

# FirstGroup plc

## Notice of Annual General Meeting 2014

**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 ('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 FirstGroup plc which is to be held at The Marcliffe Hotel, North Deeside Road, Pitfodells, Aberdeen AB15 9YA on Wednesday 16 July 2014 at 11.00 am is set out in this document.

Shareholders will also find enclosed with this document a Form of Proxy for use in connection with the Annual General Meeting. 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 thereon. To be valid, the Form of Proxy should be completed, signed and returned in accordance with the instructions printed thereon, as soon as possible and, in any event, so as to reach the Company's registrars, Equiniti, by no later than 11.00 am on Monday 14 July 2014.

The Form of Proxy can be delivered by post or during business hours only by hand to Equiniti at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA or, if you are a member of CREST, by using a CREST electronic appointment service. Alternatively, shareholders who have already registered with the Company's registrars' online portfolio, Shareview, can submit their proxy electronically by logging on to 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 registrars at [www.sharevote.co.uk](http://www.sharevote.co.uk).

Completion and return of a Form of Proxy will not preclude shareholders from attending and voting at the Annual General Meeting should they choose to do so. Further instructions relating to the Form of Proxy are set out in the Notice of the Annual General Meeting.

**Registered office:**

**FirstGroup plc**

395 King Street, Aberdeen AB24 5RP

Registered in Scotland – No. 157176

16 June 2014

Dear Shareholder

## **Annual General Meeting 2014**

You will find the Notice of the Annual General Meeting of FirstGroup plc (the 'Company'), which is to be held at The Marcliffe Hotel, North Deeside Road, Pitfodels, Aberdeen, AB15 9YA on Wednesday 16 July 2014 at 11.00 am, set out on pages 6 to 8 of this document ('Notice of Meeting').

The business of the Annual General Meeting (the 'Meeting') will include consideration of the following matters:

### **Resolution 1**

#### **Receiving the Annual Report and Financial Statements for the year ended 31 March 2014 (Ordinary Resolution)**

Shareholders will be asked to receive the Company's Annual Report and Financial Statements for the financial year ended 31 March 2014.

### **Resolutions 2 and 3**

#### **Directors' Remuneration Policy and Directors' Annual Report on Remuneration (Ordinary Resolutions)**

These Resolutions seek shareholder approval for the Directors' Remuneration Policy and the Directors' Annual Report on Remuneration which, together with the Annual Statement by the Chairman of the Remuneration Committee, form the Directors' Remuneration Report. The Directors' Remuneration Report can be found on pages 70 to 92 (inclusive) of the Annual Report and Financial Statements.

Under the Companies Act 2006 (the 'Act'), the Company is now required to ask shareholders to vote on the Directors' Remuneration Policy, which can be found on pages 71 to 80 (inclusive) of the Annual Report and Financial Statements. The Directors' Remuneration Policy, which is forward-looking, must be put to a shareholder vote and approved at least once every three years, unless during that time it needs to be changed.

Resolution 2 seeks shareholder approval for the Directors' Remuneration Policy, which includes details of the setting of the Directors' pay and the granting of share awards. Resolution 2 is binding, meaning payments under the Directors' Remuneration Policy cannot be made until it has been approved by shareholders. As a result, if Resolution 2 is approved, the Directors' Remuneration Policy will take effect from the passing of the resolution and, unless it is changed earlier, it will operate for the period up until the Company's Annual General Meeting to be held in 2017.

Resolution 3 seeks shareholder approval for the Directors' Annual Report on Remuneration (including the annual statement of the Committee Chairman) which can be found on pages 70 and 81 to 92 (inclusive) of the Annual Report and Financial Statements. The Directors' Annual Report on Remuneration gives details of the implementation of the Company's current Remuneration Policy in terms of the payments and share awards made to the Directors in connection with their performance and that of the Company during the year ended 31 March 2014. This vote is advisory in nature.

