

## This document is important and requires your immediate attention

If you are in any doubt about the contents of this document or the actions you should take, you should seek your own advice immediately from a stockbroker, solicitor, accountant or other professional adviser duly authorised under the Financial Services and Markets Act 2000, or if you are not resident in the UK, from another appropriately authorised professional adviser in your own jurisdiction.

If you have sold or otherwise transferred all of your National Express Group PLC shares, please forward this document, together with the accompanying documents (but not the personalised Form of Proxy), as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

## Chairman's Letter to Shareholders and Notice of Annual General Meeting

Dear Shareholder

I am pleased to invite you to our 2014 Annual General Meeting (the 'Meeting' or 'AGM'), which will be held at 2.00pm on Wednesday 14 May 2014 at Hall 5, International Convention Centre, Broad Street, Birmingham B1 2EA. We have decided to hold the AGM in Birmingham this year as it is one of the heartlands of our business and to give the opportunity for a greater number of shareholders to attend the meeting.

The AGM provides an opportunity for shareholders of the Company to meet the Board of Directors and senior management. The formal notice of the AGM is set out on pages 3 to 5 of this document (the 'Notice'). Explanatory notes on the business to be considered at the AGM are on pages 6 to 11 of this document.

### Your vote is important to us. You can vote by:

- i) submitting your vote electronically via the website of our registrars, Equiniti, at [www.sharevote.co.uk](http://www.sharevote.co.uk); or
- ii) completing, signing and returning a proxy form to Equiniti as soon as possible and, in any event, to arrive no later than 2.00pm on Monday 12 May 2014; or
- iii) by attending and voting at the AGM.

As a reminder to participants of the Travel West Midlands Share Incentive Plan, please be advised that you are only entitled to attend the AGM or appoint a proxy if you are a shareholder in your own right. However, you may direct the Trustee of the Plan as to how you would like your votes to be cast by lodging your votes online at [www.sharevote.co.uk](http://www.sharevote.co.uk). You will need your voting ID, task ID and SIP reference number shown on the voting instruction card sent to you.

For those attending the AGM, an interactive electronic voting system will provide an immediate display of poll results. The results from this interactive electronic voting system will reflect both proxy votes submitted prior to the Meeting and the votes cast by those shareholders present. The results of the voting on the resolutions will be available at the Meeting and will, shortly afterwards, be announced to the London Stock Exchange and published on the Company's website at [www.nationalexpressgroup.com](http://www.nationalexpressgroup.com).

### Recommendation

#### Resolutions 1 to 21

The Board of Directors believe that resolutions 1 to 21 to be considered at the AGM will promote the success of and are in the best interests of the Company and its members as a whole.

**Your Board therefore unanimously recommends that you vote in favour of resolutions 1 to 21 inclusive.**

#### Resolution 22 – Requisitionists' resolution

**The Board recommends that you vote AGAINST this resolution.**



View National Express Group PLC's Report and Accounts for the year ended 31 December 2013 and Notice of Annual General Meeting on the Company's website at [www.nationalexpressgroup.com](http://www.nationalexpressgroup.com)

A group of shareholders have requisitioned the putting forward of a special resolution to this year's AGM and the circulation of a supporting statement, in accordance with sections 314 and 338 of the Companies Act 2006. As this is a special resolution, it will require 75% of the votes cast at the meeting to be in favour of it in order for it to be passed and become effective.

The resolution is set out on page 5 of this document and the accompanying company statement can be found on pages 10 to 11.

The resolution is principally proposing that the remit of the Safety and Environment Committee is broadened to cover corporate responsibility and particularly the Group's human capital strategy.

The Board and I have considered the resolution and we do not believe that the suggested changes to our governance structures should be adopted.

We believe that the balance between the work of the Safety and Environment Committee and the whole Board on the areas of Safety, People and Community is both correct and effective. Our procedures are very much in line with how other UK public companies operate. Resolution 22 is based on the flawed assumption that National Express' People and Workplace Rights policies are failing. In fact, they are delivering important results.

Since our Driving Out Harm Safety Programme was launched in 2010, Group responsible major injuries have fallen by 48%, total employee injuries are down by 39% and preventable accidents have reduced by 21%. The Driving Out Harm programme is also reviewed annually by independent assessors from Arthur D Little. Their 2013 review found significant progress in safety performance and the further strengthening of safety leadership and upgrading of processes for controlling key risks.

As with every division of National Express, our North American division's priority is safety. We have again demonstrated real progress, with for example employee injuries down 25% over the last three years.

We launched a new People strategy – incorporating our Workplace Rights Policy – in 2011. Our Workplace Rights Policy is drawn directly from the relevant international conventions including the UN Declaration on Human Rights. Our Workplace Rights Policy protects the freedom of association right of all employees.

I am delighted that VaLUENTIS, who conduct our UK employee surveys as well as for many other transport companies, report that our engagement scores are sector leading in rail and bus/coach. Our corporate employee scores are also amongst the highest they have recorded for any division or company. Our latest US employee survey showed that 89% of employees responding enjoyed working for the Company. Amongst similar companies in the US, this is an exceptional result.

I can assure you that corporate responsibility is something that your Board takes seriously. We aim to have a positive impact in the communities in which we operate and in our engagement with stakeholders. I am glad that this proactive, positive approach – rooted in our Vision and Values – is receiving widespread and significant stakeholder support. There are a number of examples provided in the Annual Report and Accounts. We also publish up to date information on our policies, procedures and progress on our corporate website ([www.nationalexpressgroup.com](http://www.nationalexpressgroup.com)). It is a useful source of information and I would recommend it to you.

Shareholders who have attended prior annual meetings will recall the depths of the Board's familiarity with the issues of workplace rights and employee safety, and the extensive attention and oversight that the Board has provided.

Your Board believes that the significant progress of recent years demonstrates the effectiveness of our existing policies and governance procedures and remain confident they will continue to deliver further improvements in the years ahead.

The Board of Directors believe that resolution 22 will not promote the success of and is not in the best interests of the Company and its members as a whole.

**Your Board therefore strongly recommends that shareholders vote AGAINST resolution 22.**

The Directors and I look forward to seeing as many of you as possible at our meeting and we thank you for your continued support.

Yours sincerely



**Sir John Armitt, CBE**  
Chairman

# Notice of Annual General Meeting

Notice is hereby given that the 2014 AGM of National Express Group PLC (the 'Company') will be held at 2.00pm on Wednesday 14 May 2014 at Hall 5, International Convention Centre, Broad Street, Birmingham B1 2EA for the transaction of the following business.

**The Board recommends that you vote in favour of resolutions 1 to 21 inclusive, and AGAINST resolution 22.**

## ORDINARY RESOLUTIONS

### Report and Accounts

1. To receive and adopt the accounts of the Company for the year ended 31 December 2013 and the reports of the Directors and auditor thereon.

