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If you sell or have sold or otherwise transferred all of your Ordinary Shares in Wizz Air before 9 August 2017, please send this Circular, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. If you sell or have sold or otherwise transferred only part of your holding of Ordinary Shares, you should retain this Circular and the accompanying Form of Proxy and you should consult with the stockbroker, bank or other agent through whom the sale or transfer was effected.



## **WIZZ AIR HOLDINGS PLC**

*(incorporated and registered in Jersey with registered number 103356)*

### **PROPOSED PURCHASE OF 10 AIRBUS A321CEO AIRCRAFT**

**AND**

### **NOTICE OF GENERAL MEETING**

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This Circular should be read as a whole. Your attention is drawn to a letter to Shareholders from the Chairman of Wizz Air Holdings Plc which is set out in Part 1: "*Letter from the Chairman*" of this Circular. The letter contains the unanimous recommendation of the Board that you vote in favour of the Resolution to be proposed at the General Meeting referred to below.

Your attention is also drawn to Part 2: "*Risk Factors*" of this Circular for a discussion of certain factors which should be taken into account in considering the matters referred to in this Circular.

Notice of a General Meeting of the Company, to be held at 11.00 a.m. (CET) on 11 August 2017 at the offices of the Company at World Trade Center 1, Geneva International Airport, 1215 Geneva 15, Switzerland, is set out in Part 6: "*Notice of General Meeting*" of this Circular. A Form of Proxy for use at this General Meeting is enclosed. Whether or not you intend to attend the General Meeting in person, please complete, sign and return the Form of Proxy in accordance with the instructions printed thereon to the Company's registrars, Computershare Investor Services (Jersey) Limited, at c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY, United Kingdom as soon as possible but in any event so as to arrive no later than 11.00 a.m. (CET) on 9 August 2017 (48 hours before the time fixed for the start of the General Meeting not taking into account any day which is not a Business Day (as defined in the Company's articles of association)). Forms of Proxy received after this time will be invalid. Please refer to the notes in Part 6: "*Notice of General Meeting*" for further details on appointing a proxy.

This document is not a prospectus, but a shareholder circular, and it does not constitute or form part of any offer or invitation to purchase, acquire, subscribe for, sell, dispose of or issue, or any solicitation of an offer to sell, dispose of, issue, purchase, acquire or subscribe for, any security. This document is a circular which has been prepared in accordance with the Listing Rules and approved by the FCA.

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#### **Forward-looking statements**

Certain information contained or incorporated by reference in this Circular, including any information as to the Group's strategy, plans or future financial or operating performance constitutes "forward-looking statements". These forward-looking statements can be identified by the use of terminology such as "aims", "anticipates", "assumes", "believes", "budgets", "could", "contemplates", "continues", "estimates", "expects", "intends", "may", "plans", "predicts", "projects", "schedules", "seeks", "shall", "should", "targets", "would", "will" or, in each case, their negative or other variations or comparable terminology. Forward-looking statements appear in a number of places throughout this Circular and include, but are not limited to, express or implied statements relating to the Group's business strategy and outlook, including (i) the Group's future results of operations, (ii) the Group's future financial and market positions, (iii) the Group's margins, profitability and prospects, (iv) expectations as to future growth, (v) the Group's ability to grow its fleet of aircraft, (vi) general economic trends and other trends in the industry in which the Group operates and (vii) the competitive environment in which the Group operates.

By their nature, forward-looking statements are based upon a number of estimates and assumptions that, whilst considered reasonable by the Directors, the Company or the Group, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those indicated, expressed or implied in such forward-looking statements.

You are cautioned that forward-looking statements are not guarantees of future performance. Any forward-looking statements in this Circular or the information incorporated by reference in this Circular reflect the Directors', the Company's or the Group's current view with respect to future events and are subject to certain risks relating to future events and other risks, uncertainties and assumptions including, but not limited to (i) increases in fuel and labour costs, (ii) changing consumer preferences for air travel, (iii) inability to enter new markets or retain licences for current markets, (iv) failure to maintain or establish attractive and profitable routes, (v) failure to compete effectively against other carriers, (vi) operational, safety, technical or personnel issues, (vii) inability to fund new aircraft deliveries, (viii) dependence on senior management and key personnel, (ix) regulatory changes in the EU and internationally and (x) continued weakness in economic conditions.

The forward-looking statements contained in this Circular speak only as at the date of this Circular. Subject to the requirements of applicable laws and regulations, the Prospectus Rules, the Listing Rules, the Disclosure Guidance and Transparency Rules, MAR and the Takeover Code, the Directors, the Company and the Group explicitly disclaim any intention or obligation or undertaking to publicly release the result of any revisions to any forward-looking statements made in this Circular that may occur due to any change in the Directors', the Company's or the Group's expectations or to reflect events or circumstances after the date of this Circular.

Shareholders should note that the contents of the paragraphs relating to forward-looking statements are not intended to qualify the statements made as to the sufficiency of working capital in section 7 (*Working capital*) of Part 4: "*Additional information*" of this Circular.

Capitalised terms have the meaning ascribed to them in Part 5: "*Definitions*" of this Circular.

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## CORPORATE DETAILS AND ADVISERS

<b>Directors</b>	William A. Franke ( <i>Chairman</i> ) József Váradi ( <i>Chief Executive Officer</i> ) Thierry de Preux ( <i>Non-Executive Director</i> ) Guido Demuyne ( <i>Non-Executive Director</i> ) Simon Duffy ( <i>Non-Executive Director</i> ) Susan Hooper ( <i>Non-Executive Director</i> ) Stephen L. Johnson ( <i>Non-Executive Director</i> ) John McMahon ( <i>Non-Executive Director and Senior Independent Director</i> ) Wioletta Rosołowska ( <i>Non-Executive Director</i> ) John R. Wilson ( <i>Non-Executive Director</i> )
<b>Senior Managers</b>	Diederik Pen ( <i>Chief Operations Officer and Executive Vice President</i> ) Owain Jones ( <i>Chief Corporate Officer</i> ) Johan Eidhagen ( <i>Chief Marketing Officer</i> ) George Michalopoulos ( <i>Chief Commercial Officer</i> ) Jozsef Ujhelyi ( <i>Chief Flight Operations Officer</i> )
<b>Company Secretary</b>	Intertrust Corporate Services (Jersey) Limited 44 Esplanade St Helier JE4 9WG Jersey
<b>Registered office</b>	44 Esplanade St Helier JE4 9WG Jersey
<b>Head office and Directors' business address</b>	World Trade Center 1 Geneva International Airport 1215 Geneva 15 Switzerland
<b>Sponsor</b>	J.P. Morgan Securities plc 25 Bank Street London E14 5JP United Kingdom
<b>Legal adviser to the Company as to English law</b>	Latham & Watkins (London) LLP 99 Bishopsgate London EC2M 3XF United Kingdom
<b>Legal adviser to the Company as to Jersey law</b>	Ogier 44 Esplanade St. Helier JE4 9WG Jersey
<b>Registrars</b>	Computershare Investor Services (Jersey) Limited Queensway House Hilgrove Street St. Helier JE1 1ES Jersey

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

<i>Event</i>	<i>Time and date</i>
Latest time and date for receipt of the Form of Proxy . . . . .	11.00 a.m. (CET) on 9 August 2017
General Meeting . . . . .	11.00 a.m. (CET) on 11 August 2017
Announcement of the results of the General Meeting . . . . .	11 August 2017

**Notes:**

- (1) Future dates are indicative only and are subject to change by the Company, in which event details of the new times and dates will be notified to the UK Listing Authority and, where appropriate, to Shareholders.
- (2) References to time in this timetable and the Circular are to Central European Time, unless otherwise stated.

## PART 1

### LETTER FROM THE CHAIRMAN

**Wizz Air Holdings Plc**

Company Number: 103356

44 Esplanade

St. Helier JE4 9WG

Jersey



*Directors*

William A. Franke (*Chairman*)

József Váradi (*Chief Executive Officer*)

Thierry de Preux (*Non-Executive Director*)

Guido Demuynck (*Non-Executive Director*)

Simon Duffy (*Non-Executive Director*)

Susan Hooper (*Non-Executive Director*)

Stephen L. Johnson (*Non-Executive Director*)

John McMahon (*Non-Executive Director and Senior Independent Director*)

Wioletta Rosołowska (*Non-Executive Director*)

John R. Wilson (*Non-Executive Director*)

25 July 2017

Dear Shareholder,

#### **PROPOSED PURCHASE OF 10 AIRBUS A321CEO AIRCRAFT**

#### **NOTICE OF GENERAL MEETING**

##### **1. INTRODUCTION**

On 21 June 2017, Wizz Air announced that it had entered into the CEO Purchase Agreement Amendment, which provides for the purchase of 10 additional A321ceo Aircraft for delivery in 2018 and 2019, equipped with IAE V2500 engines.

At current aircraft average list prices, the CEO Purchase Agreement Amendment relating to the Additional Aircraft is worth approximately US\$1.16 billion. The principal terms and conditions of the Existing CEO Purchase Agreement and the CEO Purchase Agreement Amendment are summarised in paragraph 5 (*The Existing CEO Purchase Agreement and the CEO Purchase Agreement Amendment*) of this letter and in Part 3: “*Summary of the terms and conditions of the Existing CEO Purchase Agreement and the CEO Purchase Agreement Amendment*” of this Circular. The Board considers that the terms of the CEO Purchase Agreement Amendment are in the best interests of the Company and its Shareholders as a whole.

Given the size of the list price commitments under the CEO Purchase Agreement Amendment relative to the Company, the Proposed Purchase constitutes a “class 1 transaction” under the Listing Rules and therefore completion of the CEO Purchase Agreement Amendment is conditional upon the Company obtaining Shareholder approval. This approval will be sought at a General Meeting of the Company to be held at 11.00 a.m. (CET) on 11 August 2017 at the offices of the Company at World Trade Center 1, Geneva International Airport, 1215 Geneva 15, Switzerland.

Notice of the General Meeting is set out in Part 6: “*Notice of General Meeting*” of this Circular. The Resolution being proposed seeks approval of the terms of the Proposed Purchase. A summary of the action you should take is set out in paragraph 10 (*Action to be taken*) of this letter.

The purpose of this Circular is to provide you with information on the terms of the CEO Purchase Agreement Amendment, to explain the background to and reasons for the Proposed Purchase and why the Directors believe the Proposed Purchase is in the best interests of Shareholders taken as a whole and to recommend that you vote in favour of the Resolution as the Directors intend to do in respect of the Ordinary Shares they hold in the Company's issued share capital.

You should read the whole of this Circular and not rely solely on the summarised information set out in this letter.

## **2. BACKGROUND TO AND REASONS FOR THE PROPOSED PURCHASE**

As at 24 July 2017 (being the latest practicable date prior to the publication of this Circular), Wizz Air Hungary has an outstanding commitment to purchase a further 19 A320ceo Family Aircraft under the Existing CEO Purchase Agreement, comprising 8 A320ceo Aircraft and 11 A321ceo Aircraft. The final aircraft to be delivered under the Existing CEO Purchase Agreement is scheduled for delivery in 2018.

On 11 September 2015, Wizz Air announced that it had signed, subject to shareholder approval, the NEO Purchase Agreement, relating to the purchase of 110 Airbus A321neo Aircraft. The NEO Purchase Agreement was duly approved by Shareholders at a general meeting held on 3 November 2015. Owing to limited availability of delivery slots in 2019, Airbus was unable at the time of entry into the NEO Purchase Agreement to offer a delivery schedule for 2019 which would provide sufficient capacity in 2019 to cover the Wizz Air's growth requirements. The Company was confident at that time that the shortfall could be addressed through the extension of leases of existing aircraft and the advancement of certain delivery slots under the NEO Purchase Agreement to 2019.

In 2016, Wizz Air selected the new-technology Pratt & Whitney GTF engine to power its A321neo Aircraft deliveries. Since then, Pratt & Whitney has experienced technical and operational reliability issues with the GTF engine which has impacted the delivery schedule for other airlines' A320neo Aircraft deliveries for which the GTF engine had also been selected. As these technical and operational issues are managed, Airbus has had to ensure sufficient industrial ramp-up in order to address the delivery delays. Consequently, Airbus has been unable to offer any slot advancements to the Company for its A321neo Aircraft for 2019. At the same time, while the Company has not yet received any notification of delay from Airbus for its own A321neo deliveries, it has been considering contingency plans to ensure that any delays which may arise do not seriously affect the Company's 2019 commercial plans and operations.

The Company has already extended the leases of seven aircraft currently in its fleet and is negotiating the lease extension of a further five aircraft, for additional periods of between two and six years, which would otherwise have expired in 2018 and 2019.