The Company's auditors during the year, Deloitte LLP, have audited those parts of the Directors' Remuneration Report that are required to be audited and their report may be found on pages 149 to 152 of the Annual Report and Financial Statements.

## **Resolutions 4 to 12**

### **Election or Re-election of the Directors (Ordinary Resolutions)**

As previously announced, I was appointed as Chairman during the year. On 24 June 2014, Warwick Brady, Drummond Hall and Imelda Walsh were also appointed to the Board. I am delighted that such distinguished Directors as Warwick, Drummond and Imelda have joined the Board and at an important time for the Company.

As announced on 21 May 2014, David Begg, Colin Hood and John Sievwright will retire as Non-Executive Directors on 24 June 2014. I would like to thank David, Colin and John for their dedication and contribution to FirstGroup and particularly for their support to me as incoming Chairman.

The Directors believe that the Board continues to maintain an appropriate balance of knowledge and skills, and that a majority of the Board is independent in character and judgment.

In accordance with the UK Corporate Governance Code all the current Directors are offering themselves for election or re-election, as appropriate, at the Meeting.

The Board believes that each Director standing for election or re-election (biographical details of whom can be found on pages 50 and 51 of the Annual Report and Financial Statements and in Appendix 1 of this Notice of Meeting) brings considerable and wide-ranging experience to the Board as a whole.

All Directors are subject to an annual performance review and the Board confirms that those Directors proposed for re-election continue to make an effective and valuable contribution to the deliberations of the Board and demonstrate commitment to the role. Therefore, shareholders are asked to approve their re-election and the election of Warwick Brady, Drummond Hall, Imelda Walsh and I as Directors at the Annual General Meeting.

## **Resolutions 13 and 14**

### **Auditors (Ordinary Resolutions)**

These resolutions are to re-appoint Deloitte LLP as auditors of the Company and authorise the Directors to determine their remuneration.

## **Resolution 15**

### **Aggregate Directors' Fees (Ordinary Resolution)**

The Company's Articles of Association adopted in 2010 stipulate that the maximum aggregate fees payable to the Chairman and Non-Executive Directors for their services as Directors is £650,000 per annum or any higher sum determined by ordinary resolution of the Company. An ordinary resolution will be proposed for approval by shareholders at the Meeting on 16 July 2014 to increase the limit to £1,000,000 per annum to facilitate Board succession and to ensure that fees are sufficient in future to attract, motivate and retain world class talent necessary to contribute to a high performing Board.

The actual remuneration of the Chairman and the Non-Executive Directors will be determined by the Board in accordance with the Remuneration Policy, which is now the subject of a binding vote by shareholders at least every three years.

## **Resolution 16**

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

Paragraph (A) of this resolution would renew the Directors' 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 £20,079,453 (representing 401,589,060 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 14 June 2014 (being the latest practicable date prior to publication of the Notice of Meeting).

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 £40,158,906 (representing 803,178,120 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 14 June 2014 (being 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 16 October 2015 and the conclusion of the Annual General Meeting of the Company held in 2015 (unless otherwise varied, revoked or renewed).

The Directors have no present intention to exercise either of the authorities sought under this resolution. The Directors consider it desirable to have the maximum flexibility permitted by corporate governance guidelines to respond to market developments and to enable allotment to take place in appropriate circumstances. The Directors intend to take note of relevant corporate governance guidelines in the use of such powers in the event that such authority is exercised.

As at 14 June 2014 (being the latest practicable date prior to publication of the Notice of Meeting), the Company held 159,531 ordinary shares in treasury representing approximately 0.01% of the Company's issued ordinary share capital (excluding treasury shares).

## **Resolution 17**

### **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 holds 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 £3,012,316 (representing 60,246,320 ordinary shares of 5 pence each). This aggregate nominal amount represents approximately 5% of the issued ordinary share capital of the Company as at 14 June 2014 (being the latest practicable date prior to publication of the Notice of Meeting). In respect of this aggregate amount, the Directors confirm their intention to follow the provisions of the Pre-Emption Group's Statement of Principles regarding cumulative usage of authorities within a rolling 3-year period where the Principles provide that usage in excess of 7.5% should not take place without prior consultation with shareholders.

