



FirstGroup plc

Notice of Annual General Meeting 2019

Thursday 25 July 2019 at 2.30pm
De Vere Grand Connaught Rooms,
61-65 Great Queen Street, Holborn,
London WC2B 5DA United Kingdom

A Form of Proxy is enclosed with this Notice of AGM and instructions for its completion and return by post or online 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 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 twenty-fourth Annual General Meeting ('AGM') of FirstGroup plc will be held at De Vere Grand Connaught Rooms, 61-65 Great Queen Street, Holborn, London WC2B 5DA, United Kingdom on Thursday 25 July 2019 at 2.30pm to consider and, if thought fit, pass the following resolutions of which resolutions 1 to 15 (inclusive) and 19 will be proposed as ordinary resolutions and resolutions 16 to 18 (inclusive), and 20 will be proposed as special resolutions.

The Board considers that 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 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 2019.
- 2 To approve the Directors' Annual Report on Remuneration for the year ended 31 March 2019 set out on pages 82 to 97 (inclusive) and 76 to 78 of the Annual Report and Financial Statements for the year ended 31 March 2019.
- 3 To elect Steve Gunning as a Director.
- 4 To elect Julia Steyn as a Director.
- 5 To elect Ryan Mangold as a Director.
- 6 To re-elect Warwick Brady as a Director.
- 7 To re-elect Matthew Gregory as a Director.
- 8 To re-elect Jimmy Groombridge as a Director.
- 9 To re-elect Martha Poulter as a Director.
- 10 To re-elect David Robbie 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.

- 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 £20,244,365 (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) (the '2006 Act') up to an aggregate nominal amount of £40,488,730 (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 AGM of the Company in 2020 (or, if earlier, on 24 October 2020) (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 2006 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 2006 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 law of, any territory or any other matter; and

(B) in the case of 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 £3,036,655,

such power to apply until the end of the next AGM of the Company in 2020 (or, if earlier, on 24 October 2020) (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 arrangement as if the power had not ended.

17 That if Resolution 15 is passed, the Board be given power in addition to any power given under Resolution 16 to allot equity securities (as defined in the 2006 Act) for cash under the authority given by Resolution 15 and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the 2006 Act did not apply to such allotment or sale, such authority to be:

(A) limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £3,036,655; and

(B) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board of the Company determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice,

such power to apply until the end of the next AGM of the Company in 2020 (or, if earlier, on 24 October 2020) (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 arrangement as if the power had not ended.

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

(A) to a maximum aggregate number of 121,466,191 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 purchase 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 AGM of the Company in 2020 (or, if earlier, on 24 October 2020) (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.

19 That in accordance with sections 366 and 367 of the 2006 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 AGM of the Company in 2020 or, if earlier, on 24 October 2020 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 2006 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 2006 Act are hereby revoked without prejudice to any donation made or expenditure incurred prior to the date hereof pursuant to such authorisation or approval.

20 That a general meeting other than an AGM may be called on not less than 14 clear days' notice.

By order of the Board

Michael Hampson

General Counsel and Company Secretary

25 June 2019

Registered office:

395 King Street, Aberdeen AB24 5RP

Registered in Scotland No. SC157176

Explanatory notes to the business of the meeting

Resolution 1

Annual Report and Financial Statements

The Board asks that shareholders receive the reports of the Directors and auditors and the audited financial statements of the Company for the year ended 31 March 2019.

Resolution 2

Directors' Annual Report on Remuneration

Resolution 2 seeks shareholder approval of the Directors' Annual Report on Remuneration (including the Statement by the Chair of the Remuneration Committee) which can be found on pages 76 to 78 (inclusive) and 82 to 97 (inclusive) of the 2019 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 2018 AGM, which is available at www.firstgroupplc.com/investors. The vote on Resolution 2 is advisory in nature.

Resolutions 3 to 12

Election and re-election of Directors

The Company's Articles of Association require any Director newly appointed by the Board to retire at the first AGM following their appointment. Steve Gunning joined the Board on 1 January 2019 and will be seeking election as a Director at the AGM (Resolution 3). Ryan Mangold joined the Board on 31 May 2019 and will be seeking election as a Director at the AGM (Resolution 5). Julia Steyn joined the Board on 2 May 2019 and will be seeking election as a Director at the AGM (Resolution 4). The Nomination Committee believes that Steve, Ryan and Julia are independent in character and judgement and that there are no relationships or circumstances likely to affect their independence or judgement. The Board recommends the election of Steve, Julia and Ryan as Directors of the Company and looks forward to benefitting from their skills and experience.

