



28th April 2015

Dear shareholder

A response to the latest stage of the Teamster's Corporate Campaign

You will be aware of the different guidance from advisory firms on the Special Resolution laid by the Teamsters and their supporters at the AGM. I wanted to take this opportunity to reiterate the Board's position and include a longer, detailed rebuttal to the inaccurate and misleading report recently issued by the Trade Union Group, as part of the Teamsters' Corporate Campaign.

National Express has been the subject of a Corporate Campaign for a number of years. Shareholders will be aware of a different resolution last year. This year's is the latest campaign tactic and is intended to be the start of a long process rather than the end.

The Teamsters' goal is that the company adopts 'Neutrality' in North America. While the term is deliberately benign, we believe it interferes with an employee's right to freedom of choice which is fundamentally inherent in US law and what our employees tell us they want: the right to choose in a free and fair election whether to join a union or not. This is what our Workplace Rights Policy protects.

This is the crux of the Teamsters' campaign. 'Neutrality' would mean that during an election, we would no longer be able to speak with our employees. The only people who can speak with our employees would be union representatives. This would include the company not being able to answer any questions put to it by employees. Equally, any claims made – including about the company or management – by the union could not be responded to. There are three fundamental reasons we oppose this:

- It prevents employees from receiving all information needed to make an informed decision. Under US law, employees have a choice and therefore should have all available facts before exercising that choice.
- It is not what our employees tell us they want.
- In many US states, if a location chooses to become unionised, the union can demand that any employee who does not join the union should be dismissed. The company is legally obliged to do so, as it has been forced to do so a number of times in recent years.

That is why we are so disappointed that ISS see the request as 'reasonable', and pleased that Glass Lewis recognised our "transparency, accountability and concern for issues related to worker rights". To reiterate my earlier point, the request for an independent report is the start rather than the end of the process. The next stage of their campaign would likely focus on who is 'independent'? This is the process that the Teamsters previously pursued with FirstGroup, who ended up in the situation where they had an independent reviewer of their independent monitor. Equally, the Teamsters' Corporate Campaign has targeted many other companies. National Express is by no means unique.



The Board remain firm that we will protect our employees' right to choose in a free and fair election. And this is why we oppose Resolution 22.

Yours sincerely

A handwritten signature in black ink that reads "John Armit". The signature is written in a cursive, slightly stylized font.

Sir John Armit