

FirstGroup plc

Notice of Annual General Meeting 2020

Tuesday 15 September 2020 at 9.00am
8th Floor, The Point, 37 North Wharf Road, London W2 1AF

To ensure the safety of our shareholders and our people, the Company is closely monitoring developments relating to the current outbreak of COVID-19, including best practice and the related guidance and legislation issued by the UK Government relating to public health and to the holding of shareholder meetings. Following public health and safety guidance and in light of such legislation, the AGM will be run as a closed meeting and it will not be possible for shareholders to attend in person (other than those designated as attending for the purposes of the quorum). The format of the AGM will be purely functional and if you attempt to attend in person you will be refused entry. Should circumstances change before the AGM such that shareholders are able to attend, the Company will update shareholders accordingly.

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. Shareholders are strongly encouraged to return their Form of Proxy completed in favour of the Chair of the meeting or vote online in advance of the AGM.

Shareholders who wish to ask a question of the Board relating to the business of the AGM can do so by submitting questions in advance of the AGM by email to companysecretariat@firstgroup.com. We will consider all questions received and, to the extent practicable, answers will be published on our website.

The situation relating to the current outbreak of COVID-19 is constantly evolving, and the UK Government may change current guidance or implement further restrictions or other measures that may impact the holding of shareholder meetings during the affected period. Any changes to the AGM (including any change to the location of the AGM) will be communicated to shareholders before the meeting through our website www.firstgroupplc.com and, where appropriate, by RIS announcement.

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-fifth Annual General Meeting ('AGM') of FirstGroup plc will be held at 8th Floor, The Point, 37 North Wharf Road, London W2 1AF on Tuesday 15 September 2020 at 9.00am to consider and, if thought fit, pass the following resolutions of which resolutions 1 to 14 (inclusive) and 18 will be proposed as ordinary resolutions and resolutions 15 to 17 (inclusive), 19 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 2020.

- 2 To approve the Directors' Annual Report on Remuneration for the year ended 31 March 2020 set out on pages 110 to 112 (inclusive) and 118 to 129 (inclusive) of the Annual Report and Financial Statements for the year ended 31 March 2020.

- 3 To elect David Martin as a Director.

- 4 To elect Sally Cabrini as a Director.

- 5 To re-elect Warwick Brady as a Director.

- 6 To re-elect Steve Gunning as a Director.

- 7 To re-elect Matthew Gregory as a Director.

- 8 To re-elect Ryan Mangold 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 Julia Steyn as a Director.

- 12 To appoint PricewaterhouseCoopers LLP as auditors of the Company until the conclusion of the next general meeting at which accounts are laid.

- 13 To authorise the Directors to determine the remuneration of the auditors.

- 14 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 £20,330,499 (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 £40,660,998 (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 2021 (or, if earlier, on 14 December 2021) (unless previously revoked or varied by the Company in a 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.

15 That if Resolution 14 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 14, 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 14 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 £3,049,575,

such power to apply until the end of the next AGM of the Company in 2021 (or, if earlier, on 14 December 2021) (unless previously revoked or varied by the Company in a 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.

16 That if Resolution 14 is passed, the Board be given power in addition to any power given under Resolution 15 to allot equity securities (as defined in the 2006 Act) for cash under the authority given by Resolution 14 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 £3,049,575; 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 2021 (or, if earlier, on 14 December 2021) (unless previously revoked or varied by the Company in a 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 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 121,982,993 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 2021 (or, if earlier, on 14 December 2021) (unless previously revoked or varied by the Company in a 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.

Notice of Annual General Meeting

continued

18 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 2021 or, if earlier, on 14 December 2021 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.

19 That the Articles of Association produced to the meeting and initialled by the Chair of the meeting for the purpose of identification, be and are hereby adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association with effect from the conclusion of the meeting.

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

Keith Hubber

General Counsel and Company Secretary
28 July 2020

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 2020.

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 110 to 112 (inclusive) and 118 to 129 (inclusive) of the 2020 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.

At the AGM in 2019, more than 20% of votes were cast against the resolution to approve the Directors' Annual Report on Remuneration for the year ended 31 March 2019. The Company has continued to engage with shareholders to understand the reasons for their voting decisions. The Company posted a clarification on the Company's website to explain the rationale for the Chief Financial Officer's remuneration arrangements and highlighted the Remuneration Committee's track record of exercising discretion to reflect underlying performance. The Board and the Remuneration Committee are committed to keeping this issue under review and will take it into account in respect of future appointments. They will also continue their engagement and dialogue with shareholders and their representatives on this and other matters.