In addition, over the last six months, the Company has been considering options to source an additional 10 aircraft to address the shortfall in capacity when compared to the Company's commercial growth plans in 2018 and 2019. There are limited used aircraft currently available on the market and, as a result of the delays to the GTF-powered A320neo Family Aircraft, lease rates have been increasing and have become less attractive. However, the Company has been able to negotiate with Airbus for the supply of 10 additional A321ceo Aircraft, with the required delivery slots in both 2018 and 2019, on improved commercial terms when compared to the last A320ceo Family Aircraft ordered in 2009.

The Airbus A321ceo Aircraft entered service in Wizz Air's fleet in November 2015 in a 230-seat configuration and, as at 24 July 2017 (being the latest practicable date prior to the publication of this Circular), Wizz Air operates 20 Airbus A321ceo Aircraft. The Airbus A321ceo Aircraft has proven to be an extremely efficient aircraft type, with unit costs approximately 10% lower than Wizz Air's A320ceo Aircraft. Wizz Air therefore considers the purchase of the Additional Aircraft to be the most appropriate way to ensure that it has sufficient capacity to address market demand in 2018 and 2019 and that it is able to continue to build on its position as the largest low cost carrier in Central and Eastern Europe. The Additional Aircraft will also continue to support Wizz Air's current strategy of operating a single fleet type (the Airbus A320ceo Family Aircraft). The advantages of a single fleet include one standard for pilot and crew training, no requirement for multiple crew reserve pools and a simpler support infrastructure for the fleet.



If the Proposed Purchase is not approved then the Board believes that Wizz Air's ability to maintain its market position, take advantage of opportunities to grow and increase its competitive advantage by further reducing CASK will be negatively impacted.

### **3. INDUSTRY LANDSCAPE AND WIZZ AIR'S POSITION**

The European short-haul market is supplied by legacy carriers (national flag carriers and charter airlines) and a generally younger group of low-cost airlines. Low-cost airlines such as Wizz Air benefit from relatively simple business models, higher aircraft utilisation and staff productivity rates and therefore lower costs than their legacy rivals. Wizz Air's ultra-low cost model gives it a clear cost advantage versus most of its rivals, including many other low-cost airlines, and as a result it is able to stimulate the market with very low fares and sustain a relatively high growth rate compared to other airlines. Key elements of Wizz Air's ultra-low cost business model include its operation of a uniform and efficient modern fleet of narrow-body aircraft in a high-density all-economy seating layout, high aircraft utilisation, its point-to-point network operating mainly from less congested secondary airports that typically charge lower fees, high load factors, use of scalable outsourced services, consumer-direct distribution over the internet, high employee productivity and rigorous cost control.

Wizz Air's growth rate is also a function of the market in which it operates. All of Wizz Air's routes connect to CEE countries where economic growth, and therefore growth in demand for air travel, is generally stronger than in Western Europe (Source: Bloomberg). The propensity for air travel – the number of seats per head of population – in CEE has increased significantly over recent years and as a result Wizz Air has grown to be not only the largest low cost airline in CEE but also the fourth largest independent low-cost airline in Europe after Ryanair, easyJet and Norwegian Air Shuttle as measured by the number of passengers carried. Although the average European propensity for air travel is 1.2, in the CEE region and Western Europe it was approximately 0.4 and 1.8 respectively in FY 2016 (Source: Airbus, Innovata, FBI World Factbook). In addition, the low cost market experienced a higher growth in FY 2017 in CEE with 22% growth compared to 18% in Western Europe. The market share of low cost carriers is larger in CEE with low cost carriers making up 43% of the market in CEE as compared to 40% in Western Europe. (Source: Innovata). Wizz Air believes this to be a significant market opportunity leading to compelling growth prospects for Wizz Air.

Eurocontrol, the European Organisation for the Safety of Air Navigation, forecasts that European air traffic will reach 11.6 million instrument flight rule movements by 2023, 14% more than in 2016. Airbus' 2017-2036 Global Market Forecast predicts that travel between Central Europe (as defined in the forecast) and Western Europe will increase by 2.6 times between 2017 and 2036.

Accession to the EU for a number of Eastern European countries over the past 15 years has led to, and is expected to continue to lead to, significant migration from those countries to Western Europe, in particular the United Kingdom, Germany, Scandinavia, Italy and Spain. This migration leads to travel from countries in CEE to Western Europe for the initial move and also passengers who are visiting friends and relatives with people travelling back and forth between Western Europe and CEE. Based on GDP growth figures compiled from market sources by Bloomberg, the Company estimates that GDP is projected to grow 2.0% in Western Europe and 3.0% in CEE between 2017 and 2019. Growing EU membership and the economic growth in CEE countries have also increased commercial links between CEE and Western Europe which have led to, and are expected to continue to lead to, a growth in business travel between these destinations.

As with all airlines in Europe, the outcome of the United Kingdom's Brexit referendum has created significant uncertainty for Wizz Air's business. The most critical issue facing Wizz Air and all European airlines is the lack of clarity on how the Brexit negotiations will affect access to the liberalised market between the United Kingdom and the rest of the EU. Wizz Air firmly believes that the liberalised air market has significant benefits for both the United Kingdom and the EU. However, whatever the outcome and whilst Wizz Air continues to have a strong United Kingdom business, Wizz Air has always believed that diversification of its network and customers is a key part of a sustainable business. That remains the case and Wizz Air is confident that there remains a large addressable market in CEE which will continue to provide opportunities for profitable growth should its United Kingdom business be adversely affected.



Wizz Air has grown significantly in recent years, with a compound annual growth rate in revenue of 15.4% from FY 2012 to FY 2017 and EBITDAR of 29.8% from FY 2012 to FY 2017, while Wizz Air's ex-fuel CASK was flat over the same period. Wizz Air's CASK and ex-fuel CASK are among the lowest of all publicly reporting European low-cost carriers, while Wizz Air's average ancillary revenue per passenger is among the highest of all publicly reporting European low-cost carriers.

The table below sets out certain key capacity and operating data and financial measures for Wizz Air for FY 2015, FY 2016 and FY 2017.

	FY 2015	FY 2016	FY 2017
<b>Capacity</b>			
Number of aircraft at end of period	55	67	79
Equivalent aircraft	52.53	62.57	72.13
Utilisation (block hours per aircraft per day)	12.55	12.44	12.48
Total block hours	240,711	284,894	329,592
Total flights hours	208,736	246,930	286,188
Revenue departures	105,627	125,501	141,698
Average departures per day per aircraft	5.51	5.48	5.37
Seat capacity	19,012,860	22,654,100	26,378,840
Average aircraft stage length (km)	1,539	1,538	1,582
Total ASKs ('000 km)	29,266,510	34,844,016	41,690,967
<b>Operating Data</b>			
RPKs (revenue passenger kilometres) ('000 km)	25,350,823	30,786,117	37,627,831
Load factor (%)	86.7	88.2	90.1
Number of passenger segments	16,482,468	19,981,377	23,764,385
Fuel price (US\$ per ton, including hedging impact and into-plane premium)	986	740	553
Foreign exchange rate (US\$/€ including hedging impact)	1.32	1.20	1.10
	<b>FY 2015</b> <b>(unaudited)</b>	<b>FY 2016<sup>(1)</sup></b> <b>(unaudited)</b>	<b>FY 2017</b> <b>(unaudited)</b>
<b>Financial Measures</b>			
Yield (revenue per RPK, € cents)	4.84	4.64	4.15
Average revenue per seat (€)	64.55	63.01	59.21
Average revenue per passenger (€)	74.46	71.43	65.73
RASK (€ cents)	4.19	4.10	3.75
CASK (including exceptional item) (€ cents)	3.62	3.42	3.15
CASK (excluding exceptional item) (€ cents)	3.61	3.42	3.15
Ex-fuel CASK (including exceptional item) (€ cents)	2.27	2.27	2.25
Ex-fuel CASK (excluding exceptional item) (€ cents)	2.26	2.27	2.25
Operating profit margin (including exceptional item) (%)	13.6	16.5	15.7
Operating profit margin (excluding exceptional item) (%)	13.9	16.5	15.7
Net profit margin for the period (profit after tax divided by revenue (%)	14.9	13.5	15.7
Underlying net profit margin for the period (%)	11.9	15.7	14.3

Source: All measures for FY 2015 to FY 2017 in the table above have been extracted without material adjustment from the Company's annual report and accounts for the respective financial years. All measures are unaudited.

**Note:**

- (1) For FY2016 and FY2017 yield, average revenue per seat, average revenue per passenger, RASK, CASK (including and excluding exceptional item) and ex-fuel CASK (including and excluding exceptional item) are shown for the airline business segment and, in some cases, these are different from the same measures as calculated for the Group (i.e.: including the tour operator business segment).

The Proposed Purchase supports Wizz Air’s further growth and strategy to maintain a young fleet and low CASK and ex-fuel CASK.

**4. FLEET PLAN**

The contracted base case delivery stream under the Existing CEO Purchase Agreement (as amended by the CEO Purchase Agreement Amendment) and the NEO Purchase Agreement is as set out in the table below. This base case delivery stream represents a 9.7% compound annual growth rate in the number of aircraft and a 12.5% compound annual growth rate in capacity in the period of calendar years 2018 to 2024.

	2018	2019	2020	2021	2022	2023	2024	Total
A320ceo . . . . .	8	0	0	0	0	0	0	8
A321ceo . . . . .	12	5	0	0	0	0	0	17
A320neo . . . . .	0	0	0	0	0	0	0	0
A321neo . . . . .	0	13	20	23	27	17	10	110
<b>Total number of units . . . . .</b>	<b>20</b>	<b>18</b>	<b>20</b>	<b>23</b>	<b>27</b>	<b>17</b>	<b>10</b>	<b>135</b>
<b>Net growth (unit) . . . . .</b>	<b>16</b>	<b>11</b>	<b>14</b>	<b>10</b>	<b>11</b>	<b>13</b>	<b>4</b>	<b>79</b>

**Note:**

(1) Net growth represents total deliveries of aircraft less returns.

**5. THE EXISTING CEO PURCHASE AGREEMENT AND THE CEO PURCHASE AGREEMENT AMENDMENT**

**General**

The Existing CEO Purchase Agreement was originally entered into by Wizz Air Hungary and Airbus on 7 September 2005. Further details of the Existing CEO Purchase Agreement, as subsequently amended over the intervening period, and the CEO Purchase Agreement Amendment are contained in Part 3: “*Summary of the terms and conditions of the Existing CEO Purchase Agreement and the CEO Purchase Agreement Amendment*” of this Circular.

**Price**

The CEO Purchase Agreement Amendment was negotiated and entered into with adherence to customary business and industry practice. The aggregate actual price for the 10 Additional Aircraft, determined after an arm’s length negotiation between the parties, is lower than the aircraft average list price as provided by Airbus because of certain price concessions with regard to the aircraft. These will take the form of credit memoranda to Wizz Air Hungary for the amount of such concessions, which Wizz Air Hungary may apply toward payments in respect of the purchase of the Additional Aircraft or towards the purchase of goods and services from Airbus.

The Existing CEO Purchase Agreement contains confidentiality provisions restricting, among other things, disclosure of the actual price of the aircraft. In addition, consistent with the customary practice of the global aviation industry, the price for the acquisition of aircraft is not customarily disclosed to the public. Disclosure of the price would result in the loss of the significant price concessions and hence would have a significant negative impact on the cost incurred by Wizz Air Hungary in entering into the Existing CEO Purchase Agreement and CEO Purchase Agreement Amendment and would therefore not be in the interest of the Company and Shareholders as a whole.

The aircraft 2017 average list price, including IAE V2500 engines, is US\$116 million for an A321ceo Aircraft.

The final price of each Additional Aircraft is subject to increases including: (i) the cost of “Buyer-furnished” equipment which the Company has asked Airbus to install on the aircraft; (ii) price escalation, which will be applied to the airframe list price, the engine option list price and the price of specification change notices by applying a formula reflecting increases in the published relevant labour and material indices between the time the aircraft list price was set and the delivery of such aircraft; and (iii) taxes. Wizz Air Hungary is responsible for the payment of any taxes (including VAT) except for taxes relating to the manufacture of the

aircraft in France and/or Germany which will be payable by Airbus. Escalation for the Additional Aircraft is subject to a maximum agreed percentage, beyond which neither Wizz Air Hungary nor Airbus is obliged to proceed with the delivery of a particular aircraft.

The Directors confirm that the final negotiated price represents a very substantial discount from the aircraft average list price and will continue to give Wizz Air a strong competitive advantage through its aircraft ownership costs. The Company has also taken into account the current economic environment, the industry performance and the Company's financial position, and considers that the extent of the price concessions granted to Wizz Air Hungary under the CEO Purchase Agreement Amendment are highly advantageous and in the best interests of the Company and Shareholders as a whole.

In respect of the CEO Purchase Agreement Amendment, the Company understands its disclosure obligations under the Listing Rules, and has therefore on separate occasions requested Airbus' consent to the Company disclosing required information (including the relevant price involved) in any regulatory announcements and circulars. Nonetheless, Airbus did not accede to the Company's request and insisted on preserving the confidentiality of such information for business and commercial reasons.