### Remuneration Report

2. To approve the Directors' Remuneration Policy report, which forms the first part of the Directors' Remuneration Report for the year ended 31 December 2013.
3. To approve the Annual Report on Remuneration, which forms the second and final part of the Directors' Remuneration Report for the year ended 31 December 2013.

### Dividend

4. To declare a final dividend of 6.75 pence per share in respect of the financial year ended 31 December 2013.

### Directors

5. To re-elect Sir John Armit as a Director of the Company.
6. To re-elect Joaquín Ayuso as a Director of the Company.
7. To re-elect Jorge Cosmen as a Director of the Company.
8. To re-elect Dean Finch as a Director of the Company.
9. To re-elect Sir Andrew Foster as a Director of the Company.
10. To re-elect Jackie Hunt as a Director of the Company.
11. To elect Jane Kingston as a Director of the Company.
12. To re-elect Jez Maiden as a Director of the Company.
13. To re-elect Chris Muntwyler as a Director of the Company.
14. To re-elect Elliot (Lee) Sander as a Director of the Company.

### Auditors

15. To re-appoint Deloitte LLP as the auditor of the Company, until the conclusion of the next general meeting of the Company at which accounts are laid.
16. To authorise the Directors to agree and set the remuneration of the auditor.

### Authority to allot shares

17. That the Directors be generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the 'Act'), to exercise all powers of the Company 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 (within the meaning of section 551(3) and (6) of the Act) of £8,528,977.47 (such amount to be reduced by the nominal amount allotted or granted under (b) below in excess of such sum); and

- (b) comprising equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount (within the meaning of section 551(3) and (6) of the Act) of £17,057,954.93 (such amount to be reduced by any allotments or grants made under (a) above) in connection with or pursuant to an offer by way of a rights issue in favour of (i) holders of ordinary shares in proportion (as nearly as practicable) to the respective number of ordinary shares held by them on the record date for such allotment and (ii) holders of any other class of equity securities entitled to participate therein or, if the Directors consider it necessary, as permitted by the rights of those securities, but in either case subject to such exclusions or other arrangements as the Directors may consider necessary or appropriate to deal with fractional entitlements, treasury shares, record dates or legal, regulatory or practical difficulties which may arise under the laws of, or the requirements of any regulatory body or stock exchange in, any territory or any other matter whatsoever,

These authorisations to expire at the conclusion of the next Annual General Meeting of the Company (or, if earlier, on 30 June 2015) save that the Company may before such expiry make any offer or agreement which would or might require shares to be allotted or rights to be granted after such expiry and the Directors may allot shares, or grant rights for, or to convert any security into, shares, in pursuance of any such offer or agreement as if the authorities conferred hereby had not expired.

#### **Authority to make political donations**

18. To authorise the Company and all companies that are its subsidiaries at any time during the period for which this resolution is effective, in accordance with sections 366 and 367 of the Companies Act 2006 (the 'Act') to:

- (a) make political donations to political parties and/or independent election candidates;
- (b) make political donations to political organisations (other than political parties); and
- (c) incur political expenditure,

in a total aggregate amount not exceeding £100,000 during the period beginning with the date of the passing of this resolution and ending at the conclusion of the next annual general meeting of the Company (or, if earlier, on 30 June 2015). For the purposes of this resolution 'political donation', 'political party', 'political organisation', 'independent election candidate' and 'political expenditure' are to be construed in accordance with sections 363, 364 and 365 of the Act.

#### **SPECIAL RESOLUTIONS**

##### **Disapplication of pre-emption rights**

19. That, subject to the passing of resolution 17 above, the Directors be given power pursuant to sections 570(1) and 573 of the Companies Act 2006 (the 'Act') to:

- (a) allot equity securities (as defined in section 560 of the Act) of the Company for cash pursuant to the authority conferred by resolution 17 above; and
- (b) sell ordinary shares (as defined in section 560(1) of the Act) held by the Company as treasury shares for cash,

as if section 561 of the Act did not apply to any such allotment or sale, provided that this power shall be limited to the allotment of equity securities for cash and the sale of treasury shares:

- (i) in connection with or pursuant to an offer of or invitation to acquire equity securities (but in the case of the authority granted under resolution 17(b), by way of a rights issue only) in favour of holders of ordinary shares in proportion (as nearly as practicable) to the respective number of ordinary shares held by them on the record date for such allotment or sale (and holders of any other class of equity securities entitled to participate therein or, if the Directors consider it necessary, as permitted by the rights of those securities) but subject to such exclusions or other arrangements as the Directors may consider necessary or appropriate to deal with fractional entitlements, treasury shares, record dates or legal, regulatory or practical difficulties which may arise under the laws of, or the requirements of any regulatory body or stock exchange in, any territory or any other matter whatsoever; and
- (ii) in the case of the authorisation granted under resolution 17(a) above (or in the case of any sale of treasury shares), and otherwise than pursuant to paragraph (i) of this resolution, up to an aggregate nominal amount of £1,279,346.62, and shall expire at the conclusion of the next annual general meeting of the Company (or, if earlier, on 30 June 2015), save that the Company may before such expiry make any offer or agreement that would or might require equity securities to be allotted, or treasury shares to be sold, after such expiry and the Directors may allot equity securities, or sell treasury shares, in pursuance of any such offer or agreement as if the power conferred hereby had not expired.

##### **Authority to purchase own shares**

20. That the Company be generally and from time to time unconditionally authorised for the purposes of section 701 of the Companies Act 2006 (the 'Act') to make market purchases (within the meaning of section 693(4) of the Act) of the Company's ordinary shares on such terms and in such manner as the Directors shall determine, provided that:

- (a) the maximum aggregate number of ordinary shares which may be purchased is 51,173,864.80, representing approximately 10% of the issued share capital of the Company as at 11 March 2014;

- (b) the minimum price which may be paid for each ordinary share is 5 pence which amount shall be exclusive of expenses, if any;
- (c) the maximum price (exclusive of expenses) which may be paid for each ordinary share is an amount equal to the higher of (i) 105% of the average middle market quotations of the Company's ordinary shares, as derived from the Daily Official List published by the London Stock Exchange plc for the five business days prior to the date on which such share is contracted to be purchased; and (ii) the higher of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out, as stipulated by Article 5(1) of the European Union Buyback and Stabilisation Regulation 2003 (No. 2273/2003);
- (d) unless previously renewed, revoked or varied, this authority shall expire at the close of the next annual general meeting of the Company (or, if earlier, on 30 June 2015); and
- (e) the Company may, before this authority expires, make a contract to purchase shares which would or might be executed wholly or partly after the expiry of this authority, and may make purchases of shares pursuant to it as if this authority had not expired.

#### Notice of general meetings

21. That a general meeting of the Company (other than an annual general meeting) may be called on not less than 14 clear days' notice.

#### Requisitionists' resolution

#### **The Board recommends that you vote AGAINST resolution 22.**

A group of shareholders requisitioned the circulation of the following resolution. The supporting statement, supplied by the requisitionists, together with the Board's reasons for advising that shareholders vote against the resolution, are set out on pages 9 to 11.

