



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 appropriate independent 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 2015 Annual General Meeting (the 'Meeting' or 'AGM'), which will be held at 2.00pm on Wednesday 6 May 2015 in the Purcell Room at the Queen Elizabeth Hall, Southbank Centre, Belvedere Road, London SE1 8XX.

The AGM provides an opportunity for shareholders of National Express Group PLC (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; 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 4 May 2015; 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. 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.

Recommendation

Resolutions 1 to 21

The Board of Directors believes 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. **Further details of resolutions 2, 3 and 15 are contained in the Remuneration Committee Chairman's Letter to Shareholders in Appendix 1. Appendix 2 gives details of the principal terms of The National Express Group PLC 2015 Long Term Incentive Plan.**

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



View National Express Group PLC's Report and Accounts for the year ended 31 December 2014 and Notice of Annual General Meeting on the Company's website at www.nationalexpressgroup.com/ar2014

Resolution 22 – Requisitionists’ resolution

A group of shareholders, representing, affiliated with, or supporting the Teamsters trade union of North America, has requisitioned the putting forward of a 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 resolution must be proposed as a special resolution in order to be properly moved, it will require 75% of the votes cast at the meeting to be in favour of it.

The resolution is set out on page 5 of this document and the accompanying Company’s statement can be found on pages 9 to 11.

The resolution principally asks for an independent assessment of the business’ response to the historic allegations made by the Teamsters union in the US.

The Board has considered the resolution carefully and strongly believes such an assessment is unnecessary.

As many shareholders will be aware, the Company has been the subject of a corporate campaign by the Teamsters for many years. Indeed, a similar resolution was tabled in the earlier campaign against First Group.

That notwithstanding, the Board’s position remains the same as last year: the facts, which are available publicly, demonstrate that the accusations are not an accurate description of the business and that we are making good progress on our Values.

Moreover, the accusations do not reflect the business the Board sees on its visits to North America or the conversations we have with customers and employees. Instead, we see a business focused on our Vision of earning the lifetime loyalty of customers by delivering frequent, high performing services which offer excellent value. We see staff living the Values that underpin this Vision. As last year, in our fuller statement on page 10, we again set out in more detail the progress we have been making.

Safety, of course remains our priority. Our main safety measure, Fatalities and Injuries Weighted Index (‘FWI’), validated by independent safety consultants, Arthur D Little, demonstrates a 54% improvement across the Group between 2011 and 2014.

We have recently announced that we will become a Living Wage employer in the UK, the first private transport group to do so. We have also committed to paying at least 10% above the national minimum wage in any country where we operate. In North America we have already committed to a minimum wage of \$9 an hour from 2016, well above the Federal Minimum Wage of \$7.25. These commitments are a measure of our determination to fairly reward our hard-working staff for the jobs they do.

The Board regularly reviews employee relations and our people strategy, with the Group HR Director presenting quarterly to the whole Board. Our Workplace Rights Policy, launched in 2011, protects the freedom of association right of all employees and is drawn directly from the relevant international conventions including the UN Declaration on Human Rights.

Our employee surveys again demonstrate very strong progress across the Group. In North America, Mike Schroeder, CEO of TNS Employee Insights, the company that conduct our surveys, said: “National Express continues to demonstrate exceptional performance when it comes to employee satisfaction and engagement.”

We have also made similar, strong progress on our customer and community Values, as well as our new excellence Value. Again, this is set out in more detail on pages 10 and 11.

Drawing on this evidence, the Board has consistently made clear that we believe the Company has made significant progress across the Group in recent years, including North America. We remain confident that these programmes and policies will continue to deliver further improvements in the years to come.

The Board of Directors believes that resolution 22 will not promote the success 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

17 March 2015

Notice of Annual General Meeting

Notice is hereby given that the 2015 AGM of National Express Group PLC (the 'Company') will be held at 2.00pm on Wednesday, 6 May 2015 in the Purcell Room at the Queen Elizabeth Hall, Southbank Centre, Belvedere Road, London SE1 8XX 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 2014 and the reports of the Directors and auditor thereon.

Remuneration Report

2. To approve the Directors' Remuneration Policy, set out in pages 62 to 72 of the Directors' Remuneration Report for the year ended 31 December 2014, which takes effect immediately following the 2015 Annual General Meeting.
3. To approve the Annual Report on Remuneration, set out in pages 73 to 83 of the Directors' Remuneration Report for the year ended 31 December 2014.

