

FIRSTGROUP PLC

## Notice of Annual General Meeting

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant or other professional adviser.

If you have sold or otherwise transferred all of your shares in FirstGroup plc (the 'Company'), please pass this document together with the accompanying Form of Proxy to the purchaser or transferee, or to the person who arranged the sale or transfer, so they can pass these documents to the person who now holds the shares.

Notice of the Annual General Meeting of the Company to be held at the Aberdeen Exhibition and Conference Centre, Bridge of Don, Aberdeen AB23 8BL on Thursday 8 July 2010 at 11.00 am is set out in this document.

Whether or not you propose to attend the Annual General Meeting, please complete and submit a Form of Proxy in accordance with the instructions printed on the enclosed Form. The Form of Proxy must be received by 11.00 am on 6 July 2010.



**Registered office:****FirstGroup plc**

395 King Street, Aberdeen AB24 5RP

Registered in Scotland – No. 157176

12 May 2010

**To the holders of ordinary shares**

Dear Shareholder

## Annual General Meeting

You will find the Notice of the Annual General Meeting of the Company, which is to be held at the Aberdeen Exhibition and Conference Centre, Bridge of Don, Aberdeen AB23 8BL on Thursday 8 July 2010 at 11.00 am, set out on pages 6 to 15 of this document. The business of the Annual General Meeting will include the consideration of resolutions relating to the following matters:

- ▶ receiving the Annual Report and Financial Statements
- ▶ approving the Directors' Remuneration Report, the full text of which is contained in the Annual Report and Financial Statements
- ▶ declaring a final dividend of 14.0 pence per share
- ▶ re-electing Martin Gilbert, Sir Moir Lockhead, Audrey Baxter and John Sievwright as Directors
- ▶ electing Jeff Carr as a Director
- ▶ re-appointing Deloitte LLP as auditors of the Company and authorising the Directors to determine their remuneration.

A short biography of each of the Directors who is being put forward for re-election or election follows:

**MARTIN GILBERT LLD MA LLB CA****Chairman****Chairman of the Nomination Committee**

A Chartered Accountant, he is one of the founders and Chief Executive of Aberdeen Asset Management PLC. He was appointed to the Board of FirstGroup plc in 1995. He is Chairman of Chaucer Holdings PLC and a director of a number of investment trusts. He is a Non-Executive Director of Primary Health Properties PLC and Aberdeen Football Club plc.

**SIR MOIR LOCKHEAD OBE****Deputy Chairman and Chief Executive****Chairman of the Executive Safety Committee**

Chief Executive and Deputy Chairman since the Group's formation in 1995. Originally a mechanical engineer he joined Grampian Transport in 1985 as General Manager and went on to lead the successful employee buy-out of GRT Bus Group PLC. In 1996 he was awarded the OBE for services to the bus industry and in 2008 he was awarded a Knighthood for services to transport. He is a past President of the Confederation of Passenger Transport and currently President of the Chartered Institute of Logistics and Transport and Senior Governor of the University of Aberdeen.

**AUDREY BAXTER DBA LLD DipAcc BA****Non-Executive Director****Chairman of the Remuneration Committee**

Appointed to the Board as Non-Executive Director in August 2006. She is Chairman and Chief Executive of W.A. Baxter & Sons Limited. She has held a number of non-executive positions and was formerly a member of the Scottish Business Forum and the Scottish Economic Council.

**JOHN SIEVWRIGHT MA CA****Senior Independent Non-Executive Director****Chairman of the Audit Committee**

Appointed to the Board in May 2002, he was, until 2008, a Senior Vice President and Chief Operating Officer of International for Merrill Lynch & Co. A Chartered Accountant, he has held various senior management positions in banking in London, New York, Dublin and Japan. He is a member of the North American Board of the Michael Smurfit Business School, Dublin, and a Non-Executive Director of ICAP plc.

**JEFF CARR BEng ACMA****Finance Director**

Appointed to the Board in September 2009 as Finance Director, he joined the Group from easyJet plc where he was Group Finance Director since 2005. Prior to that he held a number of senior financial roles at Associated British Foods plc, Reckitt Benckiser Group plc, Grand Metropolitan PLC and Unilever plc.

The Board unanimously recommends the re-election or election respectively of each of these Directors.

