

FirstGroup plc

Notice of Annual General Meeting 2015

Thursday 16 July 2015 at 1.30pm
Norwood Hall Hotel
Garthdee Road
Aberdeen
AB15 9FX
United Kingdom

A Form of Proxy is enclosed with this Notice of Meeting and instructions for its completion and return by post no later than 1.30pm on Tuesday, 14 July 2015 are shown on the form. You can also vote online by logging on to your portfolio at www.shareview.co.uk or www.sharevote.co.uk.

This document and the accompanying Form of Proxy are important and require 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 personal financial advice immediately from an independent professional adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriately authorised independent professional adviser.

If you have sold or otherwise transferred all of your ordinary shares in FirstGroup plc, you should send this document together with the accompanying Form of Proxy at once 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. If you sell or have sold part only of your holding of ordinary shares in FirstGroup plc, please consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the twentieth Annual General Meeting of FirstGroup plc will be held at the Norwood Hall Hotel, Garthdee Road, Aberdeen AB15 9FX, United Kingdom on Thursday 16 July 2015 at 1.30pm to consider and, if thought fit, pass the following resolutions of which Resolutions 1 to 15 (inclusive), 18 and 19 will be proposed as ordinary resolutions and Resolutions 16, 17 and 20 will be proposed as special resolutions.

The Board considers that, in its opinion, all of 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.

- 1 To receive the reports of the Directors and auditors and the audited financial statements of the Company for the year ended 31 March 2015.
- 2 To approve the Directors' Remuneration Policy set out on pages 79 to 87 (inclusive) in the Annual Report and Financial Statements for the year ended 31 March 2015.
- 3 To approve the Directors' Annual Report on Remuneration for the year ended 31 March 2015 set out on pages 76 to 78 and 88 to 100 (inclusive) in the Annual Report and Financial Statements for the year ended 31 March 2015.
- 4 To elect Wolfhart Hauser as a Director.
- 5 To re-elect Mick Barker as a Director.
- 6 To re-elect Warwick Brady as a Director.
- 7 To re-elect Drummond Hall 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 Imelda Walsh as a Director.
- 12 To re-elect Jim Winestock 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 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 £20,079,492 (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 £40,158,984 (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 2016 (or, if earlier, on 16 October 2016) (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.

16 That if Resolution 15 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 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 15, 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 15 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 £6,023,847,

such power to apply until the end of the next Annual General Meeting of the Company in 2016 (or, if earlier, on 16 October 2016) (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.

17 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:

Notice of Annual General Meeting

continued

- (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 2016 (or, if earlier, on 16 October 2016) (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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- 18** 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 2016 or, if earlier, on 16 October 2016 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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- 19** That the Rules of the FirstGroup plc Long Term Incentive Plan 2008 ('LTIP') (a copy of which is produced to the meeting and initialled by the Chairman for the purposes of identification) be amended to (i) increase the individual limit over which an award under the LTIP may be made to an eligible employee in any financial year, from 150% of the employee's total basic salary for that year to 200% and (ii) increase the limit over which an award under the LTIP may be made in exceptional circumstances to an eligible employee in any financial year, from 200% of the employee's total basic salary for that year to 300%.

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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.
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By order of the Board

Robert Welch

Company Secretary
16 June 2015

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

Explanatory notes to the business of the meeting

Resolution 1

Annual Report and Financial Statements

The Board asks that shareholders receive the Company's Annual Report and Financial Statements for the financial year ended 31 March 2015.

Resolution 2

Directors' Remuneration Policy

Shareholders are requested to approve the Directors' Remuneration Policy set out on pages 79 to 87 of the Directors' Remuneration Report contained within the 2015 Annual Report and Financial Statements. Details of the changes to the Directors' Remuneration Policy compared to the existing Directors' Remuneration Policy approved by shareholders at the last Annual General Meeting on 16 July 2014 are set out on pages 81 and 82 of the Directors' Remuneration Report contained within the 2015 Annual Report and Financial Statements. The Directors' Remuneration Policy will apply to all remuneration payments made for a period of three years effective from 16 July 2015.

If the Directors' Remuneration Policy is not approved by shareholders for any reason, the Company will continue to make payments to Directors in accordance with its existing Directors' Remuneration Policy and will seek shareholder approval for a revised policy as soon as practicable.