Dividend

4. To declare a final dividend of 6.95 pence per share in respect of the financial year ended 31 December 2014.

Directors

5. To re-elect Sir John Armit as a Director of the Company.
6. To elect Matthew Ashley as a Director of the Company.
7. To re-elect Joaquín Ayuso as a Director of the Company.
8. To re-elect Jorge Cosmen as a Director of the Company.
9. To re-elect Dean Finch as a Director of the Company.
10. To re-elect Jane Kingston as a Director of the Company.
11. To re-elect Chris Muntwyler as a Director of the Company.
12. To re-elect Elliot (Lee) Sander as a Director of the Company.

Auditors

13. 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.
14. To authorise the Directors to agree and set the remuneration of the auditor.

Adoption of new Long Term Incentive Plan

15. That the rules of The National Express Group PLC Long Term Incentive Plan (the '2015 LTIP'), the main features of which are summarised in Appendix 2 to the Chairman's Letter and Notice of Annual General Meeting dated 17 March 2015 in the form (or substantially in the form) of the draft produced to the meeting (and, for the purposes of identification, initialled by the Chairman) be and are hereby approved and adopted, and further that:
 - a. the Remuneration Committee be and is hereby authorised to make awards under, and otherwise operate, the 2015 LTIP in accordance with its terms until the date which is ten years from the date it is adopted; and
 - b. the Remuneration Committee be authorised to establish such further plans for the benefit of employees outside the UK based on the 2015 LTIP subject to such modifications as may be necessary or expedient to take account of local tax, exchange control or securities laws in any one or more overseas territories (provided that any shares made available under such further plans are treated as counting against any limits on individual or overall participation in the 2015 LTIP).

Authority to allot shares

16. 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 2016) 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

17. 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 2016). 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.

Non-Executive Directors' fees

18. That, pursuant to Article 99(A) of the Company's Articles of Association, the maximum aggregate amount of fees for their services as Directors payable to the Directors be increased to £725,000 per annum.

SPECIAL RESOLUTIONS

Disapplication of pre-emption rights

19. That, subject to the passing of resolution 16 set out in the notice of the 2015 Annual General Meeting of the Company, 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 that resolution; 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 16 (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 16 (a) set out in the notice of the 2015 Annual General Meeting of the Company (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 2016), 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 13 March 2015;
- (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 price 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 2016); 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 has requisitioned the putting forward of the following 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 resolution must be proposed as a special resolution in order to be properly moved, it will require 75% of the votes cast at the meeting to be in favour of it. 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. That as long term shareowners in the Company we welcome the achievements it has made in implementing its global business strategy over the recent period. Progress in all markets has been broadly positive despite various challenges such as the adverse US weather conditions of 2014.

In terms of the Company's US bus company operations, criticism of certain company management actions continues to be made by employee representatives in that business. We have considered the response of the Company to these allegations. The information with regard to these allegations is disputed by the Company management and we have no way of independently verifying the continuing union concerns.

As shareowners we are concerned by the persistent nature of these allegations and the lack of satisfaction we have found in the Company's responses. We have received the views of the unions concerned and have had dialogue with the Company over the last two years. Yet we have found it impossible to reach a conclusion based on independent assessment of the allegations and the Company response.

We therefore request that the Company obtain an independent assessment of these allegations through the appointment of a suitable person to review the situation. This person would report their findings to the Company and unions and provide their report for shareowners on the Company's website by the end of Q3 2015. This person should be acceptable to both the Company and the unions.

We believe that this proposal will address our concerns as long term shareowners and provide an independent assessment of the allegations made about the US bus business. This will mitigate the risk of both reputational damage and impact on shareholder value resulting from continuing disputes.

By order of the Board



Sandra Forbes
Group General Counsel & Company Secretary

17 March 2015

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 2014 (the '2014 Annual Report'). The full 2014 Annual Report and Accounts may be accessed on the Company's website (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 60 to 83 of the 2014 Annual Report.