### ***Engine selection***

Wizz Air Hungary has selected the IAE V2500 engine to power the Additional Aircraft. Wizz Air Hungary's fleet is already wholly powered by variants of the IAE V2500 engine and there is no reason for it to select an alternative engine. The price of these engines is included in the final price of each Additional Aircraft to be purchased under the CEO Purchase Agreement Amendment, with the aircraft average list price including the average cost of the IAE V2500 engine.

### ***Termination***

Wizz Air Hungary will be committed to acquiring the Additional Aircraft under the CEO Purchase Agreement Amendment notwithstanding any reduction in demand for its services or change in its needs for a larger fleet. Wizz Air Hungary may only terminate the Existing CEO Purchase Agreement if (i) Airbus becomes insolvent or becomes subject to insolvency procedures (in which case the entire agreement may be terminated), (ii) the scheduled delivery of an aircraft is delayed for more than an agreed maximum period beyond the last day of the relevant scheduled delivery month (but termination in such case shall only be in respect of the affected aircraft) and (iii) if an aircraft is lost, destroyed or damaged beyond repair and replacement will not be available within twelve months after the last day of the original scheduled delivery month (in which case termination shall only be in respect of the affected aircraft).

The CEO Purchase Agreement Amendment requires the Company to have obtained shareholder approval of the Proposed Purchase by 15 August 2017.

## **6. FINANCING OF THE PROPOSED PURCHASE**

At 24 July 2017 (being the latest practicable date prior to the publication of this Circular), Wizz Air had self-financed approximately US\$223 million of the pre-delivery payments for aircraft. Wizz Air has successfully financed and taken delivery of 82 aircraft through sale and leaseback transactions to date and all outstanding pre-delivery payments have been financed historically either from external or internal cash resources.

Upon signature of the CEO Purchase Agreement Amendment, the Company paid a certain amount of pre-delivery payments in relation to the Additional Aircraft, with further pre-delivery payments due in the 2017 calendar year and 2018 calendar year respectively. These pre-delivery payments will be made from Wizz Air's available free cash resources.

A certain amount of the pre-delivery payments already paid by Wizz Air in relation to the Additional Aircraft is a commitment fee which will not be reimbursed to Wizz Air if the Proposed Purchase is not approved by Shareholders by 15 August 2017. In accordance with its normal practice, Wizz Air intends to run a competitive tender process for sale and leaseback financing for the Additional Aircraft and will also explore other financing opportunities.

The Company is confident that its strategy of financing its deliveries of A320ceo Family Aircraft by way of sale and lease back transactions will be achievable for each of the Additional Aircraft, given Wizz Air's current financial standing and the strong market demand for the A321ceo Aircraft.

Wizz Air will retain flexibility in determining methods of financing the Additional Aircraft, which may include (depending on availability at the relevant time) off-balance sheet and on-balance sheet structures, sale and leaseback arrangements, commercial loans, export credit agency financing and capital markets instruments. Wizz Air may also use its internal resources and cashflow where the Board considers these sources of financing more favourable to Wizz Air.

While the Board will regularly review optimal sources of financing, there is no expectation that Shareholders will be asked to fund any aspect of the Proposed Purchase.

## **7. RISKS**

The Board has considered and put in place mitigants for the key risks of Wizz Air Hungary entering into the CEO Purchase Agreement Amendment which are set out in Part 2: "*Risk Factors*" of this Circular. It is the nature of the aviation industry that airlines are exposed to external risks, for example fuel price fluctuations, currency fluctuations, catastrophic loss or other macroeconomic factors which can cause significant harm to Wizz Air's financial and operational performance. However, the Board believes that Wizz Air's business model, and the cost savings and increased capacity provided by the Additional Aircraft should help mitigate these risks.

## **8. CURRENT TRADING AND PROSPECTS**

The Group traded well in Q1 2018. Passenger numbers increased by 25.2% to 7.2 million passengers. Total revenue in Q1 2018 increased by 28.6% compared to the same period in FY 2017 to €469.3 million, split between €265.3 million of ticket revenue (a 25.1% increase compared to the same period in FY 2017) and €204.0 million of ancillary revenue (a 33.4% increase compared to the same period in FY 2017). CASK was 3.23 euro cents (airline only) in Q1 2018, an increase of 2.1% (airline only) compared to the same period in FY 2017, and ex-fuel CASK was 2.29 euro cents (airline only), an increase of 2.9% (airline only). The net profit for Q1 2018 was €58.1 million, 50.4% higher than the net profit<sup>1</sup> of €38.6 million in the same period in FY 2017, representing an increase of 1.8 percentage points in the profit margin<sup>1</sup> from 10.6% to 12.4% in Q1 2018.

The Directors believe that the Q1 2018 performance, together with encouraging summer bookings and the favourable fuel price environment, are setting the Company up for a strong year. However, as has been seen in recent history, airlines tend to compete away the benefit of lower fuel prices with extra capacity and therefore the Directors remain cautious on the prevailing yield environment in the second half of FY 2018, a period in which the Company has very limited visibility.

The Company now expects to report a net profit for the full year at the higher end of the profit guidance published as part of its FY 2017 financial results (being a range of between €250 million and €270 million).

The above statement constitutes a profit forecast for the purposes of the Listing Rules. The basis of preparation of the Profit Forecast and the assumptions used in preparing this forecast are set out in Section 8 (*Profit Forecast*) of Part 4: "*Additional Information*" of this Circular.

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(1) Following the EU endorsement of International Accounting Standard IFRS9 on Financial Instruments in November 2016 the Company has adopted IFRS9 effective 1 April 2017. Prior year figures have not been restated under IFRS9 and therefore the Company uses prior year 'underlying net profit' as a comparative.

## 9. GENERAL MEETING

The Proposed Purchase is a “class 1 transaction” pursuant to the Listing Rules and must therefore be approved by Shareholders in a general meeting. Set out in Part 6: “*Notice of General Meeting*” of this Circular is a notice convening the General Meeting to take place at 11.00 a.m. (CET) on 11 August 2017 at the offices of the Company at World Trade Center 1, Geneva International Airport, 1215 Geneva 15, Switzerland. At the General Meeting an ordinary resolution to approve the CEO Purchase Agreement Amendment will be proposed. The text of the Resolution is set out in Part 6: “*Notice of General Meeting*” of this Circular.

## 10. ACTION TO BE TAKEN

You will find enclosed a Form of Proxy for use at the General Meeting. Whether or not you intend to be present at the meeting you are requested to complete and sign the Form of Proxy (in accordance with the instructions printed thereon) and return it to the Company’s registrars, Computershare Investor Services (Jersey) Limited, at c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY, United Kingdom as soon as possible and in any event so as to be received by no later than 11.00 a.m. (CET) on 9 August 2017. The completion and return of the Form of Proxy will not preclude you from attending the General Meeting and voting in person if you so wish.

## 11. RECOMMENDATION

The Board considers that the Proposed Purchase is in the best interests of the Company and Shareholders as a whole and, accordingly, unanimously recommends that Shareholders vote in favour of the Resolution to be proposed at the General Meeting.

The Directors have indicated their intention to vote in favour of the Resolution in respect of their beneficial holdings amounting at the date of this Circular to an aggregate of 17,366,634 Ordinary Shares, representing approximately 24% of the existing share capital of the Company as at 24 July 2017 (being the latest practicable date prior to the publication of this Circular).

Yours faithfully



**William A. Franke**

*Chairman*

**Wizz Air Holdings Plc**

Registered number: 103356

*Registered office:*

44 Esplanade

St. Helier JE4 9WG

Jersey

## PART 2

### RISK FACTORS

*In addition to the information presented in this Circular, the following risk factors should be carefully considered by Shareholders when deciding what action to take in relation to the Resolution proposed at the General Meeting. The risks and uncertainties described below should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties. These risks and uncertainties are those which the Directors believe are the material risks relating to the CEO Purchase Agreement Amendment or that represent new or changed risks to Wizz Air as a consequence of the CEO Purchase Agreement Amendment either becoming effective or not becoming effective. Additional risks and uncertainties not presently known to the Directors, or that the Board currently deems immaterial, or that the Board deems material but which are not related to or will not result from or be impacted by the CEO Purchase Agreement Amendment, may also adversely affect the business of Wizz Air. If any of these risks materialise, the business, financial condition or results of operations of Wizz Air could be materially adversely affected.*

#### **1. RISKS RELATED TO, RESULTING FROM OR IMPACTED BY THE PROPOSED PURCHASE**

##### ***The CEO Purchase Agreement Amendment is conditional on Shareholder approval***

The CEO Purchase Agreement Amendment is conditional upon Shareholders approving the Resolution. There can be no assurance that such approval will be obtained. The Board considers that the CEO Purchase Agreement Amendment is in the best interests of the Company and Shareholders as a whole. If the CEO Purchase Agreement Amendment does not become effective due to Shareholder approval not being obtained, the Company may not be able to secure the additional A321ceo Aircraft needed to meet the Company's commercial growth plans in 2018 and 2019 on terms as favourable as those pursuant to the CEO Purchase Agreement Amendment and, so, to be able to implement its planned growth in 2018 and 2019 and maintain its market position. The risks set out in the section below entitled "*Risks related to, resulting from or impacted by the CEO Purchase Agreement Amendment not becoming effective*" would apply if the CEO Purchase Agreement Amendment did not become effective.

##### ***Wizz Air is exposed to significant financial commitments in relation to the Proposed Purchase***

The CEO Purchase Agreement Amendment requires substantial payments by Wizz Air upon signature and up to the delivery of the final aircraft, currently scheduled for 2019. Given that the delivery period of the Additional Aircraft is relatively short, the Company believes it has a reasonable understanding of the likely growth in demand over that time. However, it is very difficult to predict the future prospects of the airline industry which can change quickly as a result of the macroeconomic climate, external events or competitor behaviours even over the relatively short delivery period of the Additional Aircraft. If the prospects for the airline industry were to change materially and/or competitors increase capacity on Wizz Air's routes depressing Wizz Air's yields and/or the demand for air travel in Wizz Air's markets were to decrease significantly in the future, Wizz Air's outstanding commitments to purchase the Additional Aircraft as well as the 110 aircraft under the NEO Purchase Agreement and its obligations thereunder could materially adversely affect Wizz Air's business, financial condition and/or results of operations.

For the avoidance of doubt, the statements in this risk factor do not qualify the opinion of the Directors that the working capital available to the Company is sufficient for its present requirements, that is, for at least the 12 months following the date of publication of this Circular (as set out in section 7 (*Working capital*) of Part 4: "*Additional Information*" of this Circular).

##### ***Wizz Air needs sources of financing to meet its obligations under the CEO Purchase Agreement Amendment***

The ability of Wizz Air to meet its obligations under the CEO Purchase Agreement Amendment is dependent on the level of its own cash resources and its ability to access the other methods of finance described in section 6 (*Financing of the Proposed Purchase*) of Part 1: "*Letter from the Chairman*" of this Circular,



including off-balance sheet and on-balance sheet structures, sale and leaseback arrangements, commercial loans, export credit agency financing and capital markets instruments, on acceptable terms over the term of the CEO Purchase Agreement Amendment. The Directors believe that such resources and methods of financing are now available to Wizz Air and are likely to remain available, however there can be no assurance that such sources of finance or other suitable financing arrangements will not become more difficult to obtain, more expensive, less commercially attractive or be available at all in the future (due to the then prevailing conditions of the international credit and capital markets, or otherwise). In addition, any negative change in the credit worthiness of Wizz Air may adversely affect Wizz Air's ability to access the capital markets and/or impact borrowing rates.

Furthermore, the Group's commitments will increase significantly as its fleet size increases regardless of the type of financing utilised. To the extent that the Group cannot obtain financing on acceptable terms, or at all, the Group may be required to modify its aircraft acquisition plans to incur higher than anticipated financing costs, which would have an adverse impact on the execution of the Group's organic growth strategy and business, and ultimately Wizz Air may be unable to fulfil its contractual commitments to Airbus under the CEO Purchase Agreement Amendment.

Whilst this risk factor sets out the difficulties Wizz Air would face in the event it was unable to source new credit lines in the event of adverse conditions in the credit and capital markets, the Directors are not currently aware of any such issues affecting the business and believe this should be viewed as a longer term risk.

The statements in this risk factor do not qualify the opinion of the Directors that the working capital available to the Company is sufficient for its present requirements, that is, for at least the 12 months following the date of publication of this Circular (as set out in section 7 (*Working capital*) of Part 4: "*Additional Information*" of this Circular).

***Wizz Air is exposed to the performance of the Airbus A321ceo Aircraft in respect of aircraft purchased under the CEO Purchase Agreement Amendment***

Wizz Air is vulnerable to any problems that might be associated with the design of the airframe of the A321ceo Aircraft. Wizz Air's business, results of operations, financial condition and/or prospects could be adversely affected if a design defect or mechanical problem with the A321ceo Aircraft was discovered, causing Wizz Air's aircraft to be grounded while any such defect or problem was corrected, or attempts were made to correct it or if the programme was cancelled. The Group's business, results of operations, financial condition and/or prospects could also be adversely affected if its customers were to avoid flying with Wizz Air due to an adverse public perception of the A321ceo Aircraft caused by safety concerns or other problems, whether real or perceived.