As announced on 25 June 2019, Wolfhart Hauser will be stepping down as a Director with effect from the conclusion of the AGM. In accordance with the recommendations contained in the UK Corporate Governance Code (the 'Code'), all of our other Directors are standing for re-election at the AGM (Resolutions 6 to 12). The Board believes that each Director standing for re-election continues to bring considerable and wide ranging skills and experience to the Board as a whole.

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

Biographical details of our Directors are set out in the Appendix and on pages 52 to 54 of the 2019 Annual Report and Financial Statements.

Resolutions 13 and 14

Re-appointment and remuneration 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. 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.

It is normal practice for the Directors to be authorised to determine the level of the auditor's remuneration for the ensuing year and

Resolution 14 proposes to give such authority, which the Board will delegate to the Audit Committee.

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 to:

- (a) allot ordinary shares or grant rights to subscribe for, or convert any securities into ordinary shares up to an aggregate nominal amount equal to £20,244,365 (representing 404,887,305 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 21 June 2019 (being the latest practicable date prior to the publication of the Notice of Meeting); and
- (b) 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 £40,488,730 (representing 809,774,610 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 21 June 2019 (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 24 October 2020 and the conclusion of the AGM of the Company held in 2020 (unless otherwise varied, revoked or renewed).

The Directors have no present intention to exercise the authorities sought under this resolution or allot shares other than pursuant to employee share plans. However, the Directors consider it desirable to have the maximum flexibility permitted by corporate governance guidelines to respond to market developments and to enable allotments 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.

In the event that the authority given under (b) is exercised, the Company expects each Director to stand for re-election at the next AGM, as would in any case normally occur in accordance with the recommendations contained in the Code.

As at 21 June 2019 (being the latest practicable date prior to the 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).

Resolutions 16 and 17

Disapplication of pre-emption rights

These two resolutions, which will both be proposed as special resolutions, 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:

- (a) 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; and/or
- (b) otherwise up to an aggregate nominal amount of £3,036,655 (representing 60,733,095 ordinary shares of 5 pence each which is approximately 5% of the issued ordinary share capital (excluding treasury shares) of the Company as at 21 June 2019 (being the latest practicable date prior to the publication of the Notice of Meeting)); and
- (c) in connection with the financing or refinancing of an acquisition or specified capital investment up to a nominal amount of £3,036,655 (representing 60,733,095 ordinary shares of 5 pence each which is approximately 5% of the issued ordinary share capital (excluding treasury shares) of the Company as at 21 June 2019 (being the latest practicable date prior to the publication of the Notice of Meeting)).

The Directors confirm their intention to adhere to the provisions of the Pre-Emption Group's ('PEG') revised Statement of Principles. 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 in accordance with their authority under Resolution 15 where that allotment is in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment or which has taken place in the preceding six-month period and is referred to in the announcement of the issue. Whether a transaction is an acquisition or other capital investment will be determined in accordance with the most recent Statement of Principles published by the PEG. In 2016, the PEG recommended the authority to disapply pre-emption rights in connection with an acquisition or specified capital investment be sought in a separate resolution. Accordingly, two separate disapplication resolutions are put forward.

The Board also 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 these two resolutions 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 24 October 2020 and the conclusion of the AGM of the Company held in 2020 (unless otherwise varied, revoked or renewed).

Resolution 18

Authority to make market purchases of own shares

Resolution 18, which will be proposed as a special resolution, seeks to renew the authority granted at last year's AGM and gives the Company authority to buy back its own ordinary shares in the market as permitted by the 2006 Act. The authority limits the number of shares that could be purchased to a maximum of 121,466,191 ordinary shares (representing approximately 10% of the issued ordinary share capital (excluding treasury shares)) of the Company as at 21 June 2019 (being the latest practicable date prior to the publication of the Notice of Meeting). This authority will expire on the earlier of 24 October 2020 and the conclusion of the AGM of the Company held in 2020 (unless otherwise varied, revoked or renewed). No ordinary shares have been repurchased by the Company during the year pursuant to the authority granted at the Company's last AGM in 2018.

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 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 purchase bid on the trading venues where the purchase is carried out.