Resolution 3

Directors' Annual Report on Remuneration

Resolution 3 seeks shareholder approval of the Directors' Annual Report on Remuneration (including the annual statement by the Chair of the Committee which can be found on pages 76 to 78 and 88 to 100 (inclusive) of the Annual Report and Financial Statements). The Directors' Annual Report on Remuneration gives details of the implementation of the Company's existing Remuneration Policy approved by shareholders at the last Annual General Meeting on 16 July 2014. This vote is advisory in nature.

Resolution 4

Election of a Director

The Company's Articles of Association require any Director newly appointed by the Board to retire at the first annual general meeting following their appointment.

Wolfhart Hauser joined the Board as a Non-Executive Director and Chairman Designate on 18 May 2015 and will be seeking election as a Director at the Annual General Meeting. From the conclusion of the Annual General Meeting, subject to his election by shareholders, he will succeed John McFarlane as Chairman of the Board. Biographical details are set out in Appendix 1.

Resolutions 5 to 12

Re-election of Directors

In accordance with the UK Corporate Governance Code, all Directors are required to submit themselves for annual re-election by shareholders. Therefore, all Directors have submitted themselves for re-election at the Annual General Meeting (with the exception of John McFarlane, who will step down from the Board at the conclusion of the Annual General Meeting). The biographical details of those Directors standing for re-election are set out in Appendix 1.

The Board believes that each Director standing for election or re-election brings considerable and wide ranging skills and experience to the Board as a whole, which will be invaluable as the Company continues to drive performance in line with its strategy and transformation plans.

Explanatory notes to the business of the meeting

continued

All Directors are subject to an annual performance review and the Board confirms that those Directors proposed for election and re-election continue to make an effective and valuable contribution to the deliberations of the Board and demonstrate commitment to the role.

Resolution 13

Re-appointment of Auditor

The Company is required at each general meeting at which accounts are presented to shareholders to appoint auditors to hold office until the next such meeting.

The Audit Committee has assessed the effectiveness, independence and objectivity of the auditors, Deloitte LLP, and concluded that the external auditors were in all respects effective.

This Resolution 13, which has been recommended to the Board by the Audit Committee, seeks the re-appointment of Deloitte LLP as the Company's auditors.

Resolution 14

Remuneration of Auditor

Resolution 14 will, if passed, authorise the Directors to set the remuneration of the external auditors. In practice, the Audit Committee will consider and approve the audit fees on behalf of the Directors.

Resolution 15

Authority to allot shares

The purpose of this Resolution 15 is to renew the Directors' powers to allot shares in the Company. The resolution authorises the Directors:

- (a) 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 £20,079,492 (representing 401,589,840 ordinary shares of 5p each). This amount represents approximately one-third of the issued ordinary share capital (excluding treasury shares) of the Company as at 14 June 2015 (being the latest practicable date prior to publication of the Notice of Meeting); and
- (b) 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 £40,158,984 (representing 803,179,680 ordinary shares of 5p 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 2015 (being the latest practicable date prior to publication of the Notice of Meeting).

The authorities sought under this Resolution will expire on the earlier of 16 October 2016 and the conclusion of the Annual General Meeting of the Company held in 2016 (unless otherwise varied, revoked or renewed).

The Directors have no present intention to exercise 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 2015 (being the latest practicable date prior to publication of the Notice of Meeting), the Company held 157,229 ordinary shares in treasury representing approximately 0.01% of the Company's issued ordinary share capital (excluding treasury shares).

Resolution 16

Disapplication of pre-emption rights

This resolution, which will be proposed as a special resolution, would, if passed, 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 £6,023,847 (representing 120,476,940 ordinary shares of 5p each). This aggregate nominal amount represents approximately 10% of the issued ordinary share capital (excluding treasury shares) of the Company as at 14 June 2015 (being the latest practicable date prior to publication of the Notice of Meeting).

The Directors confirm their intention to adhere to the provisions of the Pre-Emption Group's revised Statement of Principles published in March 2015. Accordingly, the Directors confirm their intention only to allot shares representing more than 5% of the issued ordinary share capital of the Company (excluding treasury shares) for cash pursuant to the authority in (B) where that allotment is in connection with an acquisition or specified capital investment (within the meaning given in the Pre-Emption Group's revised Statement of Principles published in March 2015) which is announced contemporaneously with the issue, or which has taken place in the preceding six month period and is referred to in the announcement of the issue. In addition, the Board confirms its intention not to allot shares for cash on a non pre-emptive basis (other than pursuant to a rights issue or pre-emptive offer) in excess of an amount equal to 7.5% of the issued ordinary share capital of the Company (excluding treasury shares) within a rolling three year period without prior consultation with shareholders, except in connection with an acquisition or specified capital investment as referred to above.