***Wizz Air is exposed to the failure or non-performance of Airbus and IAE***

If either Wizz Air's aircraft manufacturer (Airbus) or engine manufacturer (IAE) experiences financial difficulties, goes out of business or defaults on its obligations to Wizz Air, this could have adverse consequences for Wizz Air. In particular, Wizz Air would have to find another supplier for its aircraft or engines in order to achieve its organic growth strategy. If Wizz Air had to lease or purchase aircraft or engines from another supplier, it may encounter significant delays in obtaining the aircraft or engines it requires and/or be unable to obtain those aircraft or engines on economic terms comparable to the terms of the agreement it has agreed with its existing suppliers. If Wizz Air was unable to obtain aircraft or engines from another supplier on terms acceptable to it, or at all, Wizz Air may be forced to consider leasing or purchasing aircraft and/or engines made by a different aircraft or engine manufacturer, and, as a result, could lose the benefits afforded by a single fleet type. Any replacement aircraft or engines may not have the same operating advantages as the A320ceo Family Aircraft, the IAE V2500 type engine or, as applicable, the A320neo Family Aircraft or the IAE PW1100G-JM engine. In addition, Wizz Air may not be able to lease or purchase such aircraft or engines within the anticipated timeframe, if at all. Further, the addition of any such different aircraft and/or engines would result in substantial transition costs, including costs associated with re-training Wizz Air's employees.



Wizz Air's operations could also be harmed by the failure or inability of Airbus or any relevant engine manufacturer to provide sufficient parts or related support services for their aircraft or engines on a timely basis. Moreover, the cost-effective management of new aircraft deliveries and deployments may be affected by many factors beyond Wizz Air's control. Any delay in the scheduled delivery of Wizz Air's aircraft could result in adverse consequences. If an aircraft is delivered late, Wizz Air's ability to maintain desirable slots and expand its route network and flight frequencies could be jeopardised. Moving quickly from aircraft delivery to revenue-generating deployment requires the co-ordination of a number of processes, such as pilot hiring and training and increasing the number of flight frequencies and routes. If Wizz Air is unable to put new aircraft into service in a quick and coordinated manner, it may incur costs and lose anticipated revenue.

Any such failure or non-performance by Airbus or any relevant engine manufacturer could therefore have a material adverse effect on Wizz Air's business, results of operations, financial condition and/or prospects and also on Wizz Air's reputation.

## **2. RISKS RELATED TO, RESULTING FROM OR IMPACTED BY THE CEO PURCHASE AGREEMENT AMENDMENT NOT BECOMING EFFECTIVE**

### ***Wizz Air may be unable to realise incremental Shareholder value***

The Board considers that the CEO Purchase Agreement Amendment is in the best interests of the Company and Shareholders as a whole and currently provides the best opportunity for Wizz Air to obtain commercially attractive and competitively-priced terms for the purchase of the additional A321ceo Aircraft needed to meet the Company's commercial growth plans in 2018 and 2019. The Board believes that increasing the proportion of A321ceo Aircraft in Wizz Air's fleet will reduce CASK allowing Wizz Air to maintain or improve its cost advantage against competitors.

If the CEO Purchase Agreement Amendment does not become effective, the Company may not be able to secure the additional A321ceo Aircraft needed to meet the Company's commercial growth plans in 2018 and 2019 on terms as favourable as those pursuant to the CEO Purchase Agreement Amendment and, so, to be able to implement its planned growth in 2018 and 2019 and maintain its market position. This may result in a competitive disadvantage to Wizz Air resulting in it not being able to deliver sustainable returns to Shareholders over the long term. Wizz Air may be unable to maintain or improve its cost advantage over competitors on its routes, retain its leading market positions, maintain its current fleet growth plan and/or take advantage of opportunities to grow. Any of these factors could have a material adverse effect on Wizz Air's business, financial condition or results of operations.

### ***Wizz Air could fail to find suitable alternative arrangements for the purchase or leasing of aircraft***

If the CEO Purchase Agreement Amendment does not become effective, the Board believes that Wizz Air would need to find alternative arrangements to purchase or lease aircraft to fulfil Wizz Air's strategic plans. This may require Wizz Air to negotiate *ad hoc* deals with suppliers and/or lessors, however there can be no assurance that it will be able to obtain the required number and type of aircraft at favourable rates or with the optimal delivery dates. If Wizz Air were to negotiate other arrangements for the acquisition of new aircraft in the future, there may be a significant lack of available delivery positions.

## **3. RISKS RELATED TO WIZZ AIR AS RELATED TO, RESULTING FROM OR IMPACTED BY THE PROPOSED PURCHASE**

### ***Wizz Air is exposed to currency fluctuations***

Wizz Air's business, results of operations and financial condition may be adversely affected by fluctuations in currency exchange rates, particularly between the Euro and the US Dollar. Wizz Air reports its financial results in Euros. However, it transacts and holds assets and liabilities in currencies other than Euros. Approximately half of Wizz Air's FY 2017 costs were incurred in US Dollars, including aviation fuel, payments under aircraft leases, a significant part of maintenance payments and insurance. In addition, Wizz Air has various significant monetary asset and liability positions on its balance sheet that are denominated in US Dollars including pre-delivery payments to Airbus, payments to aircraft lessors on its leased aircraft and letters of credit which are required as a result of agreements with aircraft lessors and other business

partners. Continued or further strengthening of the US Dollar against the Euro will result in an increase of the Company's fuel and leasing costs and may impact results and margins.

The price of each aircraft to be purchased under the CEO Purchase Agreement Amendment is denominated in US Dollars. In addition, Wizz Air will be required to make pre-delivery payments under the CEO Purchase Agreement Amendment in US Dollars and such payments will then be recorded as assets denominated in US Dollars on its balance sheet.

Wizz Air engages in Euro/US Dollar currency hedging transactions to reduce its exposure to currency fluctuations in respect of costs incurred in US Dollars and US Dollar denominated asset and liability positions, but there can be no assurance that these hedging transactions will be sufficient to protect against its increased exposure to adverse exchange rate movements between the Euro and US Dollar. Any adverse exchange rate movements in the currency exchange rates, to the extent not hedged by Wizz Air, could have a material adverse effect on Wizz Air's business, results of operations, financial condition and/or prospects.

***Interest rate movements could adversely affect Wizz Air***

Wizz Air has some exposure to fluctuations in interest rates. Of the 84 aircraft in its fleet as at 24 July 2017 (being the latest practicable date prior to the publication of this Circular), 10 are currently held pursuant to operating leases which are subject to floating rates of interest. The Company's exposure to fluctuations in interest rates may increase as a result of the Proposed Purchase should the Company elect to finance some of the aircraft to be purchased under the CEO Purchase Agreement Amendment pursuant to financing arrangements with variable interest rates.

Wizz Air did not use financial derivatives to hedge its interest rate risk during FY 2015, FY 2016 or FY 2017. Any adverse interest rate movements could have a material adverse effect on Wizz Air's business, results of operations, financial condition and/or prospects.

***Wizz Air's aircraft needs may change before, during or after the delivery period such that Wizz Air no longer requires the Additional Aircraft it is committed to purchase from Airbus pursuant to the CEO Purchase Agreement Amendment***

Although the firm order for the Additional Aircraft is in line with Wizz Air's current expectations for its future aircraft fleet needs, Wizz Air's business needs may change due to events outside of its control as airlines are exposed to risks from, amongst other things, political instability, social unrest, civil war, international conflicts and failing governments, accidents, terrorist attacks, natural catastrophes such as volcanic eruptions, climate change, outbreaks of diseases and general economic conditions (for example, the uncertainty associated with Brexit negotiations and how this will affect access to the liberalised air market). These could lead to Wizz Air being unable to fly its customers to their destinations or experiencing significant losses throughout its business. Demand for Wizz Air's products could also be adversely affected by general competitive pressures within the industry. In any of these situations, Wizz Air's aircraft needs could be significantly reduced however Wizz Air Hungary would be committed to acquire the aircraft under the CEO Purchase Agreement Amendment notwithstanding any such reduction in demand, which could have a material adverse effect on Wizz Air's business, financial condition, results of operations and prospects.

**4. RISKS RELATED TO WIZZ AIR'S INDUSTRY AS RELATED TO, RESULTING FROM OR IMPACTED BY THE PROPOSED PURCHASE**

***Airlines are often affected by factors beyond their control, including adverse weather conditions, an outbreak of a contagious disease, terrorist incidents (or the threat of such incidents), catastrophic loss and major accidents or incidents***

Like other airlines, Wizz Air is subject to disruptions caused by factors beyond its control, including adverse weather conditions and other natural events, such as the ash cloud generated by the eruption of the Eyjafjallajökull volcano in Iceland in April and May 2010. Delays frustrate passengers, may affect Wizz Air's reputation and may reduce aircraft utilisation as a result of flight cancellations and increase costs, all of which, in turn, affect profitability. In the event of fog, snow, rain, storms or other adverse weather conditions or natural events, flights may be cancelled or significantly delayed. An outbreak of a contagious disease, such as avian flu, swine flu, ZIKA, severe acute respiratory syndrome (SARS) or Ebola, or another

contagious disease with the potential to become a pandemic, could affect travel behaviour by reducing passenger traffic, either generally or to offered destinations.

Hijacking or other terrorist incidents anywhere in the world, or the threat of such incidents, can significantly harm public confidence in the airline industry, reduce passenger traffic or affect general political, economic or business conditions in ways that could result in reduced demand for airline transport services, increased costs or reduced passenger revenue. Although Wizz Air's operations are safe and secure, achieving higher than industry average safety and security performance levels, security measures have in the past disrupted and may potentially in the future disrupt Wizz Air's business on a temporary or long-term basis.

In addition, Wizz Air, like all airlines, is exposed to potential catastrophic losses in the event that any of the Group's aircraft is subject to an accident or other catastrophe. This may involve not only the repair or replacement of damaged or lost aircraft and its consequent temporary or permanent loss from service, but also claims from injured passengers and survivors of deceased passengers. There can be no assurance that the amount of the Group's insurance coverage available in the event of such losses would be adequate to cover such losses, or that the Group would not be forced to bear substantial losses from such events, regardless of its insurance cover. Moreover, any aircraft accident or incident, even if fully insured, could create a public perception that Wizz Air is less safe or reliable than other airlines, which could cause passengers to lose confidence in Wizz Air and switch to other airlines or other means of transportation.

Any of the above events could reduce demand for Wizz Air's services and have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects. Nevertheless, Wizz Air Hungary would still be committed to purchase the Additional Aircraft under the CEO Purchase Agreement Amendment, which could adversely affect the Group's ability to adjust capacity in response to any such reduced customer demand. This could have a material adverse effect on the Group's business, results of operations, financial position and prospects.

#### ***The airline industry is exposed to fuel price fluctuations***

Fuel costs are the largest component of Wizz Air's operating costs, accounting for 28.3% of Wizz Air's total operating costs in FY 2017 and 28.7% of Wizz Air's total operating costs in Q1 2018. As such, Wizz Air's operating costs are significantly affected by changes in the availability and cost of aviation fuel. Aviation fuel has been, and is expected in the future to continue to be, subject to significant price volatility and fluctuations in supply and demand as a result of factors including weather-related events, natural disasters, political disruptions or wars involving oil-producing countries, changes in governmental policy concerning fuel production, transportation or marketing, changes in fuel production capacity and environmental concerns. Wizz Air incurs fuel costs in US Dollars. Wizz Air typically hedges a portion of its expected fuel consumptions over a period of 18 months. The Company has increased its hedge coverage up to the policy maximum for FY 2018 in response to falling oil prices (policy minimums are 40% for rolling 18 months and 50% for rolling 12 months and policy maximums are 60% for rolling 18 months and 70% for rolling 12 months). Although Wizz Air has a policy of hedging a portion of its projected aviation fuel requirements, hedging contracts do not fully protect it from significant increases.

If fuel prices fall significantly from current levels then the advantages of operating the more fuel efficient A321neo Aircraft would reduce. Whilst the CEO Purchase Agreement Amendment should assist in addressing Wizz Air's exposure to fuel price volatility, a very significant long-term reduction in fuel costs could cause Wizz Air to be disadvantaged when compared to other airlines retaining older, less fuel efficient aircraft but with lower capital costs. On the other hand, a very significant long-term increase in the price of aviation fuel could lead to reduced customer demand for Wizz Air's services. Wizz Air may be able to mitigate the effect of fuel price rises by increasing fares or other passenger charges, but there is no guarantee that this strategy will be sustainable nor is there any certainty as to the magnitude or timing of any such rises in the price of fuel.