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 62 to 72 of the 2014 Annual Report. In accordance with section 439A of the Companies Act 2006 (the 'Act') a separate resolution on the Remuneration Policy is required to be put to a vote until it has been approved by shareholders. 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 and replaces the policy approved by shareholders at the 2014 AGM. Once the new Directors' Remuneration Policy is approved, the Company will not be able to make a remuneration payment to a current or future director or a payment for loss of office to a current or past director unless that payment is consistent with the policy or has been approved by a resolution of the members of the Company. The Remuneration Policy report must be put to shareholders at least every three years unless, during that time, it is to be changed. The Company currently intends to submit the Policy for approval by shareholders every three years.

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 73 to 83 of the 2014 Annual Report. In accordance with section 439 of the Act, this is an advisory vote.

Further details of resolutions 2 and 3 and 15 (which relates to the implementation of the Directors' Remuneration Policy report) are contained in Appendices 1 and 2.

Resolution 4 – Final dividend

The Directors recommend a final dividend of 6.95 pence per ordinary share for the financial year ended 31 December 2014. The final dividend cannot exceed the amount recommended by the Directors. If approved by shareholders, the final dividend will be paid on 22 May 2015 to all shareholders on the register of members as at the close of business on 1 May 2015.

Resolutions 5 to 12 – Election of Directors

In accordance with the UK Corporate Governance Code, all the Directors will retire at the 2015 AGM and offer themselves for election or re-election with the exception of Sir Andrew Foster, who is due to retire from the Board, and Jackie Hunt who will also be stepping down as a Director.

Biographies of each Director proposed to be elected or re-elected are below and on the Company's website at 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 and a member of the Board of Transport for London and of the Airports Commission. Sir John was Chairman of the Olympic Delivery Authority from 2007 to 2014 and Chairman of the Engineering and Physical Science Research Council from 2007 to 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.

Matthew Ashley, Group Finance Director

Matthew Ashley joined National Express as Group Financial Controller in 2010 from Deloitte where he was a Director specialising in transport and infrastructure and the auditing of listed companies, having qualified as a Chartered Accountant in 1998. He was then promoted to the role of Finance Director of the UK Bus division in 2013 before becoming interim Group Finance Director in October 2014 and subsequently, following a search process led by the Nomination Committee, appointed to the Board as Group Finance Director on 28 January 2015. He has no external directorships.

Joaquín Ayuso, Independent Non-Executive Director

Joaquín Ayuso is Board Vice Chairman for Ferrovial, the €8 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 also currently a Non-executive Director of Bankia, a Member of the Board of Autopista del Sol SA, Independent Director of Hispania Activos Inmobiliarios SA 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 May 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 to 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. Dean is also currently a Non-executive Director of the Royal Free London NHS Foundation Trust.

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 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 and will become Chair of the Remuneration Committee on 6 May 2015.

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. In the past, he has also served on the National Surface Transportation Infrastructure Finance Commission. Lee will become a member of the Audit Committee and Senior Independent Director on 6 May 2015.

Resolutions 13 and 14 – 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 13 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 14 proposes to give such authority to the Directors in respect of the auditor.

Resolution 15 – Adoption of new Long Term Incentive Plan

The 2005 Long Term Incentive Plan which was approved by shareholders on 3 May 2005 is due to expire and the Board proposes, on the recommendation of the Remuneration Committee and independent advice, that resolution 15 be put forward at this year's AGM to seek shareholder approval for the introduction of The National Express Group PLC 2015 Long Term Incentive Plan ('2015 LTIP') as a replacement for the 2005 Long Term Incentive Plan. If approved, the 2015 LTIP will be effective from the date of this year's AGM. The Remuneration Committee continues to monitor best practice in relation to directors' remuneration and believes that the proposed

2015 LTIP will continue to align the interests of senior executives with those of shareholders and promote the long term success of the Company. A summary of the principal features of the 2015 LTIP is set out in Appendix 2. A copy of the rules of the 2015 LTIP is available for inspection at the Company's registered office and at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London, EC2A 2HA, during normal business hours on any weekday (Saturday, Sunday and public holidays excluded) until the close of the AGM and will be available at the AGM from 15 minutes prior to and during the AGM.

Resolution 16 – 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 16 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 2016 (or, if earlier, on 30 June 2016).

Paragraph (a) of resolution 16 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 13 March 2015, being the latest practicable date prior to publication of this Notice. In accordance with the latest institutional guidelines issued by the Investment Association (the 'IA'), paragraph (b) of resolution 16 will also allow Directors to allot, including the ordinary shares referred to in paragraph (a) of resolution 19, 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 13 March 2015.