The Company has options and awards outstanding over 60,948,922 ordinary shares, representing 5.02% of the Company's issued ordinary share capital (excluding treasury shares) as at 21 June 2019 (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 AGM, were to be used in full, the total number of options and awards outstanding would represent 6.27% of the Company's issued ordinary share capital (excluding treasury shares) at that date. As at 21 June 2019 (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.

Explanatory notes to the business of the meeting continued

Resolution 19 Authority to make political donations and political expenditure in the European Union (EU)

Resolution 19 seeks to renew the authority granted at last year's AGM 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 2006 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 2006 Act.

Under the 2006 Act, this authority may be for a period of up to four years. However, in line with corporate governance best practice, the Company seeks to renew the authority on an annual basis.

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 AGM. Such approval will not affect AGMs, 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 (such as for emergency capital raisings). 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 AGM, 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 AGM and voting in person. In the case of joint holders, any one holder may vote. If more than one holder is present at the AGM, 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 their proxy to exercise all or any of their rights to attend, speak and vote at the AGM. A proxy need not be a shareholder of the Company. A shareholder may appoint more than one proxy in relation to the AGM 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 they want the proxy to vote on any particular resolution, the proxy may vote or abstain as they see fit. A proxy may also vote or abstain as they see fit on any other business which properly comes before the AGM.

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 2.30pm UK time on Tuesday, 23 July 2019 (or, in the event of any adjournment, so as to arrive no later than 48 hours, excluding non-working days, before the time appointed for the adjourned AGM). 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 the 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 using their user ID and password. Once logged in, click 'View' on the 'My Investments' page, click on the link to vote and then follow the instructions on the screen.

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 AGM (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 2.30pm on Tuesday, 23 July 2019. 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 2006 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 AGM; 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 AGM. 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 2006 Act. Where the Company

Notes to the Notice of Annual General Meeting

continued

is required to place a statement on a website under section 527 of the 2006 Act, it must forward the statement to the Company's auditor no later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the 2006 Act to publish on a website.

Attendance and voting

- 6 Entitlement to attend and vote at the AGM, and the number of votes which may be cast at the AGM, will be determined by reference to the Register of Members of the Company at 6.30pm UK time on Tuesday, 23 July 2019 (or, in the event of any adjournment, at 6.30pm UK time on the date which is two business days prior to the adjourned AGM). In each case, changes to the Register of Members after such time will be disregarded.
- 7 Voting at this year's AGM 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 AGM all those entitled to vote will be required to register and collect a voting card. In order to facilitate these arrangements, it would be helpful if shareholders would arrive at the AGM 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 voting card at the meeting.
- 8 Persons who are not shareholders of the Company or their duly appointed representatives will not be admitted to the AGM unless prior arrangements have been made with the Company.
- 9 Any shareholder with special needs wishing to attend the AGM should contact Company Secretariat so that appropriate arrangements can be made (telephone: +44 (0)20 7291 0505).

Right to ask questions

- 10 Any shareholder attending the AGM 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 AGM, but no such answer need be given if (a) to do so would interfere unduly with the preparation for the AGM 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 AGM that the question be answered.
- 11 Shareholders who have general queries about the AGM should use the following means of communication (no other communication will be accepted): calling the shareholder helpline on telephone number 0371 384 2046 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.

Security

- 12 Security measures will be in place to ensure your safety at the AGM. All those present at the AGM are asked to facilitate the orderly conduct of the meeting and the Company reserves

the right, if orderly conduct is threatened by a person's behaviour, to require that person to leave. All hand baggage may be subject to examination prior to entry to the AGM. Mobile phones may not be used in the AGM and cameras, video recorders, laptop computers and similar equipment may not be taken into the AGM. Anyone attempting to take photos, or to record or film proceedings, may be asked to leave.

Indirect investors and nominated persons

- 13 Any person to whom this Notice of Meeting is sent who is a person nominated under section 146 of the 2006 Act to enjoy information rights ('Nominated Person') may, under an agreement between them and the shareholder by whom they were nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM.

If a Nominated Person has not been appointed as a proxy for the AGM or does not wish to exercise their right, they may under any such agreement have a right to give instructions to the shareholder as to the exercise of voting rights.

- 14 The right to appoint a proxy for the AGM referred to in explanatory note 13 can only be exercised by shareholders of the Company and not by a Nominated Person.

Corporate representatives

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

Documents available for inspection

- 16 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 AGM for at least 15 minutes prior to the meeting until its conclusion: (i) copies of the Executive Directors' service agreements; and (ii) copies of the Non-Executive Directors' letters of appointment.