The Board considers the authority in this Resolution 16 to be appropriate in order to allow the Company flexibility to finance business opportunities or to conduct a pre-emptive offer or rights issue without the need to comply with the strict requirements of the statutory pre-emptive provisions. The Board has no present intention to make use of this authority.

This authority will expire on the earlier of 16 October 2016 and the conclusion of the Annual General Meeting of the Company held in 2016 (unless otherwise varied, revoked or renewed).

Resolution 17

Authority to make market purchases of own shares

Resolution 17, which will be proposed as a special resolution, seeks to renew the authority granted at last year's Annual General Meeting and gives the Company authority to buy back its own ordinary shares in the market as permitted by the Act. The authority limits the number of shares that could be purchased to a maximum of 120,400,000 ordinary shares (representing approximately 10% of the issued ordinary share capital (excluding treasury shares)) of the Company as at 14 June 2015 (being the latest practicable date prior to the publication of the Notice of Meeting). This authority will expire on the earlier of 16 October 2016 and the conclusion of the Annual General Meeting of the Company held in 2016 (unless otherwise varied, revoked or renewed).

Explanatory notes to the business of the meeting

continued

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 in 2014.

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 either be held as treasury shares or cancelled by the Company and the number of ordinary shares reduced accordingly, depending on which course of action is considered by the Directors to be in the best interest of shareholders at that time. Shares held in treasury may be cancelled, sold for cash or used for the purposes of employee share plans. Once held in treasury, the Company is not entitled to exercise any rights, including the right to attend and vote at meetings, in respect of those shares. Furthermore, no dividend or other distribution of the Company's assets may be made to the Company in respect of the shares held in treasury.

The minimum price, exclusive of expenses, which may be paid for an ordinary share is 5p, 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 52,878,940 ordinary shares, representing 4.4% of the Company's issued ordinary share capital (excluding treasury shares) as at 14 June 2015 (being the latest practicable date prior to the publication of the Notice of Meeting). If the authority now being sought by Resolution 17, 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 5.5% of the Company's issued ordinary share capital (excluding treasury shares) at that date. As at 14 June 2015 (being the latest practicable date prior to the publication of the Notice of Meeting), the Company held 157,229 ordinary shares in treasury representing 0.01% of the issued ordinary share capital and there are no warrants outstanding.

Resolution 18

Authority to make political donations

Resolution 18 seeks to renew the authority granted at last year's Annual General Meeting for the Company and its subsidiaries to make political donations to political parties or independent election candidates, to other political organisations, or to incur political expenditure.

It is not the policy of the Company to make donations to EU political organisations or to incur other political expenditure and the Directors have no intention of changing that policy. However, as a result of the broad definition used in the Companies Act 2006 (the 'Act') of matters constituting political donations, 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 19

Amending the rules of the FirstGroup plc Long Term Incentive Plan 2008

During the year, the Remuneration Committee undertook a thorough review of the Company's remuneration policy (which shareholders are being asked to approve in accordance with Resolution 2). To ensure that the Company is able to recruit new Executive Directors with a remuneration package mix that reflects the Company's chosen comparator group, it is considered appropriate to provide a greater degree of flexibility for the future and to increase the annual maximum opportunity under the FirstGroup plc Long Term Incentive Plan 2008 ('LTIP').

Resolution 19 seeks shareholder approval to amend the rules of the LTIP to increase the limit over which an award under the LTIP can be made to an eligible employee in any financial year from 150% of that employee's total basic salary for that year to 200% and in exceptional circumstances, such as to aid the recruitment of a new Executive Director, from 200% of total basic salary to 300%. The individual limits for the grant of LTIP awards will be set in accordance with the approved remuneration policy in force at that time.

Resolution 20

Notice of general meetings

The Directors wish to retain the flexibility and benefit from the ability to call general meetings on 14 clear days' notice and this resolution, which is proposed as a special resolution, seeks to renew the authority granted by shareholders at last year's Annual General Meeting. Such approval will not affect annual general meetings, which will continue to be held on at least 21 clear days' notice.

In the event that this authority is to be exercised, the Directors will ensure that it is not used as a matter of routine, 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 Company undertakes to meet the requirements for a means of electronic voting to be made available to all shareholders before calling a meeting on 14 clear days' notice. The approval will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed.