22. We, the undersigned, being 100 members holding shares in the company on which there has been paid up an average sum, per member, of not less than £100 per member, hereby require you, in accordance with section 314 of the Companies Act 2006, to give members of the company entitled to receive notice of the next Annual General Meeting notice of the following resolution, being a resolution that may properly be moved and is intended to be moved at that meeting, and to circulate to members receiving that notice a copy of the annexed statement with respect to the matters referred to in that resolution:

That National Express Group PLC Board of Directors should take the following steps within the next six months to develop a robust and transparent oversight for the company's corporate responsibility strategy and policies by

1. Including oversight of the National Express's human capital strategy in the portfolio of the Board's Safety and Environmental Committee to
  - a. Guide the integration of its safety, environment, people and community strategies;
  - b. Ensure that policies, key performance indicators, and practices are aligned;
  - c. Rename the committee to reflect its expanded responsibility.
2. Adopting and ensuring the implementation, enforcement, and monitoring of a meaningful and enforceable company-wide workplace human rights policy that is designed to:
  - a. Minimise the risks to shareholder value that could arise from unsatisfactory labour relations outcomes such as work stoppages, reputational harm, poor employee morale, high employee turnover, or high levels of internal or external conflict;
  - b. Ensure compliance with the International Labour Organization's Declaration on Fundamental Principles and Rights at Work ('ILO Declaration'), including the right of employees to establish and join independent trade unions and to bargain collectively (ILO Convention 87 and 98), the protections against discrimination or interference by employers in the exercise of those rights (ILO Convention 98), and the protections against discrimination in employment (ILO Conventions 100 and 111);
  - c. Encourage the resolution of and prevention of labour problems that could be disruptive to financial performance.
3. That the Board report annually to shareholders, as well as to other stakeholders within the Company, concerning implementation of this policy, prepared at reasonable cost and omitting proprietary information. Such a report shall be based by means of assessment determined by the Board, subject to independent verification, and shall include a discussion of and deficiencies in the company's labour practices that could result in non-compliance with the ILO Declaration, perceptions by important stakeholders of non-compliance with the ILO Declaration, or avoidable labour conflict.

By order of the Board



**Michael Hampson**  
Company Secretary

18 March 2014

# Explanatory notes to the resolutions

These notes explain the proposed resolutions.

Resolutions 1 to 18 (inclusive) are proposed as ordinary resolutions which means that for each of those resolutions to be passed, more than half the votes must be cast in favour of the resolution. Resolutions 19 to 22 inclusive are proposed as special resolutions which means that for each of those resolutions to be passed, at least 75% of the votes cast must be in favour of the resolution.

**The Board recommends that you vote in favour of resolutions 1 to 21 inclusive, and AGAINST resolution 22.**

## ORDINARY RESOLUTIONS

### Resolution 1 – Annual Report and Accounts

The Directors are required to present to the AGM the Company's audited accounts and the reports of the Directors and the auditor of the Company for the year ended 31 December 2013 (the '2013 Annual Report'). The full Annual Report and Accounts may be accessed on the Company's website ([www.nationalexpressgroup.com](http://www.nationalexpressgroup.com)) or, alternatively, a copy may be obtained by writing to the Company Secretary at National Express Group PLC, National Express House, Birmingham Coach Station, Mill Lane, Digbeth, Birmingham B5 6DD.

### Resolutions 2 and 3 – Directors' Remuneration Report

Resolutions 2 and 3 seek shareholder approval for the Directors' Remuneration Policy report and the Annual Report on Remuneration, which together form the Directors' Remuneration Report. The Directors' Remuneration Report can be found on pages 68 to 87 of the 2013 Annual Report. New regulations came into force in the UK on 1 October 2013 which require the Company to offer shareholders a binding vote on the Company's forward looking remuneration policy (which we have set out this year in the Directors' Remuneration Policy report) and a separate advisory vote on the implementation of the Company's existing remuneration policy in terms of the payments and share awards made to Directors during the year (which we have described this year in the Annual Report on Remuneration). Resolution 2 seeks shareholder approval for the Directors' Remuneration Policy report, which forms the first part of the Directors' Remuneration Report and which can be found on pages 69 to 77 of the 2013 Annual Report. This report sets out the Company's future policy on Directors' remuneration, including the setting of the Directors' pay and the granting of share awards. Resolution 3 seeks shareholder approval for the Annual Report on Remuneration, which forms the second and final part of the Directors' Remuneration Report and which can be found on pages 78 to 87 of the 2013 Annual Report.

### Resolution 4 – Final dividend

The Directors recommend a final dividend of 6.75 pence per ordinary share for the financial year ended 31 December 2013. The final dividend cannot exceed the amount recommended by the Directors. If approved by shareholders, the final dividend will be paid on 23 May 2014 to all shareholders on the register of members as at the close of business on 2 May 2014.

### Resolutions 5 to 14 – Election of Directors

In accordance with the UK Corporate Governance Code, each current Director will stand for election or re-election at the AGM.

Biographies of each Director proposed to be elected or re-elected are below and on the Company's website at [www.nationalexpressgroup.com](http://www.nationalexpressgroup.com). The Board considers annually the performance of all the Directors. Following this review the Board believes the performance of all the Directors standing for re-election continues to be effective and that they demonstrate commitment to their roles. The Board therefore recommends each Director for re-election.

#### Sir John Armit, Chairman

Sir John Armit is currently Deputy Chairman of Berkeley Group Holdings plc, Chairman of City and Guilds, Chairman of the Olympic Delivery Authority and a member of the Transport for London Board. Sir John was Chairman of the Engineering and Physical Science Research Council until 31 March 2012. From 2001 to 2007 he was Chief Executive of Network Rail and its predecessor, Railtrack. In 1997 he was appointed as Chief Executive of Costain Group plc, a position he held until 2001. Before this Sir John was Chief Executive of Union Railways, the company responsible for development of the high speed Channel Tunnel Rail Link. This followed a 27 year career at John Laing plc.

#### Joaquín Ayuso, Independent Non-Executive Director

Joaquín Ayuso is Board Vice Chairman for Ferrovial, the €12 billion Spanish transport infrastructure and services group that employs over 70,000 people worldwide. He has been with Ferrovial since 1981 and was appointed CEO in 2002 and held that position until October 2009. During this period Ferrovial expanded internationally with business interests in the UK, US, Canada, Latin America and Europe. He is currently a Non-Executive Director of Bankia, Chairman of the board of Ausol in Spain and Senior Advisor to AT Kearney in Spain and Portugal.

### **Jorge Cosmen, Deputy Chairman**

Jorge Cosmen was appointed to the Board at the time of the ALSA transaction. He was appointed Deputy Chairman in October 2008. He was Corporate Manager for the ALSA Group from 1995, becoming Chairman in 1999. Between 1986 and 1995, he worked in sales, distribution and banking. He is a Business Administration graduate and has an International MBA from the Instituto de Empresa in Madrid. He is Non-Executive Director of Bankia, as well as of other private companies.