Website

- 17 A copy of this Notice of Meeting, and other information required by section 311A of the 2006 Act, can be found at www.firstgroupplc.com.

Voting Results

- 18 The results of the voting at the AGM will be announced through a regulatory information service and will appear on our website at www.firstgroupplc.com as soon as reasonably practicable.

Issued Share Capital and Total Voting Rights

- 19 As at 21 June 2019 (being the latest practicable date prior to the publication of this Notice of Meeting), the Company's issued share capital consists of 1,214,819,144 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 21 June 2019 (being the latest practicable date prior to the publication of this Notice of Meeting) is 1,214,661,915.

Appendix

Directors' biographies

David Robbie [Ⓐ] [Ⓡ] [Ⓕ]

Senior Independent Non-Executive Director

Appointed: 2018 and became SID on 31 May 2019

Skills and experience: David brings valuable turnaround experience to the Board, with a lead role in the integration of P&O with Royal Nedlloyd, and operational efficiency, cash optimisation and improved ROCE programmes at Rexam following its strategic refocus from 2010. He has significant international corporate finance and M&A transaction experience. He was Finance Director of Rexam PLC from 2005 until its acquisition by Ball Corporation in 2016. Prior to his role at Rexam, David served in senior finance roles at BTR plc before becoming Group Finance Director at CMG plc in 2000 and then CFO at Royal P&O Nedlloyd N.V. in 2004. He served as a NED of the BBC between 2006 and 2010 and as Chairman of their Audit Committee. David qualified as a chartered accountant at KPMG and has recent and relevant financial experience.

Other appointments: NED and member of the Audit, Nomination and Remuneration Committees of DS Smith Plc.

Nationality: British

Matthew Gregory [Ⓕ]

Chief Executive

Appointed: 2015 and became Chief Executive on 13 November 2018

Skills and experience: Matthew has a deep understanding of FirstGroup, having joined the company as Chief Financial Officer (CFO) in December 2015, before his appointment as Chief Executive in November 2018. Matthew has strong strategic and operational expertise, including delivering strategy and driving performance improvement. He has extensive international experience, including significant M&A and corporate finance activity. He was formerly Group Finance Director of Essentra plc, a component manufacturer and distributor, having previously been Director of Corporate Development, where he was responsible for multiple international acquisitions, as well as driving growth and margin improvement in the group's largest division. His early career was spent at the manufacturing and distribution division of Rank Group Plc where he was responsible for managing multinational corporations, introducing new technologies and restructuring legacy businesses. Matthew qualified as a chartered accountant at EY and has recent and relevant financial experience.

Nationality: British

Ryan Mangold [Ⓕ]

Chief Financial Officer

Appointed: 31 May 2019

Skills and experience: Ryan was appointed as CFO in May 2019, having previously been Group Finance Director of Taylor Wimpey Plc for 8 years. Ryan has a strong track record of building strong financial discipline in the organisations he has worked at. During his time at Taylor Wimpey, Ryan played an integral role in strengthening the balance sheet and driving operational improvements; also playing a leading role in the rebuilding of the business post the financial crisis to become a constituent of the FTSE100, the sale of the North American business and the improvement of its pensions position. Ryan was previously at Anglo American group of companies, where he was Group Financial Controller at Mondri and played a significant role in its demerger from Anglo American in 2007. Ryan is a chartered accountant and has recent and relevant financial experience.

Nationality: South African / British

Board Committees

[Ⓐ] Audit Committee

[Ⓡ] Remuneration Committee

[Ⓝ] Nomination Committee

[Ⓑ] Board Safety Committee

[Ⓕ] Financial Expert

● Chair

Appendix continued

Directors' biographies

Martha Poulter [Ⓐ]

Independent Non-Executive Director

Appointed: 2017

Skills and experience: Martha has deep expertise in technology and cyber security, specialising in the integration of new technology systems to transform and enable business performance.

Throughout her career she has led technology programmes across hospitality, finance and service industries, with a strong focus on customer service and driving operational improvements and efficiencies. Martha has led and executed technology strategies across Europe, America and Asia. Most recently Martha was the Executive Vice President and Chief Information Officer (CIO) of Starwood Hotels & Resorts Worldwide and, prior to that, she was Vice President of General Electric and CIO of GE Capital with global responsibility for IT strategy and operations.