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 16 (b), the Directors intend to follow best practice as regards its use as recommended by the IA.

Resolution 17 – 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 17 seeks authority for the Company and its subsidiaries to incur such expenditure up to a maximum of £100,000 in aggregate.

Resolution 18 – Non-Executive Directors' fees

The Company's Articles of Association prescribe a maximum amount of fees which may be paid to the Non-Executive Directors. In view of the increasing time commitment involved and the possibility of appointing additional Non-Executive Directors in the future, and in line with market trends, the Board believes it is appropriate to recommend an increase in the limit to £725,000 per annum.

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 13 March 2015, 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 2016 (or, if earlier, on 30 June 2016). 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 2014 AGM of the Company until the conclusion of the AGM in 2016 (or, if earlier, until 30 June 2016). 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 13 March 2015, 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 172,733 options outstanding over the Company's shares representing approximately 0.034% of the issued share capital of the Company. The same authority given at the 2014 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 9 to 11, **your Board recommends that you vote against this resolution.**

REQUISITIONISTS' STATEMENT

As long term shareowners we believe that our interests are being put at risk due to the continuing acrimonious relations within our Company, despite previous engagement with our Company management and unions representing the Company's Durham School Service employees in the US.

Shareowner concern was previously expressed at the 2014 AGM, nearly 20% of independent votes were concerned to support or abstain on a proposal seeking greater board oversight of employment rights issues in its North American school bus operations. Some of the largest UK institutional investors voted for the proposal, illustrating the extent of shareowner concern.¹

As long term shareowners we believe National Express should conduct an independent review of its North American school bus operations to address continuing reports coming from the Company's Durham School Services employees claiming management interference with their freedom of association rights.

In our view, by implementing an independent review National Express would give confidence to shareholders that allegations of poor practice are taken seriously, and that positive relations with its employees are prioritised. This would allow management to focus on managing business development free from the reputational and operational risks posed by these damaging concerns. It would provide an opportunity to move beyond the current impasse, and allow all parties within Durham to focus on the job of building on the success of the business, in a responsible and sustainable way. This would contribute to long term shareholder value for us as investors, bolster the brand name integrity of National Express, reduce its human rights risks exposure, and, in turn, contribute to reducing reputational risks.

We urge you to vote FOR this resolution.

COMPANY STATEMENT

Resolution 22 – Shareholder Resolution

The Board recommends that shareholders vote against resolution 22.

The resolution principally asks for an independent assessment of the business' response to the historic allegations made by the Teamsters union in the US.

The Board has considered the resolution carefully and strongly believes such an assessment is unnecessary.

As many shareholders will be aware, the Company has been the subject of a corporate campaign by the Teamsters for many years. Indeed, a similar resolution was tabled in the earlier campaign against First Group.

That notwithstanding, the Board's position remains the same as last year: the facts, which are available publicly, demonstrate that the accusations are not an accurate description of the business and that we are making good progress on our Values.

¹ Those supporting the resolution included Legal & General Investment Management, Threadneedle Asset Management and Aviva Investors.

Moreover, the accusations do not reflect the business the Board sees on its visits to North America or the conversations we have with customers and employees. Instead, we see a business focused on our Vision of earning the lifetime loyalty of customers by delivering frequent, high performing services which offer excellent value. We see staff living the Values that underpin this Vision. As last year, we again set out the progress we have been making.

Safety

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

We introduced a new safety measure in 2014 – Fatalities and Injuries Weighted Index ('FWI'). This index is validated by independent safety consultants, Arthur D Little, and adapts the industry-leading rail measure weighting fatalities, major and minor injuries to produce an overall score. This measure has been applied to our historic performance and demonstrates a 54% improvement across the Group between 2011 and 2014.

In North America, we have grown our operations significantly in recent years, for example through the integration of the Petermann school bus business and added a Transit division. Once this significant expansion is taken in to account, their FWI figure has shown an improvement of nearly 8% between 2011 and 2014.

People

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

We have recently announced that we will become a Living Wage employer in the UK, the first private transport group to do so. We have also committed to paying at least 10% above the national minimum wage in any country where we operate. In North America we have already committed to a minimum wage of \$9 an hour from 2016, well above the Federal Minimum Wage of \$7.25. These commitments are a measure of our determination to fairly reward our hard-working staff for the jobs they do.