Resolutions 3 to 11

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. David Martin joined the Board on 15 August 2019 and will be seeking election as a Director at the AGM (Resolution 3). Sally Cabrini joined the Board on 24 January 2020 and will be seeking election as a Director at the AGM (Resolution 4). The Nomination Committee believes that David and Sally 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 David and Sally as Directors of the Company and looks forward to benefiting from their skills and experience.

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 5 to 11).

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 Appendix 1 and on pages 79 to 81 of the 2020 Annual Report and Financial Statements.

Resolutions 12 and 13

Appointment and remuneration of Auditor

Following a rigorous competitive tender process, Resolution 12 proposes the appointment of PricewaterhouseCoopers LLP as External Auditor of the Company. If approved, PricewaterhouseCoopers LLP will be appointed External Auditor for the year ending 31 March 2021. More information on the Audit Committee's role in relation to the tender process can be found on pages 105 and 106 of the 2020 Annual Report and Financial Statements.

Deloitte LLP, the Company's outgoing Auditor, has provided a statutory statement of circumstances upon ceasing to hold office, which is set out in Appendix 2 of this Notice.

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

Resolution 14

Authority to allot shares

The purpose of this Resolution 14 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 £20,330,499 (representing 406,609,979 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 10 July 2020 (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 £40,660,998 (representing 813,219,959 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 10 July 2020 (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 14 December 2021 and the conclusion of the AGM of the Company held in 2021 (unless otherwise varied, revoked or renewed).

Explanatory notes to the business of the meeting

continued

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 10 July 2020 (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 15 and 16 **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 £3,049,575 (representing 60,991,496 ordinary shares of 5 pence each which is approximately 5% of the issued ordinary share capital (excluding treasury shares) of the Company as at 10 July 2020 (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 £3,049,575 (representing 60,991,496 ordinary shares of 5 pence each which is approximately 5% of the issued ordinary share capital (excluding treasury shares) of the Company as at 10 July 2020 (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 14 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 14 December 2021 and the conclusion of the AGM of the Company held in 2021 (unless otherwise varied, revoked or renewed).

Resolution 17 **Authority to make purchases of own shares**

Resolution 17, 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 121,982,993 ordinary shares (representing approximately 10% of the issued ordinary share capital (excluding treasury shares)) of the Company as at 10 July 2020 (being the latest practicable date prior to the publication of the Notice of Meeting). This authority will expire on the earlier of 14 December 2021 and the conclusion of the AGM of the Company held in 2021 (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 2019.

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 40,874,099 ordinary shares, representing 3.35% of the Company's issued ordinary share capital (excluding treasury shares) as at 10 July 2020 (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 AGM, were to be used in full, the total number of options and awards outstanding would represent 4.19% of the Company's issued ordinary share capital (excluding treasury shares) at that date. As at 10 July 2020 (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 and political expenditure in the European Union (EU)

Resolution 18 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.

At the AGM in 2019, more than 20% of votes were cast against the resolution to give authority to make political donations and political expenditure in the EU. The Company has continued to engage with shareholders to understand the reasons for their voting decisions. **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 19

Adoption of new articles of association

It is proposed as a special resolution to adopt new Articles of Association ('the New Articles') in order to reflect developments in market practice since the Company's Articles of Association were last amended in 2010. Due to the nature of the changes, the Company is proposing the adoption of the New Articles rather than amendments to the current Articles of Association (the 'Current Articles'). The principal changes being proposed in the New Articles are summarised in Appendix 3 of this Notice of Meeting.

A copy of the Current Articles and the proposed New Articles, marked to show all changes proposed, will be available for inspection during normal business hours (Saturdays, Sundays and public holidays excepted) at the corporate office of the Company (8th Floor, The Point, 37 North Wharf Road, London W2 1AF) up until the close of the AGM. A copy can be requested from companysecretariat@firstgroup.com up until the conclusion of the AGM.

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 Resolution 20, 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. 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.
- 3 Shareholders are strongly encouraged to complete and return the Form of Proxy in advance of the AGM as no shareholder (other than those designated to attend for the purposes of the quorum) will be admitted.