This authority will expire on the earlier of 16 October 2015 and the conclusion of the Annual General Meeting of the Company held in 2015 (unless otherwise varied, revoked or renewed). The Directors have no immediate plans to make use of this authority.

## **Resolution 18**

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

Authority is sought for the Company to purchase up to approximately 10% of its issued ordinary shares (excluding any treasury shares), renewing the authority granted by shareholders at previous annual general meetings. No ordinary shares have been repurchased by the Company during the year pursuant to the authority granted at the Company's last 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 and awards outstanding over 43,701,790 ordinary shares, representing 3.63% of the Company's issued ordinary share capital (excluding treasury shares) as at 14 June 2014 (being the latest practicable date prior to the publication of the Notice of Meeting). If the authority now being sought by resolution 18, and the authority granted by shareholders at the Company's last Annual General Meeting, were to be used in full, the total number of options and awards outstanding would represent 4.22% of the Company's issued ordinary share capital (excluding treasury shares) at that date. As at 14 June 2014 (being the latest practicable date prior to the publication of the Notice of Meeting), the Company held 159,531 ordinary shares in treasury representing 0.01% of the issued ordinary share capital and there are no warrants outstanding.

This authority will expire on the earlier of 16 October 2015 and the conclusion of the Annual General Meeting of the Company held in 2015 (unless otherwise varied, revoked or renewed).

## **Resolution 19**

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

Part 14 of the Act prohibits companies from making political donations exceeding £5,000 in aggregate in any 12 month period to (i) political parties (ii) other political organisations and (iii) independent election candidates and from incurring political expenditure (all as defined in the Act) without shareholders' consent. As the definitions used in the Act are broad, it is possible that normal business activities, which might not be thought to be political expenditure in the usual sense, could be caught. Accordingly, authority is being sought as a precaution to ensure that the Company's normal business activities do not infringe the Act.

## **Resolution 20**

### **Notice of general meetings (Special Resolution)**

This resolution renews the authority that was given at the Company's last Annual General Meeting. The notice period required by the Act for general meetings of the Company is 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).

At the Company's last Annual General Meeting, shareholders authorised the calling of general meetings other than an annual general meeting on not less than 14 clear days' notice, and it is proposed that this authority be renewed. 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. In order to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting.

The approval will be effective until the Company's Annual General Meeting in 2015, when it is intended that a similar resolution will be proposed.

### **Form of Proxy**

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 registrars, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to arrive as soon as possible, but in any event by 11.00 am on Monday 14 July 2014 (or not less than 48 hours before the time fixed for any adjournment of the Meeting). You may, if you prefer, submit your proxy appointment electronically (please see notes 3 to 7 on pages 9 and 10 of this Notice of Meeting for further details on electronic submission of proxy appointments). 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.

### **Recommendation**

The Board considers that all the resolutions are in the best interests of the Company and its shareholders as a whole and unanimously recommends shareholders to vote in favour of the resolutions as they intend to do so in respect of their own beneficial holdings.