Any of the foregoing could have a material adverse effect on Wizz Air's business, results of operations, financial condition and/or prospects. In any event, Wizz Air Hungary would still be committed to purchase the aircraft under the CEO Purchase Agreement Amendment, which could adversely affect the Group's ability to adjust its capacity in response to any such rise or fall in the cost of aviation fuel. This could have a material adverse effect on the Group's business, results of operations, financial position and prospects.

## PART 3

# SUMMARY OF THE TERMS AND CONDITIONS OF THE EXISTING CEO PURCHASE AGREEMENT AND THE CEO PURCHASE AGREEMENT AMENDMENT

### 1. INTRODUCTION

Since Wizz Air's formation in May 2004 it has taken delivery of 82 Airbus A320ceo Family Aircraft from an original order total of 132 A320ceo Family Aircraft contracted pursuant to the Existing CEO Purchase Agreement. The Company terminated 20 A320ceo Family Aircraft from the Existing CEO Purchase Agreement in 2012 and 30 of the aircraft under the original aircraft order were converted to high density A321ceo Aircraft that entered service in November 2015. Deliveries of the remaining A320ceo Family Aircraft under the Existing CEO Purchase Agreement will continue through to mid-2018. The overall number of aircraft covered by the Existing CEO Purchase Agreement was reduced to 102 through the cancellation of 10 A320ceo Family Aircraft in 2015 in conjunction with the entry into the NEO Purchase Agreement.

### 2. DELIVERY SCHEDULE

The Additional Aircraft are scheduled for delivery as follows:

	Calendar year	
	2018	2019
Current contracted delivery schedule .....	5	5

### 3. PRICE

The following table sets out the average list price, including engines, of the Additional Aircraft:

A321ceo Aircraft .....	<u>Total (US\$) based on January 2017 list prices</u>
	US\$116 million

The final price of each Additional Aircraft is subject to increases including: (i) the cost of "Buyer-furnished" equipment which the Company has asked Airbus to install on the aircraft; (ii) price escalation, which will be applied to the airframe list price, the engine option list price and the price of specification change notices by applying a formula reflecting increases in the published relevant labour and material indices between the time the aircraft list price was set and the delivery of such aircraft; and (iii) taxes. Wizz Air Hungary is responsible for the payment of any taxes (including VAT) except for taxes relating to the manufacture of the aircraft in France and/or Germany which will be payable by Airbus. Escalation for the Additional Aircraft is subject to a maximum agreed percentage, beyond which neither Wizz Air Hungary nor Airbus is obliged to proceed with the delivery of a particular aircraft.

Airbus has granted very substantial discounts to Wizz Air Hungary under the Existing CEO Purchase Agreement and the CEO Purchase Agreement Amendment. These take the form of credit memoranda which may be applied against the purchase price of the aircraft or towards the purchase of goods and services from Airbus. As a result, the effective price of the Additional Aircraft will be substantially below the aircraft average list price mentioned above.

### 4. PAYMENT TERMS

Wizz Air Hungary will make certain pre-delivery payments to Airbus under the CEO Purchase Agreement Amendment. These pre-delivery payments are calculated as a percentage of the agreed aircraft price and are payable at fixed times prior to the scheduled delivery date of an aircraft. The balance of the aircraft purchase price becomes payable upon delivery of the aircraft.

## **5. INDEMNITY AND LIMITATIONS ON LIABILITY**

The Existing CEO Purchase Agreement contains customary indemnities granted by Wizz Air Hungary in favour of Airbus and limitations on Airbus' liability, in each case subject to appropriate carve-outs. The indemnities and limitations cover areas such as claims relating to or arising from the condition of the aircraft and/or software supplied by Airbus, repairs carried out by Wizz Air Hungary or one of its maintenance providers and the provision of training personnel by Airbus to Wizz Air Hungary.

## **6. SUPPORT**

Airbus has given airframe and spare part warranties, including warranties against defects in design, materials or workmanship and has indemnified Wizz Air Hungary against any intellectual property infringement claims that may be brought against Wizz Air Hungary in relation to an aircraft.

Finally, Airbus has also provided certain performance guarantees in favour of Wizz Air Hungary relating to matters including fuel efficiency.

## **7. TERMINATION**

Either party may terminate the Existing CEO Purchase Agreement and the CEO Purchase Agreement Amendment if the other party becomes insolvent or becomes subject to insolvency procedures.

If the scheduled delivery of an aircraft is delayed for more than an agreed maximum period as a result of a delay beyond the control of Airbus (an "excusable delay"), then Wizz Air Hungary has the right to terminate the Existing CEO Purchase Agreement and the CEO Purchase Agreement Amendment in relation to the affected aircraft. Either party may terminate the Existing CEO Purchase Agreement and the CEO Purchase Agreement Amendment in relation to an aircraft the scheduled delivery date of which is delayed by more than twelve months as a result of an excusable delay.

If the scheduled delivery of an aircraft is delayed beyond the last day of the scheduled delivery month of that aircraft or, where relevant, the delivery date notified by Airbus to Wizz Air Hungary for a particular aircraft, for any reason other than an excusable delay or total loss of the relevant aircraft (a "non-excusable delay"), then Wizz Air Hungary has contractual recourse against Airbus. Either party may terminate the Existing CEO Purchase Agreement and the CEO Purchase Agreement Amendment in relation to an aircraft the scheduled delivery date of which is delayed by more than twelve months as a result of a non-excusable delay.

The CEO Purchase Agreement Amendment requires the Company to have obtained shareholder approval of the Proposed Purchase by 15 August 2017.



## PART 4

### ADDITIONAL INFORMATION

#### 1. RESPONSIBILITY STATEMENT

The Company and the Directors, whose names are set out in section 3 (*Directors*) of this Part 4, accept responsibility for the information contained in this Circular. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. COMPANY NAME, LEGAL FORM AND REGISTERED OFFICE

The Company was incorporated and registered in Jersey on 3 June 2009 under the Jersey Companies Law as a public limited company with the name Wizz Air Holdings Plc and with registered number 103356.

The Company's registered office is situated at 44 Esplanade, St. Helier, JE4 9WG, Jersey. The principal place of business of the Company and the Directors' business address is World Trade Center 1, Geneva International Airport, 1215, Geneva 15, Switzerland. The telephone number of the Company's principal place of business is +41 22 555 9858.

The principal legislation under which the Company operates and the Ordinary Shares have been created is the Jersey Companies Law and regulations made thereunder.

#### 3. DIRECTORS

The Directors and their respective positions in the Company are as follows:

William A. Franke	(Chairman)
József Váradi	(Chief Executive Officer)
Thierry de Preux	(Non-Executive Director)
Guido Demuynck	(Non-Executive Director)
Simon Duffy	(Non-Executive Director)
Susan Hooper	(Non-Executive Director)
Stephen L. Johnson	(Non-Executive Director)
John McMahon	(Non-Executive Director and Senior Independent Director)
Wioletta Rosołowska	(Non-Executive Director)
John R. Wilson	(Non-Executive Director)

#### 4. DIRECTORS' AND SENIOR MANAGERS' INTERESTS

4.1 As at 24 July 2017 (being the latest practicable date prior to the publication of this Circular), the interests (all of which are beneficial) of the Directors and Senior Managers and persons closely associated with them within the meaning of MAR in the issued share capital of the Company have been notified by each Director and Senior Manager to the Company pursuant to MAR are as follows:

Directors	Direct ownership	Interests		Total Ordinary Shares Interests
	Number of Ordinary Shares	Number of Ordinary Shares	Number of Convertible Shares	
William A. Franke <sup>(1)</sup>	82,917	15,074,750	29,830,503	15,157,667
József Váradi <sup>(2)</sup>	10,500	2,010,000	–	2,020,500
Thierry de Preux	51,384	–	–	51,384
Guido Demuynck	5,250	–	–	5,250
Simon Duffy	5,250	–	–	5,250
Stephen L. Johnson	52,750	–	–	52,750
John McMahon	14,750	–	–	14,750
John R. Wilson	59,083	–	–	59,083

**Notes:**

- (1) Mr. Franke is deemed to be interested in all of the Ordinary Shares and Convertible Shares held by Indigo Hungary LP, Indigo Maple Hill, L.P., Indigo Hungary Management LLC and Bigfork Partners LLC as persons closely associated with him within the meaning of MAR. Indigo Hungary LP and Indigo Maple Hill, L.P. also hold convertible notes that, subject to certain conditions, are convertible into Ordinary Shares of the Company.
- (2) Mr. Váradi is deemed to be interested in the Ordinary Shares held by his family trust companies.

	Direct ownership	Interests	Total Ordinary Shares Interests
	Number of Ordinary Shares	Number of Ordinary Shares	
<b>Senior Managers</b>			
Diederik Pen .....	5,250	–	5,250
Owain Jones .....	–	–	–
Johan Eidhagen .....	–	–	–
George Michalopoulos .....	–	–	–
Jozsef Ujhelyi .....	275,590	–	275,590

- 4.2 In addition to the interests in the share capital of the Company described in section 4.1 above, the following awards and options have been granted to Directors and Senior Managers which remain outstanding as at 24 July 2017 (being the latest practicable date prior to the publication of this Circular):

	Ordinary Shares subject to the Option/Award	Vesting Date	Exercise Price per Ordinary Share (£)
	<b>Directors</b>		
József Váradi .....	165,000	11/04/2014	1.90
	73,805	08/07/2018	nil
	87,180	29/06/2019	nil
	70,698	23/06/2020	nil
<b>Senior Managers</b>			
Diederik Pen .....	41,060	05/02/2016	2.28
	19,499	08/07/2018	nil
	28,000	29/06/2019	nil
	28,000	23/06/2020	nil
Owain Jones .....	170,000	10/12/2017	10.05
	18,749	08/07/2018	Nil
	25,000	29/06/2019	Nil
	22,500	23/06/2020	nil
Johan Eidhagen .....	25,000	01/12/2015	13.68
	2,500	08/07/2018	Nil
	22,500	29/06/2019	Nil
	22,500	23/06/2020	nil
George Michalopoulos .....	7,000	08/01/2013	2.25
	22,500	23/06/2020	nil
Jozsef Ujhelyi .....	19,500	22/07/2019	Nil
	22,500	23/06/2020	nil

- 4.3 Save as disclosed in sections 4.1 and 4.2 of this Part 4, none of the Directors or Senior Managers have any interest in the issued share capital of the Company.



## **5. DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT**

- 5.1 Other than as set out below, there are no existing or proposed service contracts or letters of appointment between any Director and any member of the Group except for the contracts and letters of appointment (as from time to time amended) details of which were included in the 2017 Annual Report and Accounts and a summary of which is provided below.

### ***Executive Director***

- 5.2 The Chief Executive Officer entered into a new service agreement with the Geneva branch of WAHL on 15 December 2015, for a period of five years, subject to earlier termination upon six months' notice by either party. WAHL also has the right to terminate Mr Váradi's employment with immediate effect by payment in lieu of notice. The service agreement contains post-termination restrictive covenants preventing Mr Váradi from competing with WAHL or any of its business partners in the EU as well as those non-EU countries where WAHL operates, for a period of one year following the termination of his employment. Mr Váradi will be paid a sum equal to six months' base salary if WAHL chooses to enforce these restrictive covenants. Upon termination of employment other than for cause, Mr Váradi is entitled to a severance payment equal to six months' salary in addition to any notice pay or payment in lieu of notice.

### ***Non-Executive Directors***

- 5.3 The Company entered into letters of appointment with each of its Non-Executive Directors, other than Susan Hooper and Wioletta Rosolowska, on 4 June 2014, which became effective on completion of the Company's initial public offering on 2 March 2015 for a term of three years. The Company entered into a letter of appointment with Susan Hooper on 24 February 2016, which became effective on 1 March 2016 and with Wioletta Rosolowska on 31 May 2016, which became effective on 1 June 2016. Each Non-Executive Director's appointment may be terminated by the Company or the Non-Executive Director with one month's written notice. Continuation of the appointment is contingent on continued satisfactory performance and re-election at the Company's annual general meetings and the appointment will terminate automatically on the termination of the appointment by the Shareholders or, where Shareholder approval is required for the appointment to continue, the withholding of approval by the Shareholders. Reappointment will be reviewed annually.
- 5.4 Each Non-Executive Director receives a fee of €25,000 per annum, plus €2,500 for each full Board Meeting attended. Simon Duffy, as chairman of the Audit Committee, will receive an additional fee of €18,750 per annum for taking on that role. Guido Demuynck, as chairman of the Remuneration Committee, will receive an additional fee of €12,500 per annum for taking on that role. Mr. Franke, as Chairman, will receive an additional fee of €25,000 per annum for taking on that role. The Non-Executive Directors will also be reimbursed for all proper and reasonable expenses incurred in performing their duties.
- 5.5 In accordance with the terms of the letters of appointment described above, each of the Non-Executive Directors is required to allocate sufficient time to discharge their responsibilities effectively. Each Letter of Appointment contains obligations of confidentiality which have effect during the appointment and after termination thereof.