Return date for proxies

- 4 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 9.00am UK time on 11 September 2020 (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

- 5 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 9.00am on 11 September 2020. 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

- 6 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 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

- 7 Entitlement to 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 11 September 2020 (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.
- 8 Shareholders are encouraged to vote online or by Form of Proxy in advance of the AGM this year as no shareholder (other than those designated to attend for the purposes of the quorum) will be admitted to the AGM.
- 9 Voting at the AGM will be 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.

Right to ask questions

- 10 Any shareholder entitled to attend the AGM has the right to ask questions. All questions must be submitted via email to companysecretariat@firstgroup.com. 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 9.00am to 5.00pm, 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 In light of the current UK Government advice and legislation relating to the holding of shareholder meetings, and related public health guidance, we strongly recommend that shareholders refrain from attending the 2020 AGM in person, as they will be refused entry.

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 2 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 corporate office of the Company (8th Floor, The Point, 37 North Wharf Road, London W2 1AF) and will also be available for inspection at the place of the AGM from 15 minutes before the AGM until its conclusion: (i) copies of the Executive Directors' service agreements; (ii) copies of the Non-Executive Directors' letters of appointment; (iii) a copy of the Current Articles, and (iv) a copy of the New Articles.

Notes to the Notice of Annual General Meeting

continued

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.

18 We will ensure that to the extent practicable answers to the questions submitted in advance by email to companysecretariat@firstgroup.com are published on our website at www.firstgroupplc.com.

Voting Results

19 The results of the voting at the AGM will be announced through a RIS and will appear on our website at www.firstgroupplc.com as soon as reasonably practicable.

Issued Share Capital and Total Voting Rights

20 As at 10 July 2020 (being the latest practicable date prior to the publication of this Notice of Meeting), the Company's issued share capital consists of 1,219,987,168 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 10 July 2020 (being the latest practicable date prior to the publication of this Notice of Meeting) is 1,219,829,939.

Additional information

21 Shareholders have the right to request the Company to: (i) circulate, to those entitled to receive this notice, additional resolutions to be voted on at the AGM and (ii) include other matters in the business to be dealt with at the AGM, if the shareholders meet the requirements set out in sections 338 and 338A of the 2006 Act. The Company may refuse to circulate a proposed resolution, or to include an additional matter of business, if it is defamatory, frivolous or vexatious or, in the case of a resolution, if it would be ineffective for any reason (for example, it is inconsistent with law or the Company's constitution). A request may be in electronic or paper form. It must state the proposed resolution or the additional matter of business, be authorised by the shareholders making it and be received by the Company no later than 2 August 2020, being the date six clear weeks before the meeting. A request for a matter to be included in the business of the meeting must also be accompanied by a statement setting out the grounds for the request.

Privacy

22 Personal data provided by shareholders at or in relation to the AGM (including names, contact details, votes and Shareholder Reference Numbers), will be processed in line with the Company's privacy policy which is available on our website at www.firstgroupplc.com.

Appendix 1

Directors' biographies

David Martin ^N Chairman

Appointed: 15 August 2019

Key areas of expertise: Transportation, Business Turnaround, Performance Improvement, Contracting, M&A

Skills and experience: David is the former Chief Executive of Arriva, which he joined in 1998 as board member responsible for international development before taking over the leadership of the company in 2006. During his tenure, Arriva was transformed into a multi-national transport services group through a number of key strategic mergers and acquisitions. In September 2010 the company was purchased by Deutsche Bahn, one of the world's leading passenger transport and logistics companies. David remained as Chief Executive throughout this period, before stepping down in January 2016. He remained on the Arriva Board advising on a range of issues until May 2017. He was formerly a Non-Executive Director at Ladbrokes plc and previously held roles at British Bus plc, where he was responsible for development of strategy and M&A, at shipping company Holyhead Group and at business services group Initial Services PLC. David is a chartered management accountant.

Other appointments: Senior Independent Director at Biffa plc, member of the advisory board at Nottingham Business School, and member of the steering committee at Nottingham Trent University.