### **Dean Finch, Group Chief Executive**

Prior to joining National Express, Dean Finch was Group Chief Executive of Tube Lines from June 2009. Before that he worked for over 10 years in senior roles within FirstGroup plc. He joined FirstGroup in 1999 having qualified as a Chartered Accountant with KPMG, where he worked for 12 years specialising in Corporate Transaction Support Services, including working for the Office of Passenger Rail Franchising on the privatisation of train operating companies. At FirstGroup, he was Managing Director of the Rail Division from 2000-2004 and then was appointed to the main board as Group Commercial Director in 2004, before being made Group Finance Director. With the completion of the Laidlaw acquisition he became Chief Operating Officer in North America before returning to the UK as Group Chief Operating Officer.

### **Sir Andrew Foster, Non-Executive Director**

Sir Andrew has had an extensive career in the public sector, having served as Chief Executive of the Audit Commission for England and Wales between 1992 and 2003. Before this, he was Deputy Chief Executive of the NHS and Regional CEO for Yorkshire. He currently works for Royal Bank of Canada and is Chairman of the Commonwealth Games England. He is also Non-Executive Director at PruHealth. Sir Andrew has conducted independent reviews for the Government into the Intercity Express Project, the Building Colleges for the Future programme, and previously into Further Education and the Future of Athletics.

### **Jackie Hunt, Independent Non-Executive Director (appointed Senior Independent Director from 26 February 2014)**

Jackie Hunt was appointed Chief Executive of Prudential UK & Europe in September 2013. She joined Prudential from Standard Life where she was Chief Financial Officer. Prior to this, Jackie held a number of senior financial management positions in companies including Norwich Union Insurance, Aviva, Hibernian Group, Royal & SunAlliance and PricewaterhouseCoopers. Jackie was also Chair of the Association of British Insurers' Prudential Financial and Taxation Committee. Jackie was appointed Senior Independent Director and Chair of the Audit Committee from 26 February 2014.

### **Jane Kingston, Independent Non-Executive Director**

Jane Kingston is currently Group Human Resources Director at Compass Group PLC and was previously Group Human Resources Director at BPB PLC. Prior to this Jane has worked in a variety of sectors including roles in Blue Circle Industries PLC, Enodis PLC and Coats Viyella PLC. Jane was appointed a Non-Executive Director on 26 February 2014.

### **Jez Maiden, Group Finance Director**

Jez Maiden was formerly Chief Finance Officer at Northern Foods plc. Prior to that, he was Group Finance Director of British Vita plc, Director of Finance of Britannia Building Society and Group Finance Director of Hickson International plc. He is currently a Non-Executive Director of Synthomer PLC and is a Fellow of the Chartered Institute of Management Accountants.

### **Chris Muntwyler, Independent Non-Executive Director**

Chris Muntwyler is CEO and Chairman of the Swiss Management Consulting company Conlogic Ltd. He is also Non-Executive Director of Panalpina World Transport (Holding) Ltd. (Switzerland) and the Austrian Post Ltd (Austria). During his 27 years at Swissair he held top executive positions in Switzerland, Sweden and North America. In 1999 he joined DHL Express serving as Managing Director of Switzerland, Germany and Central Europe and from 2005 to 2008 as CEO of DHL Express (UK) Ltd based in London.

### **Lee Sander, Independent Non-Executive Director**

Elliot (Lee) Sander is President and Chief Executive Officer of the HAKS Group, Inc. An American citizen, he was recently Executive Director and CEO for the New York Metropolitan Transportation Authority and has served as Commissioner for the New York City Department of Transportation. Lee is Chairman of the Regional Plan Association, a prominent NGO based in New York that has played a highly influential role in driving public policy and investments in the New York Metropolitan area over the last 80 years. He has also played a very active role on the National Surface Transportation Infrastructure Finance Commission, having been appointed by the United States Congress in 2006.

### **Resolutions 15 and 16 – Re-appointment and remuneration of the auditor**

Shareholders are required to re-appoint the auditor at each general meeting at which audited accounts are presented to shareholders. Resolution 15 proposes the re-appointment of Deloitte LLP as auditor of the Company until the conclusion of the Company's next general meeting at which accounts are laid. It is normal practice for the Directors to be authorised to determine the level of the auditor's remuneration for the ensuing year. Resolution 16 proposes to give such authority to the Directors in respect of the auditor.

### **Resolution 17 – Authority to allot shares**

The Directors of a company may allot shares and rights to subscribe for, or convert any security into, shares only if authorised to do so by shareholders.

The same authorities granted at the last AGM are due to expire at this year's AGM. Accordingly, resolution 17 will be proposed as an ordinary resolution to grant new authorities to allot shares and rights to subscribe for, or convert any security into, shares. If given, these authorities will expire at the conclusion of the AGM of the Company in 2015 (or, if earlier, on 30 June 2015).

Paragraph (a) of resolution 17 will allow the Directors to allot ordinary shares up to a maximum nominal amount of £8,528,977.47, representing approximately one third of the Company's existing issued share capital as at 11 March 2014, being the latest practicable date prior to publication of this Notice. In accordance with the latest institutional guidelines issued by the Association of British Insurers (the 'ABI'), paragraph (b) of resolution 17 will also allow Directors to allot, including the ordinary shares referred to in paragraph (a) of resolution 17, further ordinary shares in connection with a pre-emptive offer by way of a rights issue to ordinary shareholders up to a maximum nominal amount of £17,057,954.93, representing approximately two thirds of the Company's existing issued share capital calculated as at 11 March 2014.

The Directors do not have any current intention to exercise these authorities. However, the Directors consider it appropriate to maintain the flexibility that these authorities provide. It is intended to renew this authority at successive AGMs. The Company does not currently hold any of its shares in treasury. If the Directors do exercise the authority conferred by resolution 17(b), the Directors intend to follow best practice as regards its use as recommended by the ABI.

### **Resolution 18 – Authority to make political donations**

Part 14 of the Act, amongst other things, prohibits the Company and its subsidiaries from making political donations or from incurring political expenditure in respect of a political party or other political organisation or an independent election candidate unless authorised by the Company's shareholders. Aggregate donations made by the Company and its subsidiaries of £100,000 or less in any 12 month period will not be caught.

It remains the Company's policy not to make any political donations or incur any political expenditure and neither the Company nor any of its subsidiaries has any intention of using the authority for this purpose. However, the Act defines "political party", "political organisation", "political donation" and "political expenditure" very widely and the Company or any of its subsidiaries may incur expenditure such as advertising, sponsorship or attendance at events organised by political parties, or the hiring of stands and exhibition space at national and regional political conferences which may fall within the wide definitions. Accordingly, the Company wishes to ensure that neither it nor any of its subsidiaries inadvertently commits any breaches of the Act and resolution 18 seeks authority for the Company and its subsidiaries to incur such expenditure up to a maximum of £100,000 in aggregate.