Yours faithfully

**John McFarlane**  
**Chairman**

## Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the nineteenth Annual General Meeting of FirstGroup plc will be held at the The Marcliffe Hotel, North Deeside Road, Pitfodels, Aberdeen AB15 9YA on Wednesday 16 July 2014 at 11.00 am. Shareholders will be asked to consider and pass the resolutions below. Resolutions 1 to 16 (inclusive) and 19 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 17, 18 and 20 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 the reports of the Directors and auditors and the audited financial statements of the Company for the year ended 31 March 2014.
- 2 To approve the Directors' Remuneration Policy set out on pages 71 to 80 (inclusive) in the Annual Report and Financial Statements for the year ended 31 March 2014.
- 3 To approve the Directors' Annual Report on Remuneration for the year ended 31 March 2014 set out on pages 70 and 81 to 92 (inclusive) in the Annual Report and Financial Statements for the year ended 31 March 2014.
- 4 To elect John McFarlane as a Director.
- 5 To elect Warwick Brady as a Director.
- 6 To elect Drummond Hall as a Director.
- 7 To elect Imelda Walsh as a Director.
- 8 To re-elect Tim O'Toole as a Director.
- 9 To re-elect Chris Surch as a Director.
- 10 To re-elect Brian Wallace as a Director.
- 11 To re- elect Jim Winestock as a Director.
- 12 To re-elect Mick Barker as a Director.
- 13 To re-appoint Deloitte LLP as auditors of the Company until the conclusion of the next general meeting at which accounts are laid before the Company.
- 14 To authorise the Directors to determine the remuneration of the auditors.
- 15 That, in accordance with Article 86 of the Company's Articles of Association (the 'Articles'), the total fees paid to all of the Directors, excluding any payments made under any other provision of the Articles, shall not exceed £1,000,000 a year.
- 16 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 an aggregate nominal amount of £20,079,453 (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 an aggregate nominal amount of £40,158,906 (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 2015 (or, if earlier, on 16 October 2015) (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.

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**17** That if resolution 16 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 16, 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 16 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 £3,012,316,

such power to apply until the end of the next Annual General Meeting of the Company in 2015 (or, if earlier, on 16 October 2015) (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.

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- 18** 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 aggregate number of 120,400,000 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 as derived from the London Stock Exchange Daily Official List 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 2015 (or, if earlier, on 16 October 2015) (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.
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- 19** That in accordance with sections 366 and 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 2015 or, if earlier, on 16 July 2015 be and are 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. 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.
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- 20** 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

**Robert Welch**  
**Company Secretary**  
16 June 2014

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

# Notes

## Form of Proxy

- 1 Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote on their behalf at the Meeting. A shareholder may appoint more than one proxy in relation to the 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. If a shareholder does not specify how he/she wants the proxy to vote on any particular resolution the proxy may vote or abstain as he/she sees fit. A proxy may also vote or abstain as he/she sees fit on any other business which properly comes before the Annual General Meeting.
- 2 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 registrars, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA as soon as possible, but in any event so as to arrive no later than 11.00 am on Monday 14 July 2014 (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. If more than one holder is present at the Meeting, only the vote of the senior will be accepted, seniority being determined by the order in which names appear on the register.
- 3 A proxy may be appointed by any of the following methods:
  - (A) Completing and returning the enclosed Form of Proxy. If you require additional forms, please contact the Company's registrars, 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 registrars, Equiniti, **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 registrars' online portfolio service, Shareview, they can submit their proxy electronically by logging onto their portfolio at **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.

## Electronic proxy appointments

- 4 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 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.

- 5 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. 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 Monday 14 July 2014. 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.
- 6 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.
- 7 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.
- 8 The return of a completed Form of Proxy, other such instrument or any CREST Proxy Instruction will not prevent a shareholder attending the Meeting and voting in person if he/she wishes to do so.

### **Indirect investors**

- 9 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 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.
- 10 The statement of the rights of shareholders in relation to the appointment of proxies in paragraph 1 above does not apply to Nominated Persons. The rights described in that paragraph can only be exercised by shareholders of the Company.

### **Powers of attorney**

- 11** If you have given a power of attorney over your shares, you must ensure that the power of attorney (or a notarially certified copy of such authority) has been deposited with the Company's registrars, Equiniti, by 6.00 pm on Monday 14 July 2014 (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 Form of Proxy.

### **Publication of audit concerns**

- 12** 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 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 Meeting includes any statement that the Company has been required under section 527 of the Act to publish on a website.
- 13** A copy of this Notice, and other information required by section 311A of the Act, can be found at **[www.firstgroupplc.com](http://www.firstgroupplc.com)**.