In the case of Martin Gilbert, the Board is of the opinion that his significant and in-depth knowledge and experience of the Group's business combined with his external business experience enables him to provide effective leadership of the Board and to continue to make a positive contribution to the Group's ongoing business.

In the case of Audrey Baxter and John Sievwright, the Board considers that they are independent in character and judgement and each provides a strong, non-executive presence on the Board.

The following resolutions will also be proposed at the Annual General Meeting:

## **RESOLUTION 11**

### **Authority to allot shares (Ordinary Resolution)**

Paragraph (A) of this resolution would give the Directors the authority to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares up to an aggregate nominal amount equal to £8,018,183 (representing 160,363,660 ordinary shares of 5 pence each). This amount represents approximately one-third of the issued ordinary share capital (excluding treasury shares) of the Company as at 12 May 2010, the latest practicable date prior to publication of the Notice of Meeting. Please see further information relating to treasury shares set out in the explanatory notes for resolution 13 below.

In line with guidance issued by the Association of British Insurers ('ABI'), paragraph (B) of this resolution would give the Directors authority to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares in connection with a rights issue in favour of ordinary shareholders up to an aggregate nominal amount equal to £16,036,366 (representing 320,727,320 ordinary shares of 5 pence each), as reduced by the nominal amount of any shares issued under paragraph (A) of this resolution. This amount (before any reduction) represents approximately two-thirds of the issued ordinary share capital (excluding treasury shares) of the Company as at 12 May 2010, the latest practicable date prior to publication of the Notice of Meeting.

The authorities sought under paragraphs (A) and (B) of this resolution will expire on the earlier of 8 October 2011 and the conclusion of the Annual General Meeting of the Company held in 2011 (unless otherwise varied, revoked or renewed).

The Directors have no present intention to exercise either of the authorities sought under this resolution. The Directors intend to follow ABI recommendations concerning the use of the authorities (including as regards the Directors standing for re-election in certain cases).

As at the date of the Notice of Meeting, 976,181 ordinary shares are held by the Company in treasury.

## **RESOLUTION 12**

### **Disapplication of pre-emption rights (Special Resolution)**

This resolution, if passed, would give the Directors the authority to allot ordinary shares (or sell any ordinary shares which the Company elects to hold in treasury) for cash without first offering them to existing shareholders in proportion to their existing shareholdings.

This authority would be limited to allotments or sales in connection with pre-emptive offers and offers to holders of other equity securities if required by the rights of those shares or as the Board otherwise considers necessary, or otherwise up to an aggregate nominal amount of £1,205,167 (representing 24,103,340 ordinary shares of 5 pence each). This aggregate nominal amount represents approximately 5% of the issued ordinary share capital of the Company as at 12 May 2010, the latest practicable date prior to publication of the Notice of Meeting.

This authority will expire on the earlier of 8 October 2011 and the conclusion of the Annual General Meeting of the Company held in 2011 (unless otherwise varied, revoked or renewed).

## **RESOLUTION 13**

### **Authority to make market purchases of own shares (Special Resolution)**

Authority is sought for the Company to purchase up to 10% of its issued ordinary shares (excluding any treasury shares), renewing the authority granted by the shareholders at previous Annual General Meetings. The Company purchased 1,230,000 ordinary shares in the period from the last Annual General Meeting to 12 May 2010 under the existing authority. In addition, the Company purchased 200,000 ordinary shares under the authority granted at the 2008 Annual General Meeting during the period following the date of publication of the Notice of the 2009 Annual General Meeting up to the date of the 2009 Annual General Meeting.

The Directors have no present intention of exercising the authority to make market purchases. However the authority provides the flexibility to allow them to do so in the future. The Directors will exercise this authority only when to do so would be in the best interests of the Company and of its shareholders generally, and could be expected to result in an increase in the earnings per share of the Company.

Ordinary shares purchased by the Company pursuant to this authority may be held in treasury or may be cancelled. The Directors will consider holding any ordinary shares the Company may purchase as treasury shares. The minimum price, exclusive of expenses, which may be paid for an ordinary share is 5 pence, its nominal value. The maximum price, exclusive of expenses, which may be paid for an ordinary share is the highest of (i) an amount equal to 5% above the average market value for an ordinary share for the five business days immediately preceding the date of the purchase and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out.