- 5.6 The date of appointment/reappointment and expiry date of the Executive Directors and Non-Executive Directors' current service contracts/letters of appointment (as applicable) are set out below:

	<b>Date of appointment in current service contract or letter of appointment/date of first appointment to the Board</b>	<b>Expiry date of service contract/ letter of appointment</b>
<b>Executive Director</b>		
József Váradi .....	15 December 2015/16 June 2009	N/A
<b>Non-Executive Directors</b>		
William A. Franke .....	2 March 2015/7 October 2009	N/A
Thierry de Preux .....	2 March 2015/1 October 2012	N/A
Guido Demuynck .....	2 March 2015/1 February 2014	N/A
Simon Duffy .....	2 March 2015/1 January 2014	N/A
Susan Hooper .....	1 March 2016	N/A
Stephen L. Johnson .....	2 March 2015/5 August 2011	N/A
John McMahon .....	2 March 2015/1 May 2012	N/A
Wioletta Rosołowska .....	1 June 2016	N/A
John R. Wilson .....	2 March 2015/7 October 2009	N/A

## 6. MAJOR INTERESTS IN SHARES

- 6.1 So far as is known to the Company, the names of any persons other than a Director who, directly or indirectly, holds 3% or more of the Company's voting rights and has been notified under the Disclosure Guidance and Transparency Rules as at 24 July 2017 (being the latest practicable date prior to the publication of this Circular) are as follows:

<b>Name</b>	<b>Number of Ordinary Shares as notified to the Company</b>	<b>Percentage of current Issued Share Capital</b>
Indigo Hungary LP .....	11,515,509	15.9%
Fidelity Management & Research Co .....	5,713,122	7.9%
Indigo Maple Hill L.P. ....	3,484,491	4.8%
Váradi J.J. <sup>(1)</sup> .....	2,020,500	2.8%
AGTA Invest Co. Ltd <sup>(2)</sup> .....	1,962,208	2.7%

**Notes:**

- (1) Including family trust companies.  
(2) Formerly Eurohand Zrt.

- 6.2 The Company's major Shareholders do not have voting rights attached to the Ordinary Shares they hold that are different to those held by the other Shareholders.
- 6.3 Save as set out in section 6.1 of this Part 4, as at 24 July 2017 (being the latest practicable date prior to the publication of this Circular), the Company is not aware of any person who directly or indirectly has an interest in the Company's issued ordinary share capital which is notifiable under the Disclosure Guidance and Transparency Rules by virtue of exceeding the relevant thresholds of total voting rights attaching thereto.

## 7. WORKING CAPITAL

The Company is of the opinion that the working capital available to the Group, taking into account its cash resources and the Group's Existing Committed Aircraft Financing Arrangements, is sufficient for its present requirements, that is for at least the next 12 months from the date of publication of this Circular.

## 8. PROFIT FORECAST

- 8.1 On 25 May 2017 as part of its full year results for FY 2017, the Company issued its net profit guidance for the full year financial performance for FY 2018 and on 19 July 2017 as part of its unaudited results for Q1 2018, the Company guided towards the higher end of its net profit guidance for the full year financial performance for FY 2018 which constitutes a Profit Forecast for the purposes of the Listing Rules. The table below sets out the components of the Company's full year outlook.

	2018 Financial Year	Comment
Capacity growth (ASKs) . . . . .	23%	H1: 23%, H2: 23%
Average stage length . . . . .	Modest increase	–
Load Factor . . . . .	+1%	–
Fuel CASK . . . . .	+3%	Jet price of \$480/MT
Ex-fuel CASK . . . . .	Broadly flat	Assumes \$/€1.13
Total CASK . . . . .	+1%	–
RASK . . . . .	Slightly positive	Lower fuel prices lead to lower fares
Tax rate . . . . .	6%	–
Net profit . . . . .	Between €250 million – €270 million	Towards the top end of the range

- 8.2 The Directors have considered and confirm that the Profit Forecast remains correct as at the date of this Circular.

### *Basis of preparation*

- 8.3 The Profit Forecast has been properly compiled on the basis of the assumptions stated below and on a basis consistent with the accounting policies of Wizz Air which are expected by the Directors to be applicable for FY 2018 and which are in accordance with IFRS as adopted by the EU.

### *Assumptions*

- 8.4 The Directors have prepared the Profit Forecast on the basis of the following assumptions.
- 8.5 Factors outside the influence or control of the Directors:
- (a) there will be no fundamental changes in the political and/or economic environment that would materially affect the Group during the nine month forecast period to 31 March 2018;
  - (b) there will be no material changes in market conditions over the nine month forecast period to 31 March 2018 in relation to either customer demand or the competitive environment;
  - (c) there will be no material change in legislation or regulatory requirements impacting the Group's operations or its accounting policies;
  - (d) there will be no business disruptions that materially affect the Group, its customers or operations, including natural disasters, acts of terrorism, cyber-attack and/or technological issues, air traffic control strikes or industry-wide technical issues with the aircraft models currently used by the Group;
  - (e) US\$/Euro foreign exchange rates will be an average of US\$1.13 for the remainder of the forecast period to 31 March 2018;
  - (f) jet fuel price will be US\$480 per metric tonne for the remainder of the forecast period to 31 March 2018; and
  - (g) there will be no service bulletins resulting in additional unexpected maintenance to be performed on the Group's aircraft.
- 8.6 Factors within the influence or control of the Directors:
- (a) there will be no material acquisitions or disposals of businesses during FY 2018;
  - (b) there will be no material change in the present management or control of the Group or its existing operational strategy;

- (c) RASK will be slightly positive during FY 2018;
- (d) there will be approximately 1% load factor improvement over the prior financial year; and
- (e) ex-fuel CASK will be broadly flat in FY 2018.

## 9. MATERIAL CONTRACTS

No contracts have been entered into (other than contracts entered into in the ordinary course of business) by the Company or any member of the Group either: (i) within the period of two years immediately preceding the date of this Circular, which are or may be material to the Group; or (ii) which contain any provisions under which any member of the Group has any obligation or entitlements which is, or may be, material to the Group as at the date of this Circular, save for:

- (a) the CEO Purchase Agreement Amendment which is summarised in Part 3: “*Summary of the terms and conditions of the Existing CEO Purchase Agreement and the CEO Purchase Agreement Amendment*” of this Circular;
- (b) the NEO Purchase Agreement which is summarised in Part 3: “*Summary of the terms and conditions of the New Airbus Agreement*” of the 2015 Circular; and
- (c) the material contracts disclosed in paragraphs 13.4 to 13.5 and 13.7 to 13.9 of Section 13 (*Material contracts*) of Part XI: “*Additional Information*” of the IPO Prospectus, which are hereby incorporated by reference into this Circular; and
- (d) ***Aircraft sale and leaseback agreements***

- (i) *Accipiter Investments and Vermillion*

On 6 March 2017, Wizz Air Hungary concluded sale and leaseback arrangements with Accipiter Investments and Vermillion in relation to the sale and leaseback (by operating lease) of three A320-200 and four A321-200 aircraft.

The main transaction documents for each aircraft comprise an aircraft sale agreement and a lease agreement, pursuant to which Accipiter Investments and Vermillion have leased the aircraft to Wizz Air Hungary for an initial term of nine years from the date on which the relevant aircraft is delivered to Wizz Air Hungary. Wizz Air Hungary may extend the initial term of each lease agreement, provided that no event of default has occurred and is continuing, by a further two twelve month periods by giving written notice no later than 12 months prior to either (A) the expiry of the initial lease term or (B) the expiry of the first extension period in the case of the second extension.

Wizz Air Hungary will benefit from all of the manufacturer’s warranties during the term of the lease, unless and until an event of default has occurred and is continuing. Upon the occurrence of an event of default which is continuing, Accipiter Investments or Vermillion may request the immediate return of the aircraft or seek immediate repossession of the aircraft. Accipiter Investments or Vermillion may also require Wizz Air Hungary to pay all arrears of rent and any other outstanding sums accrued under the agreements.

Wizz Air Hungary has agreed to indemnify Accipiter Investments or Vermillion on demand for all losses, fees, costs and expenses incurred in connection with an event of default, including loss of profit and liquidated damages for loss of bargain relating to the rent that would have accrued over the remainder of the lease term. Such events of default include any failure by Wizz Air Hungary to pay rent due within three business days and any failure to keep the aircraft properly insured.

During the term of the lease agreement, Wizz Air Hungary must, at its own expense and at all times, ensure the airworthiness of the aircraft, maintain the aircraft in accordance with a maintenance programme approved by the relevant aviation authorities and keep the aircraft in compliance with certain mandatory regulatory requirements.

(ii) *PAL*

On 2 February 2017, Wizz Air Hungary concluded sale and leaseback arrangements with PAL in relation to the sale and leaseback (by operating lease) of three A320-200 and three A321-200 aircraft.

The main transaction documents for each aircraft comprise an aircraft sale agreement and a lease agreement, pursuant to which PAL has leased the aircraft to Wizz Air Hungary for an initial term of nine years from the date on which the relevant aircraft is delivered to Wizz Air Hungary. Wizz Air Hungary may extend the initial term of each lease agreement by a further two twelve month periods by giving written notice no later than 12 months prior to either (A) the expiry of the initial lease term or (B) the expiry of the first extension period in the case of the second extension.

Wizz Air Hungary will benefit from all of the manufacturer's airframe and engine warranties during the term of the lease, unless and until an event of default has occurred and is continuing. Upon the occurrence of an event of default which is continuing, PAL may request the immediate return of the aircraft or seek immediate repossession of the aircraft. PAL may also require Wizz Air Hungary to pay all arrears of rent and any other outstanding amounts accrued under the agreements.

Wizz Air Hungary has agreed to indemnify PAL on demand for all losses, damages, expenses, costs and liabilities incurred in connection with an event of default, including loss of profit during the lease term. Such events of default include any failure by Wizz Air Hungary to pay rent due within three business days, any failure to keep the aircraft properly insured and any failure to observe any provision of a lease agreement within twenty-one (21) days.

During the term of the lease agreement, Wizz Air Hungary must, at its own expense and at all times, ensure the airworthiness of the aircraft, maintain the aircraft in accordance with a maintenance programme approved by the relevant aviation authorities and keep the aircraft in compliance with certain mandatory regulatory requirements.

(iii) *BCL*

On 30 November 2016, Wizz Air Hungary concluded sale and leaseback arrangements with Jin Shan, a subsidiary of Bank of Communications Financial Leasing Co., Ltd., in relation to the sale and leaseback (by operating lease) of two A320-200 and six A321-200 aircraft.

The main transaction documents for each aircraft comprise an aircraft sale agreement and a lease agreement, pursuant to which Jin Shan has leased the aircraft to Wizz Air Hungary for an initial term of nine years from the date on which the relevant aircraft are delivered to Wizz Air Hungary. Wizz Air Hungary may extend the initial term of each lease agreement by a further two twelve month periods by giving written notice no later than 15 months prior to either (A) the expiry of the initial lease term or (B) the expiry of the first extension period in the case of the second extension.

Wizz Air Hungary will benefit from all warranties under the warranty assignment agreements during the term of the lease, unless and until an event of default has occurred and is continuing. Upon the occurrence of an event of default which is continuing, Jin Shan may request the immediate return of an aircraft. Jin Shan may also require Wizz Air Hungary to pay all amounts due from the date of termination.

Wizz Air Hungary has agreed to indemnify Jin Shan on demand for all damages, costs, fees, disbursements and expenses incurred as a result of an event of default, including loss of profit. Such events of default include any failure by Wizz Air Hungary to pay rent due within three business days, any failure to keep the aircraft properly insured and any failure to observe any material covenant or condition of a lease agreement or any agreement to be performed or observed under the lease agreement within 15 business days.

During the term of the lease agreement, Wizz Air Hungary must, at its own expense and at all times, ensure the airworthiness of the aircraft, maintain, repair and overhaul the aircraft in accordance with a maintenance programme approved by the relevant aviation authorities and keep the aircraft in compliance with certain mandatory regulatory requirements.

(iv) *Star Rising*

On 4 November 2015, Wizz Air Hungary concluded sale arrangements with CCB Aviation Corporation Limited in relation to the sale of eleven A321 aircraft and leaseback arrangements (by operating lease) with Star Rising in relation to the leaseback of eleven A321 aircraft.

The main transaction documents comprise an aircraft sale agreement and a lease agreement, pursuant to which Star Rising has leased the aircraft to Wizz Air Hungary for an initial term of nine years from the date on which the relevant aircraft is delivered to Wizz Air Hungary. Wizz Air Hungary may extend the initial term of each lease agreement by twelve months or 36 months by giving written notice no later than 15 months prior to the expiry of the initial lease term.