## **SPECIAL RESOLUTIONS**

### **Resolution 19 – Disapplication of pre-emption rights**

The Directors require additional authority from shareholders to allot equity securities of the Company or sell treasury shares where they propose to do so for cash and otherwise than to existing shareholders pro rata to their holdings. The authority granted at the last AGM is due to expire at this year's AGM. Accordingly, resolution 19 will be proposed as a special resolution to grant such authority. Apart from offers or invitations in proportion to the respective number of shares held, the power will be limited to the allotment of equity securities and sale of treasury shares for cash up to an aggregate nominal value of £1,279,346.62 which represents approximately 5% of the issued share capital of the Company as at 11 March 2014, being the latest practicable date before publication of this Notice. If given, this authority will expire at the conclusion of the AGM of the Company in 2015 (or, if earlier, on 30 June 2015). The Directors will have due regard to institutional guidelines in relation to any exercise of this power, in particular the requirement for advance consultation and explanation before making any non pre-emptive cash issue pursuant to this resolution which exceeds 7.5% of the Company's issued share capital (including treasury shares) in any rolling three-year period.

### **Resolution 20 – Authority to purchase own shares**

The Company may buy its own shares with the authority of shareholders. Resolution 20, which will be proposed as a special resolution, seeks to renew the current authority given at the 2013 AGM of the Company until the conclusion of the AGM in 2015 (or, if earlier, until 30 June 2015). The resolution specifies the maximum number of shares that may be purchased, which represents approximately 10% of the Company's issued share capital, as at 11 March 2014, being the latest practicable date before publication of this Notice. Resolution 20 also specifies the highest and lowest prices at which shares may be purchased by the Company under this authority.

Any shares purchased under this authority will either be treated as cancelled or held as treasury shares. Listed companies, with authorisation from shareholders, may buy and hold their own shares in treasury instead of cancelling them immediately. Shares held as treasury shares can in the future be cancelled, re-sold or used to provide shares for employee share schemes. No dividends are paid on shares whilst held in treasury and no voting rights attach to treasury shares.

For information, as at the date of this Notice, there were 254,114 options outstanding over the Company's shares representing approximately 0.05% of the issued share capital of the Company. The same authority given at the 2013 AGM was not used during the year and the Directors have no present intention of exercising the authority conferred by resolution 20. The authority is being sought in order to preserve flexibility and if resolution 20 is approved, this authority will be used only if it is likely to lead to an increase in earnings per share and the Directors are satisfied that this is in the best long-term interests of the shareholders.

### **Resolution 21 – Notice of general meetings**

The Act, as amended by the Companies (Shareholders' Rights) Regulations 2009, requires the Company to give at least 21 clear days' notice for a general meeting of the Company unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days. (AGMs must continue to be held on at least 21 clear days' notice.) Resolution 21, which will be proposed as a special resolution, seeks shareholder approval to preserve the ability of the Company to call general meetings, other than annual general meetings, on at least 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.

The flexibility offered by this resolution will be used where, taking into account the circumstances, the Directors consider this appropriate in relation to the business to be considered at the meeting in question and where it is thought to be to the advantage of shareholders as a whole.

The changes to the Act mean that in order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting.

### **Resolution 22 – Requisitionists' resolution**

This is the resolution that has been requisitioned by a group of shareholders, their accompanying statement is below.

For the reasons set out in the Chairman's letter, on page 1 and the Company's statement on pages 10 to 11, **your Board recommends that you vote against this resolution.**

#### **REQUISITIONISTS' STATEMENT**

National Express should expand the responsibility of the Board's Safety and Environmental Committee to reflect the board's vision of core values: Safety, Customers, People and Community.

- National Express directly employs more than 35,000 people worldwide and states that its "employees are core to enabling National Express to consistently deliver high performing services". The gap between what our company is saying and allocating in terms of Board responsibility is particularly apparent in the area of human capital and workplace rights. While safety is an important indicator of human capital management, no Board committee seems to be responsible for our company's overall corporate responsibility strategy.
- We believe that the investment in human capital at a transportation company is important to drive business performance. Strong human capital practices can impact on future shareholder returns. Given the stakes involved in the Board's apparent lack of allocation of clearly defined responsibility for human capital investment needs to be addressed to ensure that our company's people strategy is aligned to advance the overall business strategy.

Our company would benefit from a dedicated Board committee that could ensure that all core values receive sufficient attention.

#### **The proposed Board committee is particularly important in light of what appears to be a pattern of mounting risks at the company's operations.**

- We have received many reports of concerns by workers and their unions that National Express, through United States (U.S.) subsidiary, Durham School Services (Durham) continues to fail in its duties to adequately respect and protect international human rights standards.
- We also note the many instances in which a regional office of the U.S. National Labor Relations Board (NLRB) considered that the issuance of a formal complaint against Durham was a necessary response to correct concerns over the company's anti-union behaviour. The company was able to avoid NLRB rulings by last minute informal settlements, but we believe that they do not satisfactorily address the situation.<sup>4</sup>
- Equally concerning is that concerns regarding a senior executive were raised in the complaints for perceived behaviour that included "creating, authorizing and/or condoning a coercive environment by allowing threats that continued employment and union activity were incompatible, without disavowing comments."<sup>5</sup>

<sup>4</sup> Examples of informal settlements reached in the following NLRB cases: 05-CA-088893; 05-CA-088894; 05-CA089702, 4-CA-36507; 13-CA-44276; 13-CA-46767; 19-CA-28695; 19-CA-28915; 28-CA-21492; 28-CA-21545; 28-CA-21565; 28-CA-19360; 28-CA-19391; 30-CA-16771-1; 30-CA-16713-1; 30-CA-16721-1; 30-CA-16786-1; 30-CA-16787-1; 34-CA-12447

<sup>5</sup> NLRB issued complaints named a senior executive in the following cases: 15-CA-106217; 15-CA-106221; 6-CA-32543; 6-CA-32625; 6-CA-32702; 13-CA-44276; 30-CA-15546; 30-CA-15687; 30-CA-15690; 30-CA-15701; 30-CA-15857; 30-CA-15863; 30-CA-15864; 30-CA-16159; 30-CA-16144; 30-CA-16710-1; 30-CA-16711-1; 30-CA-16713-1 and 30-CA-167121-1. NLRB issued complaint named John Elliot, former interim CEO and current top executive in charge of customer and employee relations, in the following consolidated cases: 30-CA-16710-1; 30-CA-16711-1; 30-CA-16713-1 and 30-CA-16721-1.

- In likely consequence, for example, after Valley View School District, Illinois, provisionally accepted Durham as their preferred bidder for a three year contract worth over \$37 million in 2012, the drivers and aides, rather than seek employment with Durham, requested their union to negotiate sufficient contractual concessions that enabled the School District to retain the work in-house and cancel their plans to work with Durham.<sup>6</sup>

In 2011, the company released a new Workplace Rights Policy (WRP), which has drawn criticism from academics, trade unions, local communities and politicians at the national, state and local levels. A recurring complaint is that, contrary to the universally accepted general intent of such policies, which exclusively seek to bolster the protection of workers' fundamental rights, the WRP appears to allow for a continuation of the company's potential to be able to disregard international labour standards.