Our employee surveys again show the significant progress we have made as a business. Each business undertakes an annual employee survey (except ALSA, where it is biennial with the next one due this year). These surveys measure employee engagement and gauge opinion and are used to guide business strategy and management actions.

The Board regularly reviews employee relations and our people strategy, with the Group HR Director presenting quarterly to the whole Board. Our Workplace Rights Policy, launched in 2011, protects the freedom of association right of all employees and is drawn directly from the relevant international conventions including the UN Declaration on Human Rights.

As in previous years we used external companies to help conduct our surveys. In the UK, VaLUENTIS, who run many similar surveys in the transport sector, conducted the surveys. The results show that in 2014 we made further progress in terms of engagement with UK Coach, c2c and our corporate functions all recording the highest scores for their sectors in VaLUENTIS' database.

Our North America employee survey was run by TNS again this year. Like VaLUENTIS, TNS run surveys for similar businesses in the US. In 2014, 91% of employees said they enjoy working for National Express, two percentage points ahead of the 2013 score. Similarly there was a two percentage point increase in people saying they would recommend the business as a good place to work, up to 84%.

86.5% of North American employees also agreed with the statement that 'my company respects my right to associate with whom I choose and my right to hold and express opinions.' This is up 2.5% year-on-year. Of our results, Mike Schroeder, CEO of TNS Employee Insights, the company that conduct our surveys, said: "National Express continues to demonstrate exceptional performance when it comes to employee satisfaction and engagement."

Customer

Our five Customer Golden Rules set out the standard we expect all employees to follow. In the last year we have had some notable achievements. A particular highlight in the UK is our coach business being named the country's 'most trusted ground transportation company' by the Institute of Customer Service, with customers more likely to recommend it to others compared to competing rail, bus and coach providers.

More widely, our focus on the customer is also evident in our customer satisfaction scores where most of our operations are leaders in their markets. North American School Bus, for example, retained 97% of its contracts during 2014, significantly ahead of its peers. Over 93% of customers would also recommend us to other school boards, with quality of service, safety and value being the key considerations.

Community

We recognise that we have responsibilities towards the communities in which we operate, whether delivering vital transport services to keep people and places moving, managing our environmental impact or providing job opportunities for young people. We have a strong record of community involvement and in 2014 this continued.

As a major employer we recognise our role in promoting new job opportunities for those in the communities we serve. In the last year our UK Bus and Coach businesses were commended by the Deputy Prime Minister for both taking on 42 new apprentices and the ground-breaking West Midlands 'Routes to Work' partnership with the Department for Work and Pensions which has seen over 1,850 new job opportunities filled over the last three years.

The work of our ground-breaking National Express Foundation has also been endorsed by the Leader of the Opposition, Ed Miliband. The foundation has now completed its third year of operation and has supported young people with challenging financial circumstances. The foundation has now helped 2,700 young people since its inception.

We were also delighted to receive praise from the Prime Minister, David Cameron, for our pioneering work with military veterans, serving soldiers and forces charities: “National Express can be rightly proud not just of its success as a business both at home and abroad but also of their continued support for our Armed Forces.”

Through activities such as the Giving Foundation, our Adopt a School programme and bus donations, our North American business is equally proactive in the communities it serves. We are delighted to receive many commendations for this work, including from Steve Davis, Director Business Operations for Blue Valley School District: “Durham’s attention to detail, customer-oriented approach, and willingness to go above and beyond the call of duty has helped to bring Blue Valley’s mission of ‘Education Beyond Expectations’ to life.”

As well as confirmation that we had achieved all of our 2010-2013 environmental targets during 2014, we were also delighted to record the largest improvement in the sector in our Carbon Disclosure Project assessment. This independent assessment of all of our divisions’ performance demonstrates how our strategy is working and we have set strong new targets for 2014-2017 to deliver further improvement.

Excellence

All of this is underpinned by a commitment to our fifth value, launched during 2014 – Excellence. It is increasingly clear that this is what our customers demand of us and it is the credential that has helped us win business in new markets recently.

That is why, during 2014, the business focused on embedding excellence in all our business, with efforts particularly channelled into achieving external accreditation for our approach to quality management. c2c has already obtained this highest award of 5 stars from the British Quality Foundation. UK Coach has also recently achieved 4 stars in its initial assessment and is currently working towards emulating c2c.