The Company has options outstanding over 17,038,183 ordinary shares, representing 3.54% of the Company's issued ordinary share capital (excluding treasury shares) as at 12 May 2010. If the existing authority given at the 2009 Annual General Meeting and the authority now being sought by resolution 13 were to be fully used, these would represent 4.41% of the Company's issued ordinary share capital (excluding treasury shares).

This authority will expire on the earlier of 8 October 2011 and the conclusion of the Annual General Meeting of the Company held in 2011 (unless otherwise varied, revoked or renewed).

## **RESOLUTION 14**

### **Authority to make political donations (Ordinary Resolution)**

**It is the Company's policy not to make any donations to political parties or incur political expenditure and the Board does not intend to change that policy.**

Part 14 of the Companies Act 2006 (the 'Act') requires companies to obtain shareholders' authority for donations to registered parties and other political organisations totalling more than £5,000 in any twelve month period and for any political expenditure, subject to limited exceptions. The definition of donations in this context is very wide and extended to bodies such as those concerned with policy review and law reform, with the representation of the business community or sections of it. It can also include special interest groups, such as those involved with the environment and campaigning charities.

The Board considers that it would be prudent, to avoid inadvertent infringement of the Act, to obtain authority in accordance with sections 366 to 367 of the Act to incur political expenditure, as defined in section 365 of the Act, not exceeding £100,000 during the period from the date of the Annual General Meeting to the conclusion of the Company's Annual General Meeting in 2011 or 31 July 2011, whichever is earlier.

**RESOLUTION 15****Adoption of new articles of association (Special Resolution)**

It is proposed in resolution 15 to adopt new articles of association (the 'New Articles') in order to update the Company's current articles of association (the 'Current Articles') primarily to take account of the coming into force of the Companies (Shareholders' Rights) Regulations 2009 (the 'Shareholders' Rights Regulations') and the implementation of the last parts of the Act.

The principal changes introduced in the New Articles are summarised in the Appendix to this document on pages 14 and 15. Other changes, which are of a minor, technical or clarifying nature, and also some more minor changes which merely reflect changes made by the Act or the Shareholders' Rights Regulations, or conform the language of the New Articles with that used in the model articles for public companies produced by the Department for Business, Innovation and Skills, have not been noted in the Appendix. The New Articles showing all the changes to the Current Articles are available for inspection, as noted on page 13 of this document.

**RESOLUTION 16****Notice of general meetings (Special Resolution)**

Changes made to the Act by the Shareholders' Rights Regulations increase the notice period required for general meetings of the Company to 21 days unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days (Annual General Meetings will continue to be held on at least 21 clear days' notice).

Before the coming into force of the Shareholders' Rights Regulations on 3 August 2009, the Company was able to call general meetings other than an Annual General Meeting on 14 clear days' notice without obtaining such shareholder approval. In order to preserve this ability, resolution 16 seeks such approval. The shorter notice period would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole. The approval will be effective until the Company's Annual General Meeting in 2011, when it is intended that a similar resolution will be proposed.

The Company already provides the ability to approve proxies electronically through CREST. Alternatively, shareholders who have already registered with the Company's Registrar online portfolio, Shareview, can submit their proxy electronically by logging onto their portfolio at [www.shareview.co.uk](http://www.shareview.co.uk) and clicking on the word 'Vote'. Shareholders can also vote online by logging onto the website of the Company's Registrar, Equiniti, at [www.sharevote.co.uk](http://www.sharevote.co.uk).

**ACTION TO BE TAKEN**

Shareholders will find enclosed a Form of Proxy for use at the Annual General Meeting. Whether or not you intend to be present at the Meeting, you are requested to complete and return the Form of Proxy to the Company's Registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6GF so as to arrive as soon as possible and in any event not later than 48 hours before the time fixed for the Meeting. You may, if you prefer, submit your proxy appointment electronically by way of the internet or, if you are a CREST member, through the CREST system – please see the notes on page 11 for details. Completion and return of a Form of Proxy will not prevent you from attending the Meeting and voting in person should you wish to do so.

If you intend to be present at the Meeting, you are requested to bring with you the attendance card attached to the Form of Proxy.