**Any such behaviour potentially exposes the company to intense political scrutiny that could negatively impact the company's financial performance.**

- The UK Companies Act 2006 explicitly requires board directors to have regard to the impact of the company's operations on the community and the environment and the desirability of the company maintaining high standards of business conduct. The UK Department for Business, Innovation and Skills published draft regulations in 2012 to amend the Act, requiring additional reporting about corporate human rights policies.<sup>7</sup>
- The United Nations (UN) Guiding Principles on Business and Human Rights stipulate that corporations have a human rights obligation, which exceeds the narrow limits of respect for any national law. The framework calls on companies to develop a due diligence process to address potential adverse impact from human rights risks exposure.
- The ILO Declaration is a critical component of this process. Adopted in 1998, the principles of the ILO Declaration are widely supported. The ILO is a specialized agency of the UN composed of business, government and employee representatives of 174 countries, including the United Kingdom, the United States, Canada and Spain where our Company does business.

The suggested remedy does not seek to add any new employees to the business but to make better use of the resources National Express already has in place. The Safety and Environment Committee with its current seven members is the largest Board committee and should be able to handle the additional responsibilities.

In our view, by implementing a mechanism to ensure appropriate Board oversight and developing and implementing a comprehensive policy based on the ILO Declaration, as many peer companies in the FTSE have done, National Express would help to bolster its brand name integrity, reduce its human rights risks exposure, and, in turn, increase long-term shareholder value.

We urge you to vote FOR this resolution

## COMPANY STATEMENT

### Resolution 22 – Shareholder Resolution

**The Board recommends that shareholders vote against resolution 22**, moved by a group of shareholders representing, affiliated with or supporting the Teamsters trade union of North America.

National Express believes that the existing balance between the work of the Safety and Environment Committee and the whole Board on the areas of Safety, People and Community is both correct and effective. Our procedures are very much in line with how other UK public companies operate.

Resolution 22 is based on the flawed assumption that National Express' People and Workplace Rights policies are failing. In fact our performance on the safety and welfare of our employees, which is good and improving year on year, proves the effectiveness of these policies. Indeed, the business is delivering real progress against the Company's Vision and Values (as is set out below).

The Board therefore believes that the significant progress of recent years demonstrates the effectiveness of our existing policies and governance procedures and remain confident they will continue to deliver further improvements in the years ahead. **The Board strongly recommends that shareholders vote against resolution 22.**

### Vision and Values

In 2011 National Express launched its Vision and Values as a fundamental statement of who we are as a business and how we operate.

Our Vision is to earn the lifetime loyalty of our customers by delivering frequent, high performing public transport services which offer excellent value.

To support this we launched four supporting Values: Safety, People, Customers and Community. We have recently refreshed our Values and have added a fifth: Excellence. By being excellent in all that we do we will meet customer expectations, deliver industry-leading services and act as a willing and constructive partner. We will be reporting on our achievements under the new Excellence Value in future years.

We believe that in each of the other four Values, we have made significant progress as a Group and in each of the individual businesses.

<sup>6</sup> "Concessions will save District 365U \$2.5M \ With new union contract, Valley View Schools will spend less on student transportation services." Chicago Tribune Local Edition, September 6, 2012

<sup>7</sup> <http://www.bis.gov.uk/assets/BISCore/business-law/docs/F/12-979-future-of-narrative-reporting-new-structure.pdf>

## Safety

Safety is our priority. Our Safety Value states that we only do what is safe and stop any unsafe behaviour.

Since our Driving Out Harm Safety Programme was launched in 2010, Group responsible major injuries have fallen by 48%, total employee injuries are down by 39% and preventable accidents have reduced by 21%. The Driving Out Harm programme is also reviewed annually by independent assessors from Arthur D Little. Their 2013 review found significant progress in safety performance and the further strengthening of safety leadership and upgrading of processes for controlling key risks.

As with every division of National Express, our North American division's priority is safety. We have again demonstrated real progress, with for example employee injuries down 25% over the last three years.

The Department of Transportation's random roadside checks show we are 59 percentage points better than the federal minimum standard for vehicle maintenance.

## People

Our People Value is to develop the talents, reward the exceptional performance and respect the rights of all our employees.

Each business runs an employee survey to measure engagement and gauge opinion on issues such as safety, employee morale and relationships with managers. These results are used to guide our businesses' actions and strategies to ensure we are doing all that we can to ensure National Express is a good place to work.

We launched a new People strategy – incorporating our Workplace Rights Policy – in 2011. Our Workplace Rights Policy is drawn directly from the relevant international conventions including the UN Declaration on Human Rights. Our Workplace Rights Policy protects the freedom of association right of all employees.

VaLUENTiS, who conduct our UK employee surveys as well as for many other transport companies, report that our engagement scores are sector leading in rail and bus/coach. Our corporate employee scores are also amongst the highest they have recorded for any division or company.

Our latest US employee survey showed that 89% of employees responding enjoyed working for the Company. Amongst similar companies in the US, this is an exceptional result.

Building on the strategy launched in 2011, a new Group-wide People strategy has been developed to ensure National Express employees have the skills and support to deliver operational excellence. This new strategy will be rolled out during 2014.

Fundamentally we understand that delivering for our customers is only possible if National Express is a good place to work.

## Customer

As central to both our Vision and a core Value, we place customers at the heart of our business. Our five Customer Golden Rules set out a Group-wide standard which all employees are required to follow.

This approach is leading to some significant achievements. For example, c2c is currently the most popular commuter train operator in London and the South East according to the National Passenger Survey. In Spain, an external survey by PricewaterhouseCoopers has ranked ALSA as one of the top customer service providers in the country.

Indeed, we are pleased that in all of our businesses except UK Coach, our customer service scores were higher in 2013 than 2011. UK Coach's 2013 result was only one percentage point lower than 2011's at 82%.

In the US our superior service delivery was reflected in our high contract retention rate, achieving 97% during the last School Bus bidding season. We were also particularly pleased that we retained 100% of the Petermann customers we acquired. Over 92% of North American school board customers would also recommend us.

## Community

Our Community Value recognises that as a transport company, we don't just move vehicles. We are proud to play a vital part in our communities – whether that's getting people to work, taking them to see loved ones, effectively managing our environmental impact or, above all, taking children safely to and from school.

We are proud to have launched the National Express Foundation in the UK and the National Express Giving Foundation in the US. We were honoured to be the first company to sign the UK Government's 'Corporate Covenant', supporting our Armed Forces. And we are pleased to support many charitable activities – including many by our own staff – across our businesses.