Notes to the Notice of Annual General Meeting

Form of Proxy

- 1 A Form of Proxy for use by shareholders is enclosed with this Notice of Meeting. Completion and return of such a Form of Proxy will not prevent a shareholder from attending the Annual General Meeting and voting in person. In the case of joint holders, any one holder may vote. If more than one holder is present at the Annual General Meeting, only the vote of the senior will be accepted, seniority being determined by the order in which names appear on the Register of Members.
- 2 A shareholder is entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, speak and vote at the Annual General Meeting. A proxy need not be a shareholder of the Company. 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. 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.

Return date for proxies

- 3 To be effective, the return of a duly completed postal Form of Proxy (or by electronic means), together with any power of attorney or other authority under which the Form of Proxy is signed (or a notarially certified copy of such authority), must be received by the Company's Registrar, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA no later than 1.30pm UK time on Tuesday 14 July 2015 (or, in the event of any adjournment, so as to arrive no later than 48 hours before the time appointed for the adjourned Annual General Meeting). Persons voting under a power of attorney must do so using the hard copy Form of Proxy.

Electronic proxy appointments

- 4 Shareholders may, if they so wish, register the appointment of a proxy or proxies electronically by any of the following methods:
 - (A) By logging onto the website of the Company's Registrar, Equiniti, **www.sharevote.co.uk**, where details of the procedures are given. Shareholders will need their Voting ID, Task ID and Shareholder Reference Number all of which are printed on their Form of Proxy.
Alternatively, if shareholders have already registered with the Company's Registrar's online portfolio service, Shareview, they can submit their proxy electronically by logging onto their portfolio at **www.shareview.co.uk** and following the instructions provided.
A Form of Proxy lodged electronically will be invalid unless it is lodged at the address specified on Equiniti's websites detailed above.
 - (B) If you are a member of CREST, by using the CREST electronic appointment service.
CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting (and any adjournment(s) thereof) by using the procedures described in the CREST Manual which can be viewed at www.euroclear.com. 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.

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 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 1.30pm on Tuesday 14 July 2015. 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.

CREST members (and, where applicable, their CREST sponsors or voting service provider(s)) 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(s), 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 provider(s)) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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.

Publication of audit concerns

- 5** Under section 527 of the Companies Act 2006 (the 'Act'), shareholders that meet 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 each case, that shareholders propose to raise at the Annual General Meeting. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 (requirements as to website availability) 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.

Notes to the Notice of Annual General Meeting

continued

Attendance and voting

- 6 Entitlement to attend and vote at the Annual General Meeting and the number of votes which may be cast at the Annual General Meeting, will be determined by reference to the Register of Members of the Company at 6.00pm UK time on Tuesday 14 July 2015 (or, in the event of any adjournment, at 6.00pm UK time on the date which is two days prior to the adjourned Annual General Meeting). In each case, changes to the Register of Members after such time will be disregarded.
- 7 Voting at this year's Annual General Meeting will be conducted by way of a poll. A poll reflects the number of voting rights exercisable by each member and so the Board considers it a more democratic method of voting. On arrival at the Annual General Meeting all those entitled to vote will be required to register and collect a poll card. In order to facilitate these arrangements, it would be helpful if shareholders would arrive at the Annual General Meeting in good time and bring with them the attendance card which is attached to the Form of Proxy. Shareholders will be given instructions on how to fill in the poll card at the meeting.
- 8 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.
- 9 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.
- 10 Any shareholder with special needs wishing to attend the Annual General Meeting should contact the Company Secretary's department at the Company's registered office so that appropriate arrangements can be made (telephone: +44 (0)1224 650100).
- 11 Any shareholder attending the Annual General 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 Annual General Meeting, but no such answer need be given if (a) to do so would interfere unduly with the preparation for the Annual General 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 Annual General Meeting that the question be answered.
- 12 All those present at the Annual General Meeting are asked to facilitate the orderly conduct of the meeting and the Company reserve the right, if orderly conduct is threatened by a person's behaviour, to require that person to leave.
- 13 Shareholders who have general queries about the Annual General Meeting should use the following means of communication (no other communication will be accepted): calling the 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 8.30am to 5.30pm, Monday to Friday. Shareholders may not use any electronic address provided either in this Notice of Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated in those documents.

Indirect investors

- 14** Any person to whom this Notice of Meeting is sent who is a person nominated under section 146 of 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.
- 15** The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in those paragraphs can only be exercised by shareholders of the Company.

Corporate representatives

- 16** 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 available for inspection

- 17** 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 Annual General 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 amended rules of the FirstGroup plc Long Term Incentive Plan 2008.
- 18** A copy of this Notice of Meeting, and other information required by section 311A of the Act, can be found at **www.firstgroupplc.com**.