Wizz Air Hungary will benefit from all manufacturer's warranties, product support packages and service life policies in respect of the airframe and engines, unless and until a termination event has occurred and is continuing. Upon the occurrence of a termination event which is continuing, Star Rising may also request the immediate return of an aircraft. Star Rising may also demand all rent and other amounts due during or after the exercise of any of Star Rising's termination remedies.

Wizz Air Hungary has agreed to indemnify Star Rising on demand for all losses incurred as a result of a termination event. Such termination events include failure by Wizz Air Hungary to pay rent due within five business days and any failure to keep the aircraft properly insured. During the term of the lease agreement, Wizz Air Hungary must ensure the airworthiness of the aircraft, maintain the aircraft in accordance with a maintenance programme approved by the relevant aviation authorities and keep the aircraft in compliance with certain mandatory regulatory requirements.

## **10. RELATED PARTY TRANSACTIONS**

10.1 The following are the related party transactions (which for these purposes are those set out in the Standards adopted according to Regulation (EC) No 1606/2002), that the Company has entered into during each of FY 2015, FY 2016 and FY 2017 and up to the date of this Circular:

- (a) transactions with key management personnel, further details of which are included in note 37 on page 112 of the 2015 Annual Report and Accounts, in note 36 on page 114 of the 2016 Annual Report and Accounts and in note 36 on page 119 of the 2017 Annual Report and Accounts each of which is hereby incorporated by reference into this Circular;
- (b) loans made by the Company to several of its officers and the family trust company of one of its officers in order to enable them to exercise options to acquire Ordinary Shares which were granted under the Wizz Air International Employee Share Option Plan 2009 prior to the transfer of the relevant officers to the Company's head office in Geneva, further details of which are included in note 37 on page 112 of the 2015 Annual Report and Accounts which is hereby incorporated by reference into this Circular;
- (c) transactions with Indigo Partners LLC, further details of which are included in note 37 on page 112 of the 2015 Annual Report and Accounts, in note 36 on page 114 of the 2016 Annual Report and Accounts and in note 36 on page 118 of the 2017 Annual Report and Accounts each of which are hereby incorporated by reference into this Circular; and
- (d) transactions with Éden Rent Kft., further details of which are included in note 36 on page 119 of the 2017 Annual Report and Accounts which is hereby incorporated by reference into this Circular.



- 10.2 Save as set out above, there were no related party transactions entered into by the Company during the three years ended 31 March 2017, and there have been no related party transactions entered into by the Company since 31 March 2017.

## **11. LITIGATION**

Save as disclosed below, neither the Company, nor any other member of the Group, is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the twelve months preceding the date of this Circular, which may have or have had in the recent past a significant effect on the Company's and/or Group's financial position or profitability.

### **11.1 *European Commission state aid investigations***

Five of the European Commission's on-going state aid investigations which are in their formal phase concern arrangements between Wizz Air and certain airports to which it flies, namely, Timișoara, Cluj-Napoca, Targu Mures, Beauvais and Girona. Wizz Air has submitted its legal observations and supporting economic analysis of these arrangements to the European Commission. Ultimately, an adverse decision by the European Commission could result in a repayment order for the recovery from Wizz Air of any amount determined by the European Commission to be illegal state aid. See note 34 of the financial information set out in the 2017 Annual Report and Accounts for further details of management's estimates of the maximum potential exposure in respect of the investigations.

The European Commission has given notice that the state aid investigations involving Wizz Air will be assessed on the basis of new "EU Guidelines on State aid to airports and airlines" which were adopted by the European Commission on 20 February 2014. Where relevant, Wizz Air has made further submissions to the European Commission in connection with this notification.

### **11.2 *Claims by Carpatair***

Carpatair, a regional airline based in Romania started a number of cases in the Romanian courts during 2012 and 2013 which relate to Carpatair's allegations that Timișoara airport granted unlawful state aid to Wizz Air pursuant to an agreement between the parties or by virtue of the publicly available scheme of charges published by Timișoara airport. Wizz Air is intervening in the defence of these claims, either in its own right or in support of Timișoara airport. One of these cases determined that state aid existed in the 2010 scheme of charges, but failed to substantiate that decision or to quantify the amount involved. Following this decision, Carpatair began a case in which both Timișoara airport and Wizz Air are named as defendants and, pursuant to which, Carpatair aims to have the alleged state aid under the 2010 scheme of charges quantified and a repayment order issued. Wizz Air understands that the Romanian Chamber of Accounts has issued a decision requiring Timișoara airport to recover from Wizz Air an amount of approximately €3 million in respect of the state aid attributable to the 2010 and 2011 scheme of charges despite there having been no expert quantification of the amount and the airport has now started proceedings which Wizz Air is defending.

In January 2016, Carpatair filed a new legal action, registered with the Bucharest Tribunal, against Timișoara airport, the Romanian Ministry of Transport, and the Ministry of Public Finances representing the Romanian State and Wizz Air. Carpatair asked the court to order the four defendants to pay, jointly, to Carpatair damages preliminarily estimated to amount to €92 million and interest related to the said amount, resulting from alleged state aid granted by Timișoara airport to Wizz Air, from the existence of a marketing agreement between Timișoara airport and Wizz Air and for an abuse of dominant position on the part of Timișoara airport.

The court's decision delivered on 20 December 2016 upheld the objection raised by Wizz Air that the Bucharest Tribunal lacked jurisdiction to hear the case and that the case should be heard by the Administrative Litigation Section of the Bucharest Court of Appeals. The case was therefore forwarded to the Bucharest Court of Appeals – Administrative and Fiscal Litigation Section where a hearing took place on 18 May 2017. The Bucharest Court of Appeal ascertained that there was a jurisdiction conflict between the Bucharest Court of Appeal and the Bucharest Tribunal and ordered



the case to be sent to the High Court of Cassation and Justice in order for the latter to issue a decision on this jurisdiction issue.

Management estimates that the maximum potential exposure for these cases could be in the region of €113 million (including the €3 million and the €92 million specifically mentioned above). No provision has been made by the Group in relation to these issues because there is currently no reason to believe that the Group will incur charges from these cases.

### 11.3 *Claim against Warsaw Modlin Airport*

Wizz Air has started proceedings in the Polish courts seeking damages from Warsaw Modlin Airport, in the amount of 13,053,608 Polish Zloty, arising from Wizz Air's forced relocation to Warsaw Chopin Airport following the failure to install an instrument landing system at the airport and, then, the prolonged closure of Warsaw Modlin Airport as a result of a sub-standard runway. The case remains ongoing, with the hearings to date having involved a number of witnesses who presented evidence in support of Wizz Air's claim and in defence of the airport. The next hearing is scheduled for 15 September 2017.

## 12. SIGNIFICANT CHANGE

There has been no significant change in the financial or trading position of the Group since 31 March 2017, the date to which the Company's latest audited financial information for the twelve months to 31 March 2017 were published.

## 13. INFORMATION INCORPORATED BY REFERENCE

13.1 The following information has been incorporated into this Circular by reference:

Information incorporated by reference	Where incorporated in this Circular	Page number
Paragraphs 13.4 to 13.5 and 13.7 to 13.9 of Section 13 ( <i>Material contracts</i> ) of Part XI: "Additional Information" of the IPO Prospectus	Section 9 of this Part 4	269-272
Note 37 to the 2015 Annual Report and Accounts	Section 10 of this Part 4	112
Note 36 to the 2016 Annual Report and Accounts	Section 10 of this Part 4	113-114
Note 36 to the 2017 Annual Report and Accounts	Section 10 of this Part 4	118-119
Note 34 to the 2017 Annual Report and Accounts	Section 11.1 of this Part 4	117

The sections of the IPO Prospectus, the 2015 Annual Report and Accounts, 2016 Annual Report and Accounts and 2017 Annual Report and Accounts not being incorporated by reference herein are either not relevant for Shareholders' consideration of the Proposed Purchase or are covered elsewhere in this Circular.

13.2 The information referred to in section 13.1 of this Part 4 can be accessed by Shareholders at <http://corporate.wizzair.com>.

13.3 Information that is itself incorporated by reference or referred or cross-referred to in the documents listed in section 13.1 of this Part 4 is not incorporated by reference into this Circular. Except as set forth in section 13.1 of this Part 4, no other sections of these documents are incorporated by reference into this Circular.

## 14. CONSENT

J.P. Morgan Cazenove has given, and not withdrawn, its consent to the inclusion in this Circular of the references to its name in the form and context in which they are included.

## 15. DOCUMENTS AVAILABLE FOR INSPECTION

15.1 Copies of the following documents will be available for inspection during normal business hours on weekdays (Saturdays, Sundays and public holidays excepted) at the registered office of the Company,

at the Company's corporate headquarters at World Trade Center 1, Geneva International Airport, 1215 Geneva 15, Switzerland and at the offices of Latham & Watkins (London) LLP at 99 Bishopsgate, London EC2M 3XF, United Kingdom, from the date of this Circular up to and including the date of the General Meeting:

- (a) the articles of association of the Company;
- (b) the consent referred to in section 14 (*Consent*) of this Part 4;
- (c) the consolidated audited financial statements for Wizz Air for FY 2017;
- (d) the unaudited interim management statement published on 19 July 2017;
- (e) the Existing CEO Purchase Agreement and the CEO Purchase Agreement Amendment; and
- (f) this Circular.

Dated: 25 July 2017

## PART 5

### DEFINITIONS

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

“€” or “Euro”	the lawful currency of the European Union, from time to time;
“2015 Annual Report and Accounts”	the audited and consolidated annual report and accounts (including relevant accounting policies and notes) of the Group and the audit report thereon for FY 2015;
“2015 Circular”	the circular published by the Company on 15 October 2015 in relation to the NEO Purchase Agreement;
“2016 Annual Report and Accounts”	the audited and consolidated annual report and accounts (including relevant accounting policies and notes) of the Group and the audit report thereon for FY 2016;
“2017 Annual Report and Accounts”	the audited and consolidated annual report and accounts (including relevant accounting policies and notes) of the Group and the audit report thereon for FY 2017;
“A320ceo Aircraft”	a variant of the current generation A320 Family Aircraft (A320 variant) equipped with current IAE V2500 Engine variant as contemplated by the Existing CEO Purchase Agreement;
“A321ceo Aircraft”	a variant of the current generation A320 Family Aircraft (A321 variant) equipped with current IAE V2500 Engine variant as contemplated by the Existing CEO Purchase Agreement and CEO Purchase Agreement Amendment;
“A320ceo Family Aircraft”	Airbus A320ceo Aircraft and A321ceo Aircraft;
“A320neo Aircraft”	new generation Airbus A320 aircraft equipped with the New Engine Option;
“A321neo Aircraft”	new generation Airbus A321 aircraft equipped with the New Engine Option, which are the subject of the NEO Purchase Agreement;
“A320neo Family Aircraft”	Airbus A320neo Aircraft and A321neo Aircraft;
“Act”	the Companies Act 2006 of England and Wales, as amended from time to time;
“Accipiter Investments”	Accipiter Investments Aircraft 3 Limited;
“Additional Aircraft”	the 10 additional A321ceo Aircraft, which are the subject of the CEO Purchase Agreement Amendment;
“Airbus”	Airbus SAS (including, where the context requires, its subsidiary undertakings);
“ASK”	available seat kilometres, the number of seats available for scheduled passengers multiplied by the number of kilometres those seats were flown;
“Board”	the board of directors of the Company from time to time including a duly constituted committee thereof;

“BrexIt”	the United Kingdom’s withdrawal from the EU;
“CASK”	operating cost per ASK;
“CEE”	Central and Eastern Europe;
“CEO Purchase Agreement Amendment”	the amendment to the Existing CEO Purchase Agreement entered into between Wizz Air Hungary and Airbus relating to the purchase of the 10 additional A321ceo Aircraft dated 21 June 2017;
“CET”	Central European Time;
“CFM”	CFM International S.A. (including, where the context requires, its subsidiary undertakings);
“Company”	Wizz Air Holdings Plc, a company incorporated under the Jersey Companies Law and registered in Jersey with registered number 103356;
“Computershare” or “Registrar”	Computershare Investor Services (Jersey) Limited of Queensway House, Hilgrove Street, St. Helier JE1 1ES, Jersey;
“Convertible Shares”	non-voting, non-participating convertible shares of £0.0001 each in the share capital of the Company;
“CEO” or “Current Engine Option”	the IAE V2500 SelectOne engine to be installed on the A321ceo Aircraft and A320ceo Aircraft;
“Disclosure Guidance and Transparency Rules”	the disclosure guidance and transparency rules made by the FCA under Part VI of the FSMA;
“EU”	the European Union;
“EU-15”	the countries who were member states of the EU immediately prior to 1 May 2004, being Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Sweden, Spain and the United Kingdom;
“Executive Director”	József Váradi;
“ex-fuel CASK”	operating cost net of fuel expense per ASK;
“Existing CEO Purchase Agreement”	the aircraft purchase agreement dated 7 September 2005 between Wizz Air Hungary and Airbus as amended on 20 July 2006, 10 October 2007 and 18 June 2009 and as otherwise supplemented or varied from time to time;
“Existing Committed Aircraft Financing Arrangements”	the aircraft sale and leaseback agreements described in paragraphs (d)(i) – (iii) of section 9 ( <i>Material contracts</i> ) of Part 4: “ <i>Additional Information</i> ” of this Circular;
“Form of Proxy”	the form of proxy for use at the General Meeting;
“FCA”	the Financial Conduct Authority of the United Kingdom, in its capacity as the competent authority for the purposes of Part VI of the FSMA and the UK Financial Services Act 2012;
“FSMA”	the Financial Services and Markets Act 2000 (as amended);
“FY 2012”	the financial year ended 31 March 2012;
“FY 2015”	the financial year ended 31 March 2015;