In order to allow the Board the time to research any specific requests as part of the process of dealing with any questions from shareholders at the Meeting, it would assist if you could send advance notice of your question(s) to the following email address: [sid.barrie@firstgroup.com](mailto:sid.barrie@firstgroup.com) or to Sidney Barrie, Company Secretary, at the Company's registered office at 395 King Street, Aberdeen AB24 5RP. The foregoing email address is to be used for questions submitted in advance of the Meeting and for no other purpose.

**RECOMMENDATION**

The Board considers that all of the resolutions set out in the Notice of Annual General Meeting are in the best interests of the Company and its shareholders as a whole. Your Board will be voting in favour of them and unanimously recommends that you do so as well.

Yours faithfully



**Martin Gilbert**  
Chairman

# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the fifteenth Annual General Meeting of FirstGroup plc will be held at the Aberdeen Exhibition and Conference Centre, Bridge of Don, Aberdeen AB23 8BL on Thursday 8 July 2010 at 11.00 am. Shareholders will be asked to consider and pass the resolutions below. Resolutions 1 to 11 (inclusive) and 14 will be proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 12, 13, 15 and 16 will be proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

- 1 To receive and consider the reports of the Directors and auditors and the audited financial statements of the Company for the year ended 31 March 2010.
- 2 To approve the Directors' Remuneration Report for the year ended 31 March 2010.
- 3 To declare a final dividend of 14.0 pence per share in respect of the year ended 31 March 2010.
- 4 To re-elect Martin Gilbert, who retires by rotation pursuant to article 81 of the Company's articles of association, and who, being eligible, offers himself for re-election as a Director.
- 5 To re-elect Sir Moir Lockhead, who retires by rotation pursuant to article 81 of the Company's articles of association, and who, being eligible, offers himself for re-election as a Director.
- 6 To re-elect Audrey Baxter, who retires by rotation pursuant to article 81 of the Company's articles of association, and who, being eligible, offers herself for re-election as a Director.
- 7 To re-elect John Sievwright, who retires by rotation pursuant to article 81 of the Company's articles of association, and who, being eligible, offers himself for re-election as a Director.
- 8 To elect Jeff Carr who, having being appointed during the year, retires pursuant to article 81 of the Company's articles of association, and who, being eligible, offers himself for election as a Director.
- 9 To re-appoint Deloitte LLP as independent auditors.
- 10 To authorise the Directors to determine the remuneration of the independent auditors.

- 11 That the Board be authorised to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company:

- (A) up to a nominal amount of £8,018,183 (such amount to be reduced by the nominal amount allotted or granted under paragraph (B) below in excess of such sum); and
- (B) comprising equity securities (as defined in section 560(1) of the Companies Act 2006) up to a nominal amount of £16,036,366 (such amount to be reduced by any allotments or grants made under paragraph (A) above) in connection with an offer by way of a rights issue:
  - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
  - (ii) to holders of other equity securities as required by the rights of those securities or as the Board otherwise considers necessary,

and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter,

such authorities to apply until the end of the next Annual General Meeting of the Company in 2011 (or, if earlier, on 8 October 2011) (unless previously revoked or varied by the Company in general meeting) but, in each case, so that the Company may make offers and enter into agreements during the relevant period which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority ends and the Board may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not ended.

- 12 That if resolution 11 is passed, the Board be given power to allot equity securities (as defined in the Companies Act 2006 (the 'Act')) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, such power to be limited:

- (A) to the allotment of equity securities and sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (B) of resolution 11, by way of a rights issue only):
  - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
  - (ii) to holders of other equity securities, as required by the rights of those securities or, as the Board otherwise considers necessary,

and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

(B) in the case of the authority granted under paragraph (A) of resolution 11 and/or in the case of any sale of treasury shares for cash to the allotment (otherwise than under paragraph (A) above) of equity securities or sale of treasury shares up to a nominal amount of £1,205,167,

such power to apply until the end of the next Annual General Meeting of the Company in 2011 (or, if earlier, on 8 October 2011) (unless previously revoked or varied by the Company in general meeting) but during this period the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the power ends and the Board may allot equity securities under any such offer or agreement as if the power had not ended.