Nationality: British

Matthew Gregory ^F Chief Executive

Appointed: 2015 and became Chief Executive on 13 November

Key areas of expertise: Transportation, Contracting, Corporate finance/M&A, Business Turnaround, Safety, Governance

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

Board Committees

^A Audit Committee

^B Remuneration Committee

^N Nomination Committee

^B Board Safety Committee

^F Financial Expert

● Chair

Ryan Mangold ^F Chief Financial Officer

Appointed: 2019

Key areas of expertise: Corporate finance/M&A, Business Turnaround, Pensions, Governance

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 financial discipline in the organisations he has worked at. During his time at Taylor Wimpey, Ryan played a leading and integral role in strengthening the balance sheet, driving operational improvements, rebuilding the business post the financial crisis (to become a constituent of the FTSE 100), 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 Mondi 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

David Robbie ^A ^R ^F Senior Independent Non-Executive Director

Appointed: 2018, became Senior Independent Director in May 2019 and served as Interim Chairman during July and August 2019

Key areas of expertise: Transportation, Contracting, Business Turnaround, Corporate finance/M&A, Pensions, Governance

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, Chair of the Audit Committee and member of the Nomination and Remuneration Committees of DS Smith Plc.

Nationality: British

Appendix 1

Directors' biographies

Sally Cabrini [®] [ⓑ]

Independent Non-Executive Director

Appointed: 24 January 2020

Key areas of expertise: HR, IT, Transformation

Skills and experience: Sally was NED and Chair of the Remuneration Committee of Lookers plc until 29 June 2020. Prior to that she was a senior executive at FTSE 100 constituent United Utilities plc for nine years, including four years as Business Services Director with responsibility for information technology and human resources. Sally was Director of Transformation, IT and People at Interserve Group Limited until recently. Sally is a graduate of Anglia Ruskin University and a Fellow of the Chartered Institute of Personnel and Development.

Other appointments: NED and Chair of the Remuneration Committee of Appreciate Group plc.

Nationality: British

Martha Poulter [ⓑ] [Ⓐ]

Independent Non-Executive Director

Appointed: 2017

Key areas of expertise: Transportation, Corporate finance/M&A, Business Turnaround, IT/technology, Governance

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

Warwick Brady [Ⓐ] [Ⓝ]

Independent Non-Executive Director

Appointed: 2014

Key areas of expertise: Transportation, Corporate finance/M&A, Business Turnaround, Safety, Governance

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 FTSE 100 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

Steve Gunning [Ⓐ] [Ⓔ]

Independent Non-Executive Director

Appointed: 2019

Key areas of expertise: Transportation, Corporate finance/M&A, Business Turnaround, Pensions, Safety, Governance

Skills and experience: Steve was the CFO of British Airways (BA) prior to becoming CFO of International Airlines Group (the parent company of BA) in 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: CFO of International Airlines Group; Director of IAG Global Business Services.

Nationality: British

Julia Steyn [®]

Independent Non-Executive Director

Appointed: 2019

Key areas of expertise: Transportation, Contracting, Corporate finance/M&A, Governance

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

Board Committees

[Ⓐ] Audit Committee

[ⓑ] Remuneration Committee

[Ⓝ] Nomination Committee

[ⓓ] Board Safety Committee

[Ⓔ] Financial Expert

● Chair

Appendix 2

Auditor statement of circumstances in ceasing to hold office

Deloitte.

Deloitte LLP
Hill House
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London
EC4A 3TR

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Fax: +44 (0)20 7583 0112
www.deloitte.co.uk

The Directors
FirstGroup plc – registration number SC157176
395 King Street
Aberdeen
AB24 5RP

16 July 2020

Dear Directors

FirstGroup plc

This notice confirms that we will not be seeking re-appointment as auditors of the above company at the conclusion of our current term of office.

Yours faithfully



Deloitte LLP

Statement of reasons relating to the intention of Deloitte LLP not to seek re-appointment as auditors to FirstGroup plc at the conclusion of our term of office

Following the completion of an audit tender process, in which we did not participate because of our length of tenure as FirstGroup's incumbent auditors, the directors have decided to appoint another firm as auditors.

Unless the company applies to the court, this statement of reasons is required to be brought to the attention of members or creditors of the company and must be sent by the company within 14 days to every person entitled under Section 423 of the Companies Act 2006 to be sent copies of the company's accounts. This is a requirement of Section 520(2) of that Act.

Deloitte LLP – Audit registration C009201919

16 July 2020

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 1 New Street Square, London, EC4A 3HQ, United Kingdom.

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Appendix 3

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

Reappointment of Directors

In line with the requirements of the UK Corporate Governance Code, the New Articles require directors to retire (and should they wish to remain in office, seek re-election) at each annual general meeting. This requirement does not apply to directors in their first year of appointment who were appointed in the period between the AGM notice being issued and the AGM itself. This confirms existing Company practice.