Total Voting Rights

- 19** As at 14 June 2015 (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 157,229 of its ordinary shares in treasury. Therefore, the total number of voting rights in the Company as at 14 June 2015 (being the latest practicable date prior to the publication of the Notice of Meeting) is 1,204,769,527.

Appendix 1

Directors' biographies

Wolfhart Hauser

Non-Executive Director and Chairman Designate

Appointed to the Board: 18 May 2015

Skills and experience: He brings to the Board a strong track record of driving profitable growth and value creation in a large international organisation, as well as significant board experience in major UK listed companies. Wolfhart was CEO of Intertek Group plc, the international quality and safety services provider for ten years, before he retired from the role in May 2015. Subject to his election by shareholders, he will succeed John McFarlane as Chairman of the Board from the conclusion of the Annual General Meeting.

Other appointments: Non-Executive Director of Associated British Foods plc and of RELX PLC and RELX NV (previously Reed Elsevier PLC and Reed Elsevier NV).

Committee membership: Member of the Nomination Committee.

Mick Barker

Non-Executive Employee Director

Appointed to the Board: 2012

Skills and experience: He has been a railwayman for 39 years and is currently employed as a train driver for First Greater Western Limited, one of the Group's train operating companies. Mick brings to the Board considerable knowledge of the attitudes and concerns of employees and represents their views to the Board and its Committees.

Committee membership: Member of the Board Safety Committee and attends meetings of other Committees at the invitation of the respective Committee Chair.

Warwick Brady

Non-Executive Director

Appointed to the Board: 24 June 2014

Skills and experience: He brings to the Board significant experience of the transport sector. Warwick has a strong track record of delivering restructuring, cost reduction and modernisation programmes. As Chief Operating Officer at easyJet plc since 2009, he is part of the management team responsible for improving the airline's financial and operating performance. His previous roles include Chief Executive of Indonesian Airline Mandala, Deputy Operations Director at Ryanair plc and Chief Operating Officer at Air Deccan.

Other appointments: Chief Operating Officer of easyJet plc.

Committee membership: Member of the Audit Committee.

Drummond Hall

Senior Independent Non-Executive Director

Appointed to the Board: 24 June 2014

Skills and experience: He brings to the Board a wealth of experience gained across a number of customer-focused businesses in the UK, Europe and the US. Drummond was formerly Chief Executive of Dairy Crest Group plc, prior to which his career was spent with Procter and Gamble, Mars and PepsiCo. He has also been Chairman and a Non-Executive Director of Mitchells & Butlers plc.

Other appointments: 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 and Remuneration Committees.

Tim O'Toole CBE
Chief Executive

Appointed to the Board: 2009

Skills and experience: He was appointed to the Board in 2009 and became Chief Executive in 2010. Tim brings to the Board a wealth of international transport management experience gained over a number of years in the sector. Prior to joining the Company, he was Managing Director, London Underground, having previously been at Transport for London, and 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.

Chris Surch
Group Finance Director

Appointed to the Board: 2012

Skills and experience: He has a strong track record of financial leadership as well as extensive operational, strategic and international experience. Chris was previously Group Finance Director of Shanks Group plc, also for a period of time serving as its acting Chief Executive. Following an early career with Price Waterhouse, 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. He will step down as a Director on 8 January 2016.

Brian Wallace
Non-Executive Director

Appointed to the Board: 2012

Skills and Experience: He brings to the Board a wealth of financial and risk experience and knowledge. Brian has held executive board positions within a number of major organisations, most recently as Group Finance Director of Ladbrokes plc and previously as 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: Chairman of Travelodge Hotels Limited and Chairman of SoftCat Limited.

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

Imelda Walsh
Non-Executive Director

Appointed to the Board: 24 June 2014

Skills and experience: She brings considerable experience to the Board gained across a number of sectors, as well as outstanding remuneration practice skills. Imelda was formerly a Non-Executive Director and Chair of the Remuneration Committee of Sainsbury's Bank plc and has held senior executive roles at J Sainsbury plc, where she was Group HR Director, Barclays Bank plc and Coca-Cola & Schweppes Beverages Limited.

Other appointments: 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 and Board Safety Committees.

Appendix 1

continued

Jim Winestock Non-Executive Director

Appointed to the Board: 2012

Skills and experience: He brings to the Board considerable operational experience gained within a large complex organisation, together with a track record of achievement. Jim has served in a number of senior roles and was a member of the management committee during his career at United Parcel Service, Inc., latterly as Senior Vice President and Director of US operations and global security with responsibility for all US operations and 360,000 employees.

Other appointments: 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 Nomination and Audit Committees.