**13** That the Company be authorised for the purposes of section 701 of the Companies Act 2006 (the 'Act') to make one or more market purchases (as defined in section 693(4) of the Act) of its ordinary shares of 5 pence each, such power to be limited:

(A) to a maximum number of 47,800,000 ordinary shares; and

(B) by the condition that the minimum price which may be paid for an ordinary share is 5 pence and the maximum price which may be paid for an ordinary share is the highest of:

- (i) an amount equal to 5% above the average market value of an ordinary share for the five business days immediately preceding the day on which that ordinary share is contracted to be purchased; and
- (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out,

in each case, exclusive of expenses;

such power to apply until the end of the next Annual General Meeting of the Company in 2011 (or, if earlier, on 8 October 2011) (unless previously revoked or varied by the Company in general meeting) but, in each case, so that the Company may enter into a contract to purchase ordinary shares which will or may be completed or executed wholly or partly after the power ends and the Company may purchase ordinary shares pursuant to any such contract as if the power had not ended.

**14** That in accordance with sections 366 to 367 of the Companies Act 2006 (the 'Act') the Company and all companies that are subsidiaries of the Company at any time during the period commencing on the date of this resolution and ending at the conclusion of the next Annual General Meeting of the Company in 2011 or, if earlier, on 31 July 2011 be and is hereby authorised:

(A) to make political donations to political parties and/or independent election candidates;

(B) to make political donations to political organisations other than political parties; and

(C) to incur political expenditure;

up to an aggregate amount of £100,000 and the amount authorised under each of paragraphs (A) to (C) shall also be limited to such amount. Words and expressions defined for the purpose of the Act shall have the same meaning in this resolution.

All existing authorisations and approvals relating to political donations or expenditure under Part 14 of the Act are hereby revoked without prejudice to any donation made or expenditure incurred prior to the date hereof pursuant to such authorisation or approval.

**15** That:

(A) the articles of association of the Company be amended by deleting all the provisions of the Company's memorandum of association which, by virtue of section 28 of the Companies Act 2006, are to be treated as provisions of the Company's articles of association; and

(B) the articles of association produced to the Meeting and initialled by the Chairman of the Meeting for the purpose of identification be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

**16** That a general meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice.

By order of the Board

**Sidney Barrie**  
**Company Secretary**  
 12 May 2010

Registered office:  
 395 King Street, Aberdeen AB24 5RP  
 Registered in Scotland No. 157176



# Notes

## ENTITLEMENT TO ATTEND AND VOTE AND TO APPOINT PROXIES

- 1 Only registered holders of fully paid ordinary shares or their duly appointed representatives in the Company are entitled to attend and vote at the Meeting.
- 2 To be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company at 6.00 pm on Tuesday 6 July 2010 (or, in the event of any adjournment at 6.00 pm on the date which is two days before the time of the adjourned Meeting). Changes to entries on the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Meeting.
- 3 Any member attending the Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the Meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.
- 4 Members may attend, speak and vote at the Meeting.
- 5 Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the Meeting. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company.
- 6 A Form of Proxy for use by shareholders is enclosed with this Notice of Meeting. To be effective, Forms of Proxy (other than an electronic appointment of a proxy) must be completed and returned, in accordance with their instructions, so as to be received by the Company's Registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6GF as soon as possible, but in any event so as to arrive no later than 11.00 am on Tuesday 6 July 2010 (or, in the event of any adjournment, so as to arrive no later than 48 hours before the time appointed for the Meeting). Forms of Proxy must be signed by the member or, in the case of joint holders, any one of them. The Notice of Meeting shall prevail over any description of the business of the Meeting set out in the Form of Proxy. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6GF or at [www.sharevote.co.uk](http://www.sharevote.co.uk) as provided in Note 7, in each case no later than 11.00 am on Tuesday 6 July 2010.
- 7 A proxy may be appointed by any of the following methods:
  - (A) Completing and returning the enclosed Form of Proxy. If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact the Company's Registrar, Equiniti, to request additional Forms of Proxy.