### **Attendance and voting**

- 14** To be entitled to attend and vote at the 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 Monday 14 July 2014 (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.
- 15** Any shareholder attending the Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the Meeting, but no such answer need be given if (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.
- 16** Please note that for security reasons, all hand baggage may be subject to examination prior to entry to the Annual General Meeting. Mobile phones may not be used in the Annual General Meeting and cameras, video recorders, laptop computers and similar equipment may not be taken into the Annual General Meeting. Anyone attempting to take photos, record or film proceedings may be asked to leave.
- 17** Persons who are not shareholders of the Company or their duly appointed representatives will not be admitted to the Annual General Meeting unless prior arrangements have been made with the Company.

- 18** 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 2046 (calls to this number are charged at 8p per minute plus network extras) 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.

### **Corporate representatives**

- 19** 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.

### **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; and (iii) a copy of the Articles of Association of the Company.

### **Issued share capital as at 14 June 2014**

- 21** As at 14 June 2014 (being the latest practicable date prior to the publication of this Notice of Meeting) the Company's issued share capital consists of 1,204,926,756 ordinary shares. The Company currently holds 159,531 of its ordinary shares in treasury. Therefore, the total number of voting rights in the Company as at 14 June 2014 (being the latest practicable date prior to the publication of the Notice of Meeting) is 1,204,767,225.

## Appendix 1

### Chairman and Non-Executive Directors seeking election or re-election

John McFarlane was appointed to the Board in December 2013 and became Chairman in January 2014. The Board considers that he was independent on appointment and his significant and in depth knowledge and business experience enables him to provide effective leadership of the Board and to make a positive contribution to the Group's ongoing business.

In the case of Warwick Brady, Drummond Hall, Imelda Walsh, Brian Wallace and Jim Winestock the Board considers that they are independent in character and judgment and each provides a strong, non-executive presence on the Board.

### Biographies of Directors seeking election or re-election

#### John McFarlane OBE MA MBA Chairman

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**Appointed to the Board:** December 2013 and appointed as Chairman in January 2014

**Skills and experience:** He was formerly Chief Executive Officer of Australia and New Zealand Banking Group Limited for ten years and Executive Director at Standard Chartered plc for five years. He started his business career in the motor industry with Ford of Europe before entering banking, spending 18 years at Citicorp, as Managing Director of Citicorp Investment Bank Limited and later head of Citicorp and Citibank in the UK and Ireland. He was formerly a Non-Executive Director of National Westminster Bank plc, The Royal Bank of Scotland Group plc (where he played a supportive role in the transformation of the Group following the rescue by the UK government), the London Stock Exchange and Capital Radio plc. He was also Non-Executive Director for the Securities Association, the Auditing Practices Board and the Business Council of Australia.

**Other appointments:** He is Chairman of Aviva plc and a Non-Executive Director of Westfield Holdings Limited (a retail mall developer) and Old Oak Holdings Limited (a financial holding company).

**Committee membership:** Chair of the Nomination Committee.

#### Warwick Brady MBA Non-Executive Director

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**Appointed to the Board:** 24 June 2014

**Skills and experience:** He has significant experience leading low cost airlines. He was from 2007 to 2009 Chief Executive of Indonesian Airline Mandala and prior to that his previous roles include being from 2002 to 2005 Deputy Operations Director at Ryanair plc and from 2005 to 2007 Chief Operating Officer at Air Deccan.

**Other appointments:** He is Chief Operations Officer of easyJet plc, joining in May 2009.

#### Drummond Hall MA Senior Independent Non-Executive Director

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**Appointed to the Board:** 24 June 2014

**Skills and experience:** He was Chief Executive of Dairy Crest Group plc from 2002 to 2006, prior to which his career was spent with Procter and Gamble, Mars and PepsiCo. He was a Non-Executive Director of Mitchells & Butlers plc from July 2004 to January 2010, and Chairman from June 2008 to November 2009.