Directors below minimum through vacancies

The Existing Articles provide that where the number of continuing directors falls below the minimum number or the number required for quorum of the board, they may only act either to appoint further directors themselves or summon general meetings. The New Articles provide greater flexibility as they allow continuing directors or a sole continuing director to act notwithstanding any vacancy (including to fill vacancies and summon general meetings for the purpose of appointing further directors). The Board considers it prudent to provide the directors with increased flexibility to ensure that the Company has a functioning board at all times.

Operation of general meetings

The New Articles provide that the Company may hold 'hybrid' general meetings (including annual general meetings) in such a way that enables members to attend and participate in the business of the meeting by attending a physical location or by attending by means of an electronic facility. Voting at hybrid meetings will, by default, be decided on a poll. Hybrid meetings may be adjourned in the event of a technological failure.

The New Articles allow the Company, where appropriate, to make changes to the arrangements for general meetings (including the introduction, change or cancellation of electronic facilities) after notice of the meeting has been issued. The Company may give notice of any such changes in any manner considered appropriate (rather than via an advertisement in two national newspapers). The New Articles also explicitly allow the Company to introduce health and safety arrangements at its meetings.

These changes were introduced to provide the Board greater flexibility to align with technological advances, changes in investor sentiment and evolving best practice, particularly in light of the outbreak of COVID-19. In line with the views expressed by the Investment Association and Institutional Shareholder Services, the changes will not permit meetings to be held exclusively on an electronic basis, so a physical meeting will still be required. In deciding whether to hold a hybrid general meeting in future, the Company will have regard to the views of shareholders and institutional governance bodies at the relevant time.

These changes are primarily contained in articles 47, 48, 50 and 53 in the New Articles. A number of other consequential amendments have been made to the New Articles.

Strategic reports and supplementary material

The Companies Act 2006 and the Companies (Receipt of Accounts and Reports) Regulations 2013 allow the Company to send a copy of its strategic report with supplementary material instead of its full accounts to a member who has elected or tacitly agreed to receive these documents, provided that the Company is not prohibited from doing so in its articles. Article 125 is intended to make it clear there is no such prohibition. Shareholders should note that they can always view the full annual report on the Company's website or request a hard copy from the Company's registrar.

Payment procedure

The New Articles give the Board greater flexibility to determine the appropriate method(s) it pays dividends (and other sums) to shareholders. This flexibility will help the Board take account of developments in market practice and keep down the administrative cost of making payments. The New Articles also provide that where a payment cannot be made because a shareholder has not provided valid account details to the Company, that amount will be treated as unclaimed until the shareholder provides those details.

Scrip dividends

The New Articles decrease the period for which shareholders can authorise directors, by ordinary resolution, to offer scrip dividends from five to three years. This amendment is in line with corporate governance best practice as stipulated by Investment Association guidelines. The Company does not currently intend to pay a scrip dividend.

Forfeiture of unclaimed dividends

The Existing Articles provide that if a dividend or other payment due to members has not been claimed for twelve years after being declared or becoming due, it will be forfeited to the Company. Article 118 of the New Articles reduces this period from twelve to six years.

Untraced shareholders

The New Articles amend the position in relation to untraced shareholders. Rather than requiring the Company to take out two newspaper advertisements, the New Articles require the Company to use reasonable efforts to trace the shareholder. 'Reasonable efforts' to trace a shareholder may include, if considered appropriate, the Company engaging a professional asset reunification company or other tracing agent to search for a shareholder who has not kept their shareholder details up to date.

In addition, the New Articles provide that money from the sale of the shares of an untraced shareholder will be forfeited if not claimed after two years, rather than six years.

These changes reflect best practice and provide the Company with appropriate flexibility in connection with locating untraced shareholders.

Sub-division of shares

The New Articles clarify that any shares resulting from a sub-division of the Company's existing shares may, in addition to having any preference or advantage as compared with the Company's other shares, also have deferred or other rights. This change makes administering any sub-division of shares more straightforward.

General

The opportunity has also been taken to make a number of small technical or tidy up amendments to the Existing Articles including to update the articles to remove the requirement for overseas shareholders to supply a postal address within the United Kingdom in order to be sent notices, documents and other information by the Company.

The New Articles also contain a number of non-substantive stylistic and grammatical changes (for instance, to replace the term 'Chairman' with gender neutral references to the 'Chair').

Minor, technical or clarifying changes to the articles or changes that have been made to remove provisions in the Existing Articles which duplicate English company law have not been set out in these explanatory notes.

Registered office

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Registered in Scotland
number SC157176

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