(B) Shareholders who would prefer to register the appointment of their proxy electronically by way of the internet can do so by logging onto the website of the Company's Registrar, Equiniti, [www.sharevote.co.uk](http://www.sharevote.co.uk) using their personal Authentication Reference Number (this is the series of 25 numbers being each of the Voting ID, Task ID and Shareholder Reference Number printed to the right of your name on the Form of Proxy). Full details of the procedures are given on the website. Alternatively, if shareholders have already registered with the Company's Registrar online portfolio service, Shareview, they can submit their proxy electronically by logging onto their portfolio at [www.shareview.co.uk](http://www.shareview.co.uk) and clicking on the word 'Vote'. Instructions are given on the website.

(C) If you are a member of CREST, by using the CREST electronic appointment service.

- 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 by logging onto the website [www.euroclear.com/CREST](http://www.euroclear.com/CREST). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a 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 instruction as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message, regardless of whether it constitutes the appointment of a proxy or is 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 issuer's agent (ID RA19) by 11.00 am on Tuesday 6 July 2010. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer'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 message. 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, to procure that his/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 system 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 Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

**12** The return of a completed Form of Proxy, other such instrument or any CREST Proxy Instruction will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.

### INDIRECT INVESTORS

**13** Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 (the 'Act') to enjoy information rights (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 Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may under any such agreement have a right to give instructions to the shareholder as to the exercise of voting rights.

**14** The statement of the rights of shareholders in relation to the appointment of proxies in paragraph 5 above does not apply to Nominated Persons. The rights described in that paragraph can only be exercised by shareholders of the Company.

### CORPORATE REPRESENTATIVES

**15** Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member, provided that they do not do so in relation to the same shares.

### POWERS OF ATTORNEY

**16** If you have given a power of attorney over your shares, you must ensure that the power of attorney has been deposited with the Company's Registrar, Equiniti, by 6.00 pm on Tuesday 6 July 2010 (or, in the event of any adjournment of the Meeting, by 6.00 pm on the date which is two days before the time of the adjourned Meeting). Persons voting under a power of attorney must do so by using the hard copy proxy form.

### OTHER

**17** Under section 527 of the Act, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Act to publish on a website.

**18** A copy of this Notice, and other information required by section 311A of the Act, can be found at [www.firstgroup.com](http://www.firstgroup.com).

**19** Shareholders who have general queries about the Meeting should use the following means of communication (no other communication will be accepted): calling our shareholder helpline on telephone number 0871 384 2406 (calls to this number cost 8 pence per minute from a BT landline; other providers' costs may vary) or from overseas on telephone number +44 (0)121 415 7050. Telephone lines are open from 8.30 am to 5.30 pm, Monday to Friday. You may not use any electronic address provided either in this Notice of Meeting or any related documents (including the Chairman's letter and Form of Proxy) to communicate with the Company for any purposes other than those expressly stated in those documents.

### DOCUMENTS ON DISPLAY

**20** The following documents will be available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) at the registered office of the Company at 395 King Street, Aberdeen AB24 5RP and at the offices of Slaughter and May at One Bunhill Row, London EC1Y 8YY and will also be available for inspection at the place of the Meeting for at least 15 minutes prior to the Meeting until its conclusion: (i) copies of the Executive Directors' service agreements; (ii) copies of the Non-Executive Directors' letters of appointment; (iii) the register of Directors' interests in the shares of the Company; and (iv) a copy of the proposed new articles of association of the Company, and a copy of the existing memorandum and articles of association marked to show the changes being proposed in resolution 15.

### ISSUED SHARE CAPITAL AS AT 12 MAY 2010

**21** As at 12 May 2010 (being the last business day prior to the publication of this Notice) the Company's issued share capital consists of 482,067,170 ordinary shares. The Company holds 976,181 of its ordinary shares in treasury. Therefore, the total number of voting rights in the Company as at 12 May 2010 is 481,090,989.



# Appendix

## Explanatory notes of principal changes to the Company's articles of association

### THE COMPANY'S OBJECTS

The provisions regulating the operations of the Company are currently set out in the Company's memorandum and articles of association. The Company's memorandum contains, among other things, the objects clause which sets out the scope of the activities the Company is authorised to undertake. This is drafted to give a wide scope.

The Companies Act 2006 significantly reduces the constitutional significance of a company's memorandum. The Companies Act 2006 provides that a memorandum will record only the names of subscribers and the number of shares each subscriber has agreed to take in the company. Under the Companies Act 2006 the objects clause and all other provisions which are contained in a company's memorandum, for existing companies at 1 October 2009, are deemed to be contained in the company's articles of association but the company can remove these provisions by special resolution.