All the other divisions will start their equivalent assessments during the year, drawing on the operational excellence programmes they already have in place. In North America, for example, our \$115m investment programme, additional staff training, recruitment of master technicians and extended internal inspections and audits to complement the state and federal regimes demonstrates our commitment to continuous improvement and will be at the heart of our assessment.

In addition to achieving formal accreditation we are pleased to have gained external recognition during the year for a number of initiatives. Success included: UK Bus winning awards at both the National Transport Awards and UK Bus Awards for its work with Centro on Transforming Bus Travel in the West Midlands; our School Bus business picking up two Golden Merit Awards from the National School Transportation Association in the USA; and, SolTrans transit operation receiving the American Public Transportation Association Gold Award (the highest level achievable) for Excellence in Safety and Security.

Recommendation

As the Board has consistently made clear, we believe we have made significant progress across the business in recent years, including in North America. We remain confident that these programmes and policies will continue to deliver further improvements in the years to come.

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 4 May 2015. Shareholders may also appoint a proxy online using the service provided by the Company's Registrars at 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 no later than 2.00pm on 30 April 2015. 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.

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 4 May 2015 or, in the event of any adjournment, at 6.00pm on the date which is two days before the day of the adjourned Meeting. 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.

In addition, a copy of the rules of the 2015 Long Term Incentive Plan is available for inspection at the Company's registered office and at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London, EC2A 2HA during normal business hours on any weekday (Saturday, Sunday and public holidays excluded) until the close of the AGM and will be available at the AGM from 15 minutes prior to and during the AGM.

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 13 March 2015 (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 13 March 2015 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. 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
- 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. To vote by proxy electronically:

- log onto 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. 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 'CRESTproxy 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.. 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.

Appendix 1

Remuneration Committee Chairman's Letter to Shareholders

Dear Shareholder,

The role of the Remuneration Committee (the 'Committee'), a sub-committee of the Board of the Company is to set and implement a remuneration policy and structure which appropriately retains, motivates and incentivises an exceptional management team who work to deliver the corporate goals and create value for shareholders. However, the structure which we have previously used to achieve these objectives is not considered to be in line with emerging corporate governance best practice. As a result, there have been a significant number of shareholders who voted against the remuneration policy at previous AGMs.

Addressing the shareholder reaction to the executive remuneration structure at the Company has been high on the Board agenda. The Committee has therefore made substantial changes to the current remuneration structure to reflect our desire for greater support. The Committee believes that the proposed remuneration policy and the new long term incentive plan reflects much closer alignment with shareholder value and best practice whilst balancing the commercial needs of continuing to engage and motivate the executive team to deliver the business strategy. Full details of our new policy which is being put to shareholder vote at Resolution 2 are set out on pages 62 to 72 of the 2014 Annual Report. You should note that Resolution 3 which seeks shareholder approval of the Annual Report on Remuneration relates to the remuneration outcomes under a previously approved policy.

Overview of changes

The Committee has reviewed the Company's current remuneration arrangements and has identified the need for a new policy and structure which:

- provides a stronger link between reward and corporate performance in order to appropriately retain and motivate executives who are critical to executing the business strategy;
- is sensitive to the operating environment both internally and externally;
- provides a simplified and clearer remuneration structure;
- brings our remuneration practices in line with corporate governance best practice; and
- aligns the interests of executives with those of shareholders more closely over the longer term.

The key changes to the remuneration structure based on the above objectives are provided below.

- Reduction in total remuneration levels for the Executive Directors:

For the Group Chief Executive the maximum incentive opportunity has been reduced from 470% of salary to 400% and the special pension contribution of 25% of salary has also been removed from next year, following a twelve month notice period. The maximum incentive opportunity has been reduced proportionately for the Group Finance Director.

- Simplification of the long term incentive structure used by the Company:

The three long term incentives currently operated by the Company will be replaced with one new long term incentive plan (the 2015 LTIP) with a two year holding period post-vesting after completion of the three year performance period.

- Introduction of new performance metrics which support the business strategy:

The Committee has introduced new performance targets applying to the annual bonus and 2015 LTIP which better support the business strategy, shareholder returns and reward outcomes over the long term. These include the introduction of free cash flow ('FCF') and return on capital employed ('ROCE') metrics. These metrics support our strategic goals and ensure that a strong cash flow and an improvement on the return on capital invested in the business will drive better returns for shareholders both over the short and longer term. The FCF metric will supplement the normalised profit and strategic/personal metrics for the annual bonus. The ROCE metric will supplement the EPS growth and relative TSR metrics (measured against the FTSE 250 and a bespoke group of competitors in equal weight) applying to the 2015 LTIP.

