as the Directors intend to do in respect of their own beneficial shareholdings which amount to 871,664 Ordinary Shares representing approximately 0.4 per cent. of the Company's issued ordinary share capital as at 26 November 2018 (the latest practicable date prior to the publication of this document).

Yours faithfully

Simon Laffin

Non-Executive Chairman

PART II

A SUMMARY OF THE DIFFERENCES BETWEEN STANDARD AND PREMIUM CATEGORIES OF LISTING, AS THEY APPLY TO THE COMPANY

The following paragraphs set out the differences in the regulations applying to Standard Listings and Premium Listings, taking account of their application to the Company.

- 1 Companies with a Premium Listing are required to retain a sponsor for certain transactions and to consult a sponsor if proposing to enter into certain transactions in which the appointment of a sponsor might be required, in order to obtain guidance as to the application of the Listing Rules and DTRs to such transaction. Companies with a Standard Listing are only required to appoint a sponsor if they wish to transfer their listing to the Premium Listing.
- 2 Companies with a Standard Listing are required to comply with the two Listing Principles contained in LR 7.2.1, which require companies to (i) establish and maintain adequate procedures, systems and controls to enable them to comply with their obligations; and (ii) deal with the FCA in an open and co-operative manner. However, they are not required to comply with the additional six Premium Listing Principles contained in LR 7.2.1A, which only apply to companies with a Premium Listing.
- 3 Companies with a Standard Listing are not required to comply with the provisions of Chapter 10 of the Listing Rules in relation to Significant Transactions. Chapter 10 sets out requirements for shareholders to be provided with certain details in respect of Significant Transactions which exceed certain class test ratios and to approve certain larger Significant Transactions which exceed certain class test ratios, commonly referred to as "class 2 transactions" and "class 1 transactions" respectively. Following the transfer to a Standard Listing, the Company would be able to undertake "class 1 transactions" without seeking shareholder approval (unless required for some other reason).
- 4 Companies with a Standard Listing are not required to comply with the provisions of Chapter 11 of the Listing Rules for Related Party Transactions. Chapter 11 sets out requirements for certain transactions with related parties (such as substantial shareholders, directors and their associates) to be reviewed by a sponsor, who must confirm that the terms are fair and reasonable as far as shareholders are concerned, with larger Related Party Transactions also being conditional upon receipt of shareholder approval (any relevant related party and its affiliates must refrain from voting on the relevant resolution). As set out in paragraph 4 of Part I, the Company has stated its intention to voluntarily continue to comply with the requirements of Chapter 11 of the Listing Rules and appoint a third party financial adviser to confirm that the terms of the transaction are fair and reasonable as far as shareholders are concerned. The third party financial adviser would not however be acting as a sponsor for the purposes of the Listing Rules. If the Company's intention were to change in the future (which the Company as a company with a Standard Listing would be free to do at any time without prior shareholder approval), the Company would be able to undertake Related Party Transactions without confirmation from a third party financial adviser that the terms are fair and reasonable or obtaining shareholder approval (unless required for some other reason). The Company will continue to consider the terms of transactions with regards to the interests of the Company and Shareholders as a whole, when appropriate.
- 5 Companies with a Standard Listing are not required to comply with Chapter 12 of the Listing Rules, which applies to companies dealing in their own securities; however, any dealings in the Company's securities will continue to be subject to other general restrictions including those included in the Market Abuse Regulation. As set out in paragraph 4 of Part I, the Company has stated its intention voluntarily to continue to comply with the requirements of

Chapter 12 of the Listing Rules. The Company will be free as a company with a Standard Listing to change its intentions at any time without prior shareholder approval.

- 6 The UK Corporate Governance Code does not apply directly to companies with a Standard Listing although as set out in paragraph 4 of Part I, the Company has stated its intention to voluntarily continue to comply with its requirements. The Company will be free as a company with a Standard Listing to change its intentions at any time without prior shareholder approval. Many companies with a Standard Listing would still be required to comply with DTR 7.2 by virtue of LR 14.3.24, which would require certain statements to be made in respect of various corporate governance practices.
- 7 A company with a Standard Listing is not required to comply with the more extensive requirements relating to the content of circulars issued to shareholders of companies with a Premium Listing as detailed in Chapter 13 of the Listing Rules.
- 8 There are a number of miscellaneous continuing obligations imposed by Chapter 9 of the Listing Rules for companies with a Premium Listing which do not apply to companies with a Standard Listing:
 - 8.1 LR 9.5 contains a set of obligations on companies with a Premium Listing related to particular equity transactions. In particular, it sets out the requirements relating to rights issues, placings and other offers of securities; for example, the restriction whereby listed companies making an open offer, placing or issuing shares out of treasury may not apply a discount of more than 10 per cent. to the middle market price of those shares at the time of announcement of the securities offering (unless shareholder approval has been obtained);
 - 8.2 Companies with a Premium Listing, which are proposing to issue equity securities for cash or proposing to sell from treasury equity shares for cash, must first offer those equity securities to existing shareholders, unless shareholders have authorised the disapplication of such pre-emption rights in accordance with LR 9.3.11R. However, the Company is a company incorporated in England and Wales and therefore remains subject to similar pre-emption rights requirements under the Companies Act 2006;
 - 8.3 Companies with a Premium Listing are required to carry on an independent business as their main activity by virtue of LR 9.2.2A.;
 - 8.4 Companies with a Premium Listing which have a "controlling shareholder" (i.e. a person who exercises or controls on their own or together with persons with whom they are acting in concert, 30 per cent. or more of the votes able to be cast on all or substantially all matters at general meetings of the listed company) are subject to various provisions (in LR 9.2.2A — 9.2.2H) designed to ensure that the company can operate independently of the controlling shareholder. These provisions extend and complement the regime applicable to "substantial shareholders" which form part of the rules applicable to Related Party Transactions under Chapter 11 of the Listing Rules; and
 - 8.5 Companies with a Premium Listing are subject to restrictions (in LR 9.4.4) on the grant of discounted options to employees and directors except where the grant is pursuant to certain types of employee share scheme or is approved by shareholders.
- 9 Companies with a Standard Listing are not required to obtain the approval of shareholders for the cancellation of the listing. Companies with a Premium Listing are required to obtain the approval of shareholders; the same 75 per cent. approval threshold applies as for the Resolution for the Proposed Transfer.