Other appointments: Senior Vice President and CIO of Royal Caribbean Cruises Ltd.

Nationality: American

Julia Steyn [Ⓐ]

Independent Non-Executive Director

Appointed: 2 May 2019

Skills and experience: Julia brings extensive knowledge of the US transport industry to the Board. Julia served as vice president, Urban Mobility and Maven at General Motors (GM) until earlier this year. Maven combines all of GM's car- and ride-sharing offerings, including its strategic alliance with Lyft, under a single personal mobility brand. Julia first joined GM in 2012 as vice president, corporate development and global M&A, to manage GM's partnerships globally while also developing merger and acquisition opportunities. Prior to this, Julia was vice president and co-managing director for Alcoa's corporate development group, having previously worked in London, Moscow and New York for Goldman Sachs and A.T. Kearney.

Nationality: American

Steve Gunning [Ⓐ] [Ⓕ]

Independent Non-Executive Director

Appointed: 1 January 2019

Skills and experience: Steve has been the CFO of British Airways (BA) for the last three years and has been announced as the new CFO of International Airlines Group (the parent company of BA), effective 20 June 2019. Prior to that he served as CEO of IAG's Cargo Division for five years. During his career Steve has gained considerable experience leading operational turnarounds, overseeing major corporate integrations processes, corporate governance and complex pension negotiations. Steve qualified as a chartered accountant at PwC and gained experience in both the UK and the US and worked in the rail, financial and manufacturing sectors. Steve has recent and relevant financial experience.

Other appointments: Director of IAG Global Business Services, Avios Group and IAG Cargo.

Nationality: British

Imelda Walsh [Ⓡ] [Ⓝ] [Ⓟ]**Independent Non-Executive Director****Appointed:** 2014

Skills and experience: Imelda brings considerable experience to the Board gained across a number of sectors, as well as outstanding remuneration practice skills. She was formerly NED and Chair of the Remuneration Committee of Sainsbury's Bank plc, Mothercare plc and William Hill plc. She has held senior executive roles at J Sainsbury plc (where she was Group HR Director), Barclays Bank plc and Coca-Cola & Schweppes Beverages Limited. Imelda played a central role in delivering the turnaround of J Sainsbury plc, instilling a commercial culture, great service and operational effectiveness throughout the organisation.

Other appointments: NED and Chair of the Remuneration Committees of Mitchells & Butlers plc and Aston Martin Lagonda Global Holdings plc.

Nationality: British**Warwick Brady** [Ⓐ]**Independent Non-Executive Director****Appointed:** 2014

Skills and experience: Warwick has a strong track record of delivering restructuring, cost reduction and modernisation programmes, particularly in the transportation sector. His previous roles include Chief Executive of Mandala Airlines in Asia, Deputy Operations Director at Ryanair plc, and Chief Operating Officer at Air Deccan/Kingfisher in India and easyJet plc, during its transformation to become a FTSE100 business. Warwick also held board positions at Airline Group and NATS, the UK's airspace provider, and was Deputy CEO of Buzz.

Other appointments: CEO of Stobart Group Ltd, where he has delivered on M&A, turnarounds, complex financing and strategic re-focus to position the business for significant future shareholder value generation; and strategic Board Advisor at Vistair Systems Ltd.

Nationality: British**Jim Winestock** [Ⓡ] [Ⓝ] [Ⓐ]**Independent Non-Executive Director****Appointed:** 2012

Skills and experience: Jim brings to the Board considerable operational experience gained within a large complex organisation, together with a track record of achievement. He 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: NED of YRC Worldwide, Inc. Jim also serves on the Board of three not-for-profit organisations in the US.

Nationality: American**Jimmy Groombridge** [Ⓟ]**Group Employee Director****Appointed:** 2017

Skills and experience: Jimmy was a bus driver for almost 40 years and having worked on projects for different departments within FirstGroup, he brings a unique experience of employee engagement at all levels to the Board. He is currently an employee of First Eastern Counties, where he served as Employee Director for more than a decade. He also served as the regional Employee Director for Norfolk and Essex. Safety is a passion for Jimmy and as such he is a champion of our Group Safety Programme "Be Safe".

Nationality: British**Board Committees**[Ⓐ] Audit Committee[Ⓡ] Remuneration Committee[Ⓝ] Nomination Committee[Ⓟ] Board Safety Committee[Ⓡ] Financial Expert

● Chair

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