- Introduction of new remuneration terms and conditions which are in line with corporate governance best practice:

This has included a reduction in the proportion of the annual bonus relating to personal performance, the inclusion of a two year holding period post vesting of any LTIP awards and adoption of malus and clawback provisions.

- Enhanced the alignment of the interests of executives with those of shareholders:

The Committee has increased the size of the shareholding that Executive Directors must build up and retain over the next five years to 200% of salary for the Group Chief Executive and 150% for Group Finance Director. This provision is also in line with best practice corporate governance.

The Remuneration Committee has discussed these arrangements with its major shareholders and has received substantial support on these remuneration proposals. The Board is grateful to its major shareholders for their interest, advice and support on the proposed changes.

Board Recommendation

The Board believes that the changes which have been made to the remuneration structure, including the introduction of the 2015 LTIP, balance the interests of shareholders and corporate governance best practice and the commercial needs to retain and motivate an exceptional management team who are extremely important to the continued success of the Company. As such, the Board recommends that you vote in favour of resolutions 2, 3 and 15.

A handwritten signature in black ink, appearing to read 'Andrew Foster', written in a cursive style.

Sir Andrew Foster
Chairman of the Remuneration Committee

Appendix 2

This Appendix sets out the principal terms of The National Express Group PLC 2015 Long Term Incentive Plan, the approval and adoption of which is proposed by Resolution 15.

Overview

The National Express Group PLC 2015 Long Term Incentive Plan ('2015 LTIP') is a discretionary incentive plan and is intended to be operated for selected Directors of the Company and its subsidiaries ('Group'). The Remuneration Committee will be responsible for the operation of the 2015 LTIP.

The Remuneration Committee may at its absolute discretion grant awards over shares of the Company with a market value of up to 200% of a participant's salary in any financial year (or up to 400% for recruitment purposes only) in the form of nil-cost options, market value options (including as tax advantaged options under Schedule 4 to the Income Tax Earnings and Pensions Act 2003), restricted shares or conditional share awards ('Awards').

In respect of Executive Directors receiving Awards, it is intended that vesting will normally take place at the end of a three year performance period subject to the achievement of certain performance targets. These Awards will also be subject to a two year holding period post-vesting.

Eligible employees

Any employee (including a Director) of the Group selected by the Remuneration Committee at its absolute discretion may participate in the 2015 LTIP.

Limits

The maximum market value of shares (measured at the time of grant) over which Awards may be granted to a participant in any financial year will not exceed in aggregate 200% of the relevant participant's annual base salary. For recruitment purposes only, an Award may be made up to 400% of a relevant participant's annual base salary.

The 2015 LTIP may operate over new issue shares, treasury shares or shares purchased in the market. The Company may issue no more than 10% of its shares within a 10 year period to satisfy awards to participants in the 2015 LTIP and any other employees' share scheme operated by the Company. Within this overarching limit, the Company may issue no more than 5% of its shares within a 10 year period to satisfy awards to participants in the 2015 LTIP and any discretionary employees' share scheme adopted by the Company. Shares issued out of treasury shall count towards these limits for so long as this is required by institutional shareholder guidelines. Awards which are renounced or which lapse shall be disregarded for the purposes of these limits.

The Remuneration Committee will monitor the issue of shares during the 10 year period.

Grant of Awards

Awards may be granted within a 42 day period following (i) the date of approval of the 2015 LTIP by the shareholders of the Company, (ii) the day after the publication of the results of the Company for any period, (iii) any other time at which the Remuneration Committee determines there are exceptional circumstances which justify the grant of the Award or (iv) the day after the lifting of any dealing restrictions which prevented the grant of Awards.

No Awards may be granted more than 10 years after the date the 2015 LTIP is approved by shareholders of the Company.

No payment is required for the grant of an Award.

Award price

The Remuneration Committee shall determine the Award price relating to Awards. It is anticipated that the Award price shall be nil other than where Awards are made in the form of market value options under the 2015 LTIP.

Performance targets and conditions attaching to Awards

Awards may be subject to performance targets and/or other conditions set by the Remuneration Committee at the date of grant.