Further the Companies Act 2006 states that unless a company's articles provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses. For this reason the Company is proposing to remove its objects clause together with all other provisions of its memorandum which, by virtue of the Companies Act 2006, are treated as forming part of the Company's articles of association as of 1 October 2009. Resolution 15 (A) confirms the removal of these provisions for the Company. As the effect of this resolution will be to remove the statement currently in the Company's memorandum of association regarding limited liability, the New Articles also contain an express statement regarding the limited liability of shareholders.

### ARTICLES WHICH DUPLICATE STATUTORY PROVISIONS

Provisions in the Current Articles which replicate provisions contained in the Companies Act 2006 are in the main to be removed in the New Articles. This is in line with the approach advocated by the Government that statutory provisions should not be duplicated in a company's constitution.

### CHANGE OF NAME

Under the Companies Act 1985, a company could only change its name by special resolution. Under the Companies Act 2006 a company will be able to change its name by other means provided for by its articles. To take advantage of this provision, the New Articles enable the Directors to pass a resolution to change the Company's name.

### AUTHORISED SHARE CAPITAL AND UNISSUED SHARES

The Companies Act 2006 abolishes the requirement for a company to have an authorised share capital and the New Articles reflect this. Directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under the Companies Act 2006, save in respect of employee share schemes.

### REDEEMABLE SHARES

Under the Companies Act 1985, if a company wished to issue redeemable shares, it had to include in its articles the terms and manner of redemption. The Companies Act 2006 enables directors to determine such matters instead provided they are so authorised by the articles. The New Articles contain such an authorisation. The Company has no plans to issue redeemable shares but if it did so the Directors would need shareholders' authority to issue new shares in the usual way.

### AUTHORITY TO PURCHASE OWN SHARES, CONSOLIDATE AND SUB-DIVIDE SHARES AND REDUCE SHARE CAPITAL

Under the Companies Act 1985, a company required specific enabling provisions in its articles to purchase its own shares, to consolidate or sub-divide its shares and to reduce its share capital or other undistributable reserves, as well as shareholder authority to undertake the relevant action. The Current Articles include these enabling provisions. Under the Companies Act 2006 a company will only require shareholder authority to do any of these things and it will no longer be necessary for articles to contain enabling provisions. Accordingly, the relevant enabling provisions have been removed in the New Articles.

### USE OF SEALS

Under the Companies Act 1985, a company required authority in its articles to have an official seal for use abroad. Under the Companies Act 2006, such authority will no longer be required. Accordingly, the relevant authorisation has been removed in the New Articles.

The New Articles provide an alternative option for execution of documents (other than share certificates). Under the New Articles, when the seal is affixed to a document it may be signed by one Director in the presence of a witness, whereas previously the requirement was for signature by either a Director and the Secretary or two Directors or such other person or persons as the Directors may approve.

### VOTING BY PROXIES ON A SHOW OF HANDS

The Shareholders' Rights Regulations have amended the Companies Act 2006 so that it now provides that each proxy appointed by a member has one vote on a show of hands unless the proxy is appointed by more than one member in which case the proxy has one vote for and one vote against if the proxy has been instructed by one or more members to vote for the resolution and by one or more members to vote against the resolution. The New Articles remove provisions in the Current Articles dealing with proxy voting on the basis that these are dealt with in the Companies Act 2006 and contain a provision clarifying how the provision of the Companies Act 2006 giving a proxy a second vote on a show of hands should apply to discretionary authorities.

### CHAIRMAN'S CASTING VOTE

The New Articles remove the provision giving the Chairman a casting vote in the event of an equality of votes as this is no longer permitted under the Companies Act 2006.

### ADJOURNMENTS FOR LACK OF QUORUM

Under the Companies Act 2006 as amended by the Shareholders' Rights Regulations, general meetings adjourned for lack of quorum must be held at least 10 clear days after the original meeting. The Current Articles have been changed to reflect this requirement.

### GENERAL

Generally the opportunity has been taken to bring clearer language into the New Articles and in some areas to conform the language of the New Articles with that used in the model articles for public companies produced by the Department for Business, Innovation and Skills.