**Other appointments:** He is the Senior Independent Non-Executive Director of WH Smith plc and a Non-Executive Director of The Sage Group plc.

**Committee membership:** Member of the Nomination Committee.

## Imelda Walsh BA MSc

### Non-Executive Director

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**Appointed to the Board:** 24 June 2014

**Skills and experience:** She was a Non-Executive Director and Chair of the Remuneration Committee of Sainsbury's Bank plc from 2006 to 2010. She has held senior executive roles at Sainsbury's Bank plc from 2006 to 2010 and has held senior executive roles at J Sainsbury plc, where she was Group HR Director from March 2004 to July 2010, Barclays Bank plc and Coca-Cola & Schweppes Beverages Limited.

**Other appointments:** She is a Non-Executive Director and Chair of the Remuneration Committees of William Hill plc, Mitchells & Butlers plc and Mothercare plc.

**Committee membership:** Chair of the Remuneration Committee and member of the Nomination Committee.

## Tim O'Toole CBE JD

### Chief Executive

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**Appointed to the Board:** May 2009 and appointed as Chief Executive in November 2010

**Skills and experience:** He was, until the end of April 2009, Managing Director, London Underground. He joined Transport for London in 2003 prior to which he was President and Chief Executive of Consolidated Rail Corporation.

**Other appointments:** He is a Non-Executive Director of CSX Corporation, a rail freight transportation company in North America.

**Committee membership:** Member of the Board Safety Committee and the Executive Committee.

## Chris Surch B Com (ACC) ACA

### Group Finance Director

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**Appointed to the Board:** September 2012

**Skills and experience:** He was, from May 2009 to August 2012, Group Finance Director of Shanks Group plc, also for a period of time serving as their acting Chief Executive. Following an early career with PricewaterhouseCoopers, where he qualified as a chartered accountant, he joined TI Group plc in 1995. He held a number of senior roles there and following the merger of TI Group plc with Smiths Group plc he went on to hold further senior finance roles, latterly serving as Finance Director of their Speciality Engineering division.

**Committee membership:** Member of the Executive Committee.

## Brian Wallace MA ACA

### Non-Executive Director

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**Appointed to the Board:** August 2012

**Skills and Experience:** He has held executive board positions within a number of FTSE 100 and FTSE 250 organisations, most recently as Group Finance Director of Ladbrokes plc. Prior to rejoining Ladbrokes he was Group Finance Director and Deputy Chief Executive of Hilton Group. A chartered accountant, he began his career at Price Waterhouse and went on to perform senior finance roles at Geest, APV and Schlumberger. He previously served as a Non-Executive Director at Scottish & Newcastle plc, Hays plc, Merlin Entertainment and Miller Group.

**Other appointments:** He is Chairman of Travelodge Hotels Limited and a Non-Executive Director of SoftCat Limited.

**Committee membership:** Chair of the Audit Committee and member of the Nomination Committee.

**Jim Winestock BSc**  
**Non-Executive Director**

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**Appointed to the Board:** August 2012

**Skills and experience:** He served in a number of senior roles and was a member of the management committee during his career at United Parcel Service, Inc., the world's largest package distribution company and a global leader in supply chain solutions. Most recently he was Senior Vice President and Director of US operations and global security with responsibility for all US operations and 360,000 employees.

**Other appointments:** He is a Non-Executive Director of YRC Worldwide, Inc., a Fortune 500 company and one of the largest transportation service providers in the world, and also serves on the Board of two not-for-profit organisations in the US.

**Committee membership:** Chair of the Board Safety Committee and member of the Remuneration Committee and the Nomination Committee.

**Mick Barker**  
**Non-Executive Employee Director**

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**Appointed to the Board:** January 2012

**Skills and experience:** He has been a railwayman for 38 years and is currently employed as a train driver for First Capital Connect Limited, one of the Group's train operating companies.