The proposed performance targets for the initial grant of Awards for the performance period for the three financial years ending on 31 December 2017 proposed to be made following the 2015 AGM are based on earnings per share ('EPS'), return on capital employed ('ROCE') and total shareholder return ('TSR') as follows:

Metric	Weighting	Threshold (30% vesting)	Target (50% vesting)	Maximum (100% vesting)
2017 financial year EPS	1/3	24.8 pence	26.3 pence	28.6 pence
Average ROCE financial years 2015-2017	1/3	9%	10%	12%
Relative TSR vs FTSE 250	1/6	Median	–	Upper quintile
Relative TSR vs Bespoke Index*	1/6	Equal to Index	–	Index + 10% p.a.

* Notional index comprising Go-Ahead Group, First Group and Stagecoach Group

Each metric will be measured during the three year period to 31 December 2017.

Awards once vested will, in the case of Executive Directors, be subject to a holding period set at the date of grant, which is two years for the initial Awards. The holding period will only apply to the net number of shares acquired if a participant chooses to settle their tax liability by selling shares. During the holding period the only restriction on the participant will be that they cannot sell the shares.

Vesting

Awards will generally vest on the vesting date stipulated at the date of grant of an Award which will normally be no less than three years from the date of Award, subject to the attainment of performance targets and continued employment.

Malus

The Remuneration Committee may decide at the vesting of an Award or at any time before to reduce the number of shares subject to an Award in the following circumstances:

- (i) discovery of a material misstatement resulting in an adjustment in the audited consolidated accounts of the Company or the audited accounts of any Group Member; and/or
- (ii) the assessment of any performance target or condition in respect of an Award was based on error, or inaccurate or misleading information; and/or
- (iii) the discovery that any information used to determine the number of shares subject to an Award was based on error, or inaccurate or misleading information; and/or
- (iv) action or conduct of an Award Holder which, in the reasonable opinion of the Board, amounts to fraud or gross misconduct.

Clawback

The Remuneration Committee may apply clawback to all or part of a participant's Award in the following circumstances during the period of two years following the vesting of an Award:

- (i) discovery of a material misstatement resulting in an adjustment in the audited consolidated accounts of the Company or the audited accounts of any Group Member for a period that was wholly or partly before the end of the period over which the performance target applicable to an Award was assessed; and/or
- (ii) the assessment of any performance target or condition in respect of an Award was based on error, or inaccurate or misleading information; and/or
- (iii) the discovery that any information used to determine the number of shares subject to an Award was based on error, or inaccurate or misleading information; and/or
- (iv) action or conduct of an Award Holder which, in the reasonable opinion of the Board, amounts to fraud or gross misconduct.

Clawback may be effected, among other means, by requiring the transfer of shares, payment of cash or reduction of other awards.

Cessation of employment

If a participant ceases to be employed by or hold office with the Group prior to the expiry of the performance period by reason of death, disability, redundancy, retirement, the company employing the participant ceasing to be Group company, or the business to which the participant's office relates being transferred to a person which is not a Group company or any other reason and the Remuneration Committee in its discretion permits exercise or vesting then an Award will vest on the date of cessation of employment, unless the Remuneration Committee determines that it should vest at the normal vesting date.

The amount of the Award that vests shall be subject to the satisfaction of the performance targets based on achievement at the date the Award is deemed to vest.

Awards will generally be reduced pro rata to reflect the time elapsed between grant and cessation of employment.

Change of control

In the event of a takeover, scheme of arrangement, the voluntary winding-up of the Company, demergers or other corporate events occurring before the expiry of a performance period, Awards will vest. The number of shares subject to Awards which vest will, in these circumstances, be determined by the Remuneration Committee in its absolute discretion taking into account the period of time the Award has been held by the participant and the extent to which any performance targets have been met.

In certain circumstances, Awards may be exchanged for awards over shares in the acquiring company. In the event of an internal reorganisation of the Company where there is no change of control, unless the Remuneration Committee determines otherwise, Awards will not be released and, instead, will be exchanged for new awards on equivalent terms.

Non-transferability of Awards

Awards are not transferable other than to the participant's personal representatives.

Allotment and transfer of shares

Any shares allotted or transferred under the 2015 LTIP will rank equally with shares then in issue (except for rights arising in reference to a record date prior to their allotment or transfer).