<b>“FY 2016”</b>	the financial year ended 31 March 2016;
<b>“FY 2017”</b>	the financial year ended 31 March 2017;
<b>“FY 2018”</b>	the financial year ending 31 March 2018;
<b>“GDP”</b>	gross domestic product;
<b>“General Meeting”</b>	the General Meeting of the Company convened for 11.00 a.m. (CET) on 11 August 2017 as set out in the notice in Part 6: “ <i>Notice of General Meeting</i> ” of this Circular;
<b>“GTF”</b>	geared turbofan;
<b>“IAE”</b>	International Aero Engines AG (including, where the context requires, its subsidiary undertakings);
<b>“IFRS”</b>	International Financial Reporting Standards, as adopted for use in the EU;
<b>“IPO Prospectus”</b>	means the prospectus of the Company published on 25 February 2015 in relation to the listing of the Company’s Ordinary Shares on the premium listing segment of the Official List of the FCA and admission to trading on the main market of the London Stock Exchange;
<b>“Jersey Companies Law”</b>	the Companies (Jersey) Law 1991 (as amended) and the subordinate legislation thereunder;
<b>“Jin Shan”</b>	Jin Shan 17 Ireland Company Limited;
<b>“J.P. Morgan Cazenove”</b>	J.P. Morgan Securities plc (which carries on its UK investment banking activities as J.P. Morgan Cazenove);
<b>“list price”</b>	the price of the aircraft manufacturers typically publish for each model of aircraft being a standard price a purchaser would expect to pay;
<b>“Listing Rules”</b>	the listing rules issued and maintained by the FCA under Part VI of FSMA, as amended from time to time;
<b>“load factor”</b>	number of seats sold divided by the number of seats available;
<b>“MAR”</b>	the Market Abuse Regulation (2014/596/EU);
<b>“NEO Purchase Agreement”</b>	the agreement entered into between Wizz Air Hungary and Airbus relating, <i>inter alia</i> , to the purchase of 110 A321neo Aircraft dated 11 September 2015;
<b>“New Engine Option”</b>	either the IAE PW1100G-JM engine or CFM LEAP-A1 engine;
<b>“Non-Executive Directors”</b>	William A. Franke, Thierry de Preux, Guido Demuyneck, Simon Duffy, Susan Hooper, Stephen L. Johnson, John McMahon, Wioletta Rosołowska and John R. Wilson;
<b>“Ordinary Shares”</b>	the ordinary shares in the Company of £0.0001 each;
<b>“PAL”</b>	Pembroke Aircraft Leasing 6 Limited and Pembroke Aircraft Leasing 8 Limited;

<b>“Profit Forecast”</b>	the profit forecast issued by the Company for the full year financial performance for the year ending 31 March 2018, further information on which is set out in section 8 ( <i>Profit Forecast</i> ) of Part 4: “ <i>Additional Information</i> ” of this Circular;
<b>“Prospectus Rules”</b>	the rules made for the purposes of Part VI of the FSMA in relation to offers of securities to the public and admission of securities to trading on a regulated market;
<b>“Proposed Purchase”</b>	the proposed purchase by Wizz Air Hungary of 10 A321ceo Aircraft pursuant to the CEO Purchase Agreement Amendment, with the V2500 engine manufactured by IAE, as described in Part 3: “ <i>Summary of the Terms and Conditions of the Existing CEO Purchase Agreement and CEO Purchase Agreement Amendment</i> ” of this Circular;
<b>“Q1 2018”</b>	the three months ended 30 June 2017;
<b>“RASK”</b>	passenger revenue divided by ASKs;
<b>“Resolution”</b>	the ordinary resolution to approve the CEO Purchase Agreement Amendment to be proposed at the General Meeting, notice of which is set out in Part 6: “ <i>Notice of General Meeting</i> ” of this Circular;
<b>“Senior Managers”</b>	Diederik Pen, Owain Jones, Johan Eidhagen, George Michalopoulos and Jozsef Ujhelyi;
<b>“Shareholder(s)”</b>	the holder(s) of Ordinary Shares;
<b>“Star Rising”</b>	Star Rising Aviation 3 Limited;
<b>“Takeover Code”</b>	the UK City Code on Takeover and Mergers (as amended from time to time);
<b>“UK Listing Authority”</b>	the FCA, acting in its capacity as the competent authority for the purposes of Part VI of FSMA;
<b>“US\$” or “US Dollar”</b>	the lawful currency of the United States of America, from time to time;
<b>“VAT”</b>	value added tax;
<b>“Vermillion”</b>	Vermillion Aviation (Six) Limited;
<b>“WAHL”</b>	Wizz Air Hungary Limited, Geneva Branch;
<b>“Western Europe”</b>	the EU-15 plus Cyprus, Iceland, Malta, Norway and Switzerland;
<b>“Wizz Air” or “Group”</b>	the Company and its subsidiary undertakings (as defined by section 1162 of the Act) from time to time; and
<b>“Wizz Air Hungary”</b>	Wizz Air Hungary Limited, the holder of an operating licence issued by the Hungarian Aviation Authority.

## PART 6

### NOTICE OF GENERAL MEETING

**Notice of General Meeting  
of  
Wizz Air Holdings Plc**

*(incorporated and registered in Jersey with registered number 103356)*

**NOTICE IS HEREBY GIVEN** that a General Meeting of Wizz Air Holdings Plc (the “**Company**”) will be held on 11 August 2017 at 11.00 a.m. (CET) at the offices of the Company at World Trade Center 1, Geneva International Airport, 1215 Geneva 15, Switzerland to consider and, if thought fit, pass the following resolution, which will be proposed as an ordinary resolution:

#### **ORDINARY RESOLUTION**

THAT the Proposed Purchase pursuant to the CEO Purchase Agreement Amendment, each as defined and described in the Circular to Shareholders dated 25 July 2017, of which this notice forms part, be and is approved for the purposes of Chapter 10 of the Listing Rules of the Financial Conduct Authority and that the Directors (or a duly authorised committee of the Directors) be and are hereby authorised to: (a) do all things as may be necessary or desirable to complete or give effect to or otherwise in connection with or incidental to the Proposed Purchase; and (b) agree to such modifications, variations, revisions, waivers or amendments to the CEO Purchase Agreement Amendment, provided such modifications, variations, revisions, waivers or amendments are not material, in either such case as they may in their absolute discretion think fit.

By order of the Board

*Registered office:*  
44 Esplanade  
St. Helier JE4 9WG  
Jersey



**William A. Franke**

*Chairman*

25 July 2017

Registered number: 103356

#### **Notes:**

1. Only holders of the ordinary shares in the Company of £0.0001 each (the “**Shareholders**”) whose name appear on the register of members or Separate Register (as defined in the articles of association of the Company (the “**Articles**”)) of the Company at 11.00 a.m. (CET) on 9 August 2017 (the “**Specified Time**”) (or, if the General Meeting is adjourned, on the register of members of the Company 48 hours before the time of the adjourned meeting (not taking into account any day which is not a Business Day (as defined in the Articles)) shall be entitled to attend and/or vote at the General Meeting in respect of the number of shares registered in their name at such time. Subsequent changes to entries on the register of members after the Specified Time shall be disregarded in determining the rights of any person to attend or vote at the General Meeting.
2. All resolutions at the General Meeting will be decided by a poll rather than a show of hands. This means that each Shareholder has one vote for every share held. The Company believes that this is a more transparent and equitable method of voting, as Shareholders are counted according to the number of shares held ensuring an exact and definitive result.
3. The Company has also included on the Form of Proxy a “Vote Withheld” option in order for Shareholders to abstain on the Resolution. However, it should be noted that a “Vote Withheld” is not a vote in law and will not be counted in the calculation of the proportion of votes “For” or “Against” the Resolution.



## **Appointment of proxies**

### ***General***

4. A Shareholder who is entitled to attend and vote at the General Meeting may appoint one or more proxies to attend, speak and vote instead of him or her. A Shareholder may appoint more than one proxy to attend the General Meeting. A proxy need not be a member of the Company. Completion and return of a Form of Proxy will not prevent Shareholders from attending and voting in person should they wish to do so. If two or more valid proxy appointments are received in respect of the same ordinary share for use at the General Meeting, the one which is last delivered or received shall be treated as replacing or revoking the others as regards that share, provided that if the Company determines that it has insufficient evidence to decide whether or not a proxy appointment is in respect of the same share, it shall be entitled to determine which proxy appointment (if any) is to be treated as valid.
5. To be valid, an appointment of proxy, whether by means of an instrument or contained in an electronic form as stated at explanatory notes 7 and 8 below (together with any relevant power or authority) must be received (or, in the case of the appointment of a proxy through CREST, retrieved by enquiry to CREST in the manner prescribed by CREST) by Computershare not later than 48 hours before the time appointed for holding the General Meeting (not taking into account any day which is not a Business Day (as defined in the Articles)).

A proxy may be appointed in the following ways:

### ***Printed Form of Proxy***

6. To appoint a proxy, please fill in the Form of Proxy which accompanies this notice and return it in accordance with the instructions printed on the form as soon as possible. To be valid, the instrument and the power of attorney or other authority (if any) under which it is signed, or a notarially-certified copy of such power or authority, must be received by the Company Registrar, Computershare Investor Services (Jersey) Limited at c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY, United Kingdom by no later than 11.00 a.m. (CET) on 9 August 2017.

### ***Electronic Form of Proxy***

7. As an alternative to completing and returning the printed Form of Proxy which accompanies this notice, a Shareholder may register the appointment of a proxy online by registering for the Computershare service at <https://www.eproxyappointment.com/Login>. Full details of the procedures are set out on the website. The Company will not accept an electronic communication that is found to contain a computer virus.

### ***Electronic proxy appointment through CREST***

8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
9. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent (ID 3RA50) not later than 48 hours before the time appointed for the General Meeting (not taking into account any day which is not a Business Day (as defined in the Articles)). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST application's host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
10. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
11. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Article 34 of the Companies (Uncertificated Securities) (Jersey) Order 1999.

### ***Corporate representatives***

12. Any corporation which is a Shareholder of the Company may, by resolution of its directors or other governing body, authorise such persons as it thinks fit to act as its representative at the General Meeting. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual Shareholder of the Company.

### ***Nominated persons***

13. Any person to whom this notice is sent who is a person nominated to enjoy information rights in accordance with the provisions of the Articles (a "Nominated Person") may, under an agreement between him/her and the Shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. Alternatively, if a Nominated Person has no such right, or does not wish to exercise it, he/she may, under any such agreement, have a right to

give instructions to the relevant Shareholder as to the exercise of voting rights. The statement of the rights of Shareholders in relation to the appointment of proxies in paragraphs 4 to 11 above does not apply to Nominated Persons. The rights described in those paragraphs can only be exercised by the Shareholders of the Company.

### ***Voting rights***

14. As at 24 July 2017 (being the last practicable business day prior to publication of this notice), the Company's issued ordinary share capital consisted of 72,479,671 ordinary shares carrying one vote each on a poll and the total number of votes exercisable at that date is the same number. At that date, the Company held no treasury shares.

### ***Inspection of documents***

15. Copies of the following documents are available for inspection during normal business hours at the Company's registered office at 44 Esplanade, St. Helier JE4 9WG, Jersey, the Company's corporate headquarters at World Trade Center 1, Geneva International Airport, 1215 Geneva 15, Switzerland and the offices of Latham & Watkins (London) LLP at 99 Bishopsgate, London, EC2M 3XF, United Kingdom on any weekday from the date of this notice until the time of the General Meeting and at the venue of the General Meeting from 15 minutes before the General Meeting until it ends: (i) this notice of the General Meeting; (ii) details of the total number of shares in respect of which shareholders are entitled to exercise voting rights at the General Meeting; and (iii) the Articles. If applicable, any shareholders' statements, shareholders' resolutions or shareholders' matters of business received by the Company after the date of this notice will also be made available on the Company's website.

### ***Website***

16. A copy of this notice, and other relevant Shareholder information can be found at <https://wizzair.com>.

### ***Addresses***

17. Addresses, including electronic addresses provided in this notice, are provided solely for the purposes so specified. Shareholders may not use any electronic address provided in this notice to communicate with the Company for any purpose other than those expressly stated herein.