This proactive, positive approach to our communities and stakeholder relations is securing widespread stakeholder support. A number of examples are provided in the Annual Report and Accounts to demonstrate this.

## Recommendation

Shareholders who have attended prior annual meetings will recall the depths of the Board's familiarity with the issues of workplace rights and employee safety, and the extensive attention and oversight that the Board has provided.

The Board believes that the significant progress of recent years demonstrates the effectiveness of our existing policies and governance procedures and remain confident they will continue to deliver further improvements in the years ahead. **The Board therefore strongly recommends that shareholders vote AGAINST resolution 22.**

# Important Information

## Proxies

A shareholder is entitled to appoint another person as his or her proxy to exercise all or any of his or her rights to attend, to speak and to vote at the Meeting. A shareholder may appoint more than one proxy in relation to the Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or different shares held by them. A proxy need not be a shareholder of the Company.

If shareholders wish to appoint a proxy, they should complete a Form of Proxy (a Form of Proxy is enclosed with this Notice) and send it to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA to be received not later than 2.00pm on 12 May 2014. Shareholders may also appoint a proxy online using the service provided by the Company's Registrars at [www.sharevote.co.uk](http://www.sharevote.co.uk) or, if they are a CREST member, by using the electronic proxy service provided by Euroclear (see further details on page 14). The valid appointment of a proxy will not prevent a shareholder from attending and voting at the AGM in person, should they wish to do so.

If you are a shareholder and do not have a proxy form and believe that you should have one, or if you require additional forms, please contact our Registrars, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA or telephone the shareholder helpline number on 0871 384 2152 for UK callers. Calls to this number are charged at 8p per minute plus network extras. The Equiniti overseas shareholder helpline number is +44 121 415 7047. Lines are open from 8.30am to 5.30pm Monday to Friday.

## Information for participants in the Travel West Midlands Share Incentive Plan

If you are a participant in the Travel West Midlands Share Incentive Plan you may instruct the Trustees to vote the shares held by them on your behalf by lodging your votes online at [www.sharevote.co.uk](http://www.sharevote.co.uk) no later than 2.00pm on 7 May 2014. You will need your voting ID, task ID and SIP reference number shown on the voting instruction card sent to you. Participants are not entitled to attend the AGM or appoint a proxy unless they are a shareholder in their own right.

## Voting at the AGM

Votes at the AGM on all matters except for procedural issues will be taken on a poll. Voting by poll at the Meeting will be conducted using an electronic system called Votenow provided by Equiniti, the Company's Registrars, rather than a show of hands. The Directors believe that this produces more democratic results, as all shares represented at the Meeting and those lodged before the Meeting are included in the results of the voting on a one share one vote basis. The results of the voting on each resolution will be made available at the Meeting and published on the Company's website, [www.nationalexpressgroup.com](http://www.nationalexpressgroup.com).

## Right to attend and vote

Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (the 'Regulations'), the Company specifies that in order to have the right to attend and vote at the Meeting (and also for the purpose of determining how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the Company at 6.00pm on 12 May 2014 or, in the event of any adjournment, at 6.00pm on the date which is two days before the day of the adjourned Meeting, excluding any day which is not a working day. Changes to entries on the register of members after this time shall be disregarded in determining the right of any person to attend or vote at the Meeting.

Non-shareholders (who are accompanying shareholders) will only be admitted to the AGM at the discretion of the Company.

## Documents on display

Copies of the Executive Directors' service contracts and letters of appointment of the Non-Executive Directors will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturday, Sunday or public holidays excluded) from the date of this Notice until the time of the AGM and will be available for inspection at the AGM for at least 15 minutes prior to the start of the Meeting until its conclusion.

## Nominated Persons

A copy of this Notice has been sent for information only to persons who have been nominated by a shareholder (each a 'Nominated Person') to enjoy information rights under section 146 of the Companies Act 2006 (the 'Act'). The rights to appoint a proxy cannot be exercised by a Nominated Person: they can only be exercised by the shareholder. However a Nominated Person may have a right under an agreement between him or her and the shareholder by whom he was nominated to be appointed as a proxy for the AGM or to have someone else so appointed. If a Nominated Person does not have such a right or does not wish to exercise it, he or she may have a right under such an agreement to give instructions to the shareholder as to the exercise of voting rights.

## Voting by corporate representatives

A shareholder of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the AGM. In accordance with the provisions of the Act, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder of the Company, provided that they do not do so in relation to the same shares. It is no longer necessary to nominate a designated corporate representative.

## Member's right to ask questions

All shareholders and their proxies attending the AGM have the right to ask questions. To be fair to all shareholders who wish to ask a question, you are requested to ask only one question which is relevant to the business of the Meeting. It would be helpful if you could state your name before you ask your question. The Company must cause to be answered any such question relating to the business being dealt with at the Meeting but no answer need be given if (a) to do so would interfere unduly with the preparation for the Meeting or

involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered. The Chairman may also nominate a Company representative to answer a specific question after the Meeting or refer the shareholder or proxy to information on the Company's website.

### **AGM resolutions/business**

Under section 338 and section 338A of the Act, members meeting the threshold requirements in those sections have the right to require the Company (i) to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting; and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than the date six clear weeks before the meeting, and (in the case of a matter to be included on the business only) must be accompanied by a statement setting out the grounds for the request.

### **Total number of shares and voting rights**

As at 11 March 2014 (being the latest practicable date prior to the publication of this Notice), the Company's issued share capital comprised 511,738,648 ordinary shares of 5 pence. Each ordinary share carries the right to one vote at a general meeting of the Company. Therefore, the total voting rights in the Company at 11 March 2014 are 511,738,648.

### **Website publication of audit concerns**

Under section 527 of the Act, shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act, (in each case) that the shareholders propose to raise at the relevant meeting. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor no later than the time when it makes the statement available on the website. The business which may be dealt with at the Meeting includes any statement that the Company has been required under section 527 of the Act to publish on a website.

### **Online shareholder communications**

As a shareholder you can choose to vote by proxy and to receive communications and documents from the Company electronically. This helps us to reduce distribution and printing costs. In order to sign up for this service you will need to access the Company's Registrars' online service at [www.shareview.co.uk](http://www.shareview.co.uk). This is a secure site where you are able to view your shareholdings. You will need your 11 digit shareholder reference number, which is shown on your share certificate or dividend voucher.

Please note that the Company takes all reasonable precautions to ensure no viruses are present in any electronic communication it sends out but the Company cannot accept responsibility for loss or damage arising from the opening or use of any email or attachments from the Company and recommends that the shareholders subject all messages to virus checking procedures prior to use. Any electronic communication received by the Company, including lodgement of an electronic proxy form, that is found to contain any virus will not be accepted.

To sign up to receive documents electronically

- log onto [www.shareview.co.uk](http://www.shareview.co.uk)
- click on 'Register' and follow the simple instructions – you will need your shareholder reference number
- you will be asked to choose a password and at the end of the registration process your User ID will appear on screen. You should make a note of this and your chosen password. You will not be able to use the service until you have received an Activation Code which will be sent to you in the post to your home address. You will need to enter the Activation Code the first time you log in to Shareview after entering your User ID and password
- if you are already registered with Shareview, you do not need to register again but should check that your mailing preference is shown as 'email'.