PART III

DEFINITIONS

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

“Circular” or “this document”	this document dated 27 November 2018 issued by Flybe to Shareholders in relation to the Proposed Transfer;
“Company” or “Flybe”	Flybe Group plc;
“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 Proxy Instructions”	a proxy appointment or instruction made via CREST, authenticated in accordance with Euroclear’s specifications and containing the information set out in the CREST Manual;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755);
“Directors” or “Board”	the directors of Flybe whose names are set out in Part I of this Circular (or, where the context requires, the directors of Flybe from time to time);
“DTRs”	the Disclosure Guidance and Transparency Rules of the FCA;
“Euroclear”	Euroclear UK & Ireland Limited, incorporated in England and Wales with registered number 02878738;
“FCA”	the UK Financial Conduct Authority in its capacity as the competent authority for the purposes of Part VI of the FSMA;
“Form of Proxy”	the form of proxy which can be requested from the Registrar for use by Shareholders in connection with the General Meeting;
“FSMA”	the Financial Services and Markets Act 2000;
“General Meeting” or “GM”	the general meeting of Flybe, notice of which is set out in Part IV of this Circular;
“Group”	Flybe, its subsidiaries and subsidiary undertakings from time to time;
“Listing Rules”	the listing rules made under Part VI of FSMA (as set out in the FCA Handbook), as amended;
“London time”	the time of day in London, UK, from time to time, whether Greenwich Mean Time or British Summer Time;
“LSE”	London Stock Exchange plc;
“Main Market”	The Main Market operated by the LSE;
“Market Abuse Regulation”	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse;

“Official List”	the Official List maintained by the FCA pursuant to Part VI of FSMA;
“Ordinary Shares”	the existing ordinary shares of 1 pence each in the share capital of the Company;
“Premium Listing” or “Premium segment”	The “Premium Listing (commercial company)” segment of the Official List of the UKLA;
“Proposed Transfer”	the proposed transfer of the Ordinary Shares out of the category of a “Premium Listing (commercial company)” on the Official List and into the category of a “Standard Listing (shares)” on the Official List;
“Prospectus Rules”	the rules made by the FCA pursuant to Part VI of FSMA (as amended from time to time);
“Registrar”	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;
“Related Party Transaction”	a transaction with a related party which would require a sponsor to provide a fair and reasonable opinion under the existing provisions of the Listing Rules, having regard to the basis on which such provisions are currently applied to the Company;
“Resolution”	the resolution approving the Proposed Transfer as set out in the resolution in the Notice of General Meeting in Part IV of this Circular which is to be proposed at the General Meeting;
“Shareholder”	a holder for the time being of Ordinary Shares;
“Significant Transaction”	a larger transaction which would be classified as a “class 1 transaction” or “class 2 transaction” under the existing provisions of Chapter 10 of the Listing Rules, having regard to the basis on which such provisions are currently applied to the Company;
“Standard Listing”	the “Standard Listing (shares)” segment of the Official List;
“subsidiary” or “subsidiaries”	has the meaning given in section 1159 of the Companies Act;
“subsidiary undertaking” or “subsidiary undertakings”	has the meaning given in section 1162 of the Companies Act;
“Takeover Code”	the UK City Code on Takeovers and Mergers;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“UK Corporate Governance Code”	the Corporate Governance Code issued by the UK Financial Reporting Council;
“UK Listing Authority” or “UKLA”	the FCA acting in its capacity as the competent authority for the purposes of Part VI of the FSMA;

PART IV

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 9.00 a.m. (London time) on 14 December 2018 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 resolution which will be proposed as a special resolution:

THAT the proposed transfer of the Company's category of equity share listing on the Official List of the United Kingdom Listing Authority and on the Main Market of the London Stock Exchange plc from a Premium Listing (commercial company) to a Standard Listing (shares) ("**Transfer of Listing**") be and is hereby approved and the directors of the Company be and are hereby authorised to cause such Transfer of Listing to be effected and to do and/or procure to be done all such acts or things as they may consider necessary or desirable in connection therewith.

By Order of the Board

Catherine Ledger
Company Secretary

27 November 2018

Registered in England & Wales
No. 01373432

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

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 proxy form, or any electronic or CREST proxy instruction (as described in paragraph 4 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 9.00 am on 12 December 2018 (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 Registrar (CREST participant ID RA10) not later than 9.00 am on 12 December 2018 (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 Registrar is 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 Registrar at Link Asset Services, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 9.00 am on 12 December 2018 (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 close of business on 12 December 2018.
- 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 close of business 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.flybe.com/investors. 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 Chairman's letter and the proxy form) to communicate with the Company for the purposes expressly stated.
- 16 At the close of business on 26 November 2018, 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.