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

To vote by proxy electronically

- log onto [www.sharevote.co.uk](http://www.sharevote.co.uk)
- follow the instructions as to how to submit your vote. For security identification you will need to input the Voting ID, Task ID and Shareholder Reference Number which you will find on your Form of Proxy.

Should you have any queries about signing up for online communications please contact our Registrars, Equiniti, on the shareholder helpline number 0871 384 2152 for UK callers. Calls to this number are charged at 8p per minute plus network extras. The Equiniti overseas shareholder helpline number is +44 121 415 7047. Lines are open from 8.30am to 5.30pm Monday to Friday.

## **Instructions for electronic appointment through CREST**

If you are a CREST member and want to appoint a proxy using the Euroclear electronic proxy appointment service, you can do so using the procedures described in the CREST manual which can be viewed at [www.euroclear.com](http://www.euroclear.com). If you are a CREST personal member, a CREST sponsored member or a CREST member that has appointed a voting service provider you should request the sponsor or voting service provider to take the appropriate action on your 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'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 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 Equiniti Limited (ID RA19) no later than 48 hours before the time at which the Meeting is due to begin excluding any part of a day which is not a working day. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which our Registrars will be able to retrieve the message by enquiry to CREST in the manner prescribed in CREST.

After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

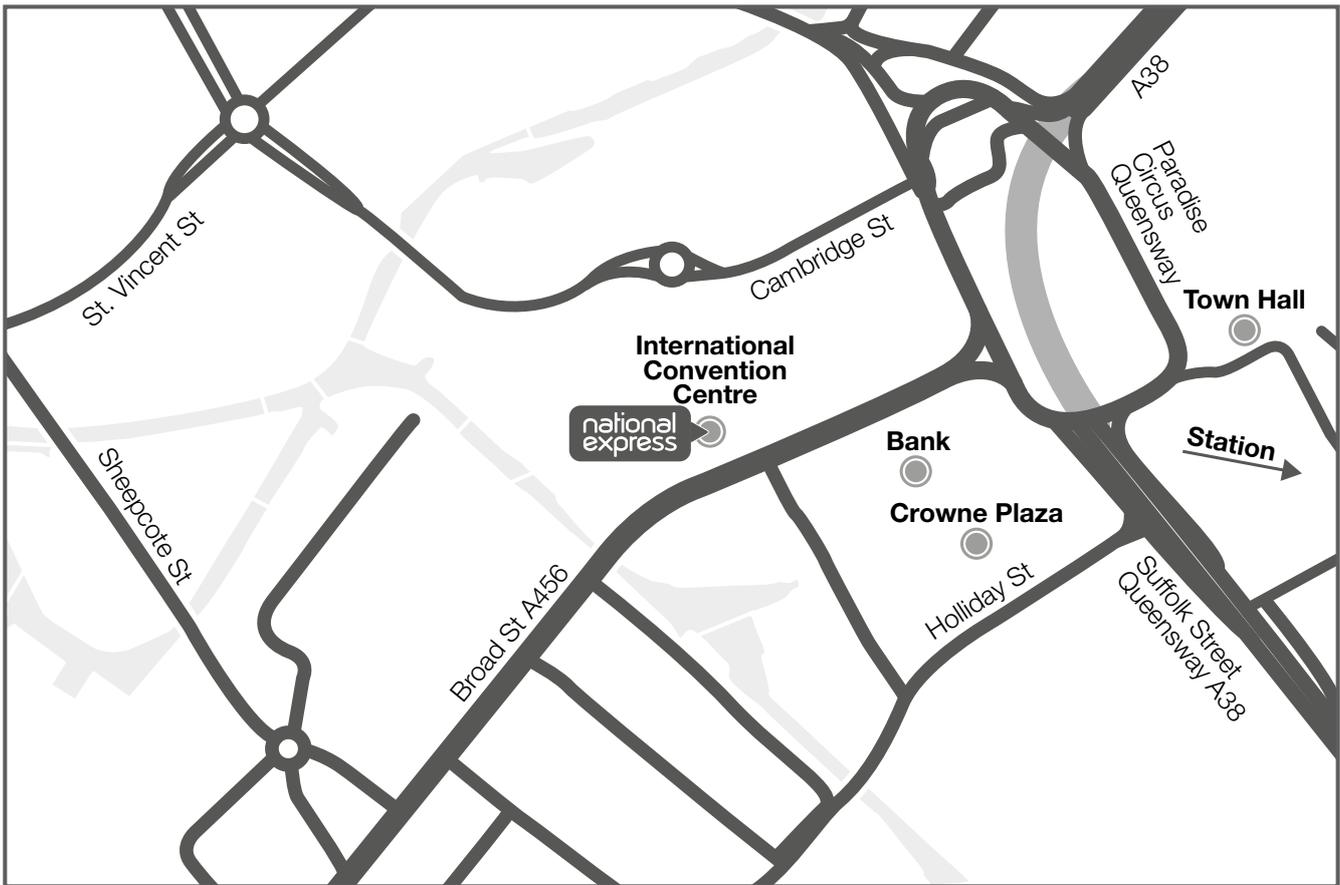
Euroclear does not make available special procedures for any particular messages. Normal system timings and limitations therefore apply in relation to the input of CREST proxy instructions. CREST members (or appointee members) are responsible for taking (or arranging for their CREST sponsor or voting service provider to take) any necessary action to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and CREST sponsors or voting service providers are referred to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

National Express Group PLC may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

## **Communication**

You may not use any electronic address (within the meaning of section 333(4) of the Act) provided in this Notice (or in any related documents including the Chairman's letter and Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

## Location of 2014 AGM



The Annual General Meeting of National Express Group PLC will be held at 2.00pm on Wednesday 14 May 2014 at Hall 5, International Convention Centre, Broad Street, Birmingham B1 2EA.

### By Train

The ICC is close to Birmingham New Street and also the smaller Five Ways Station. Both stations are a short walk from The ICC and are also served by taxi ranks. Birmingham New Street has direct and regular services to Birmingham International Railway Station, which directly serves Birmingham International Airport. It also has three direct services to London Euston every hour, a journey that takes just 80 minutes at peak times.

### By Road

The ICC is located in the centre of the city of Birmingham and is easily accessible by road. Directly connected to the UK's motorway network, visitors from any direction can travel in using the following motorways: M1, M5, M6, M6 Toll, M40 and M42.

### Security

For security reasons and to speed up admission, please do not bring suitcases, large bags, a camera, laptop computer or tape recorder to the AGM venue. If you do, you may be asked to deposit them in the cloakroom for collection after the meeting.

Please note that those attending the AGM will not be permitted to hand out leaflets or pamphlets in the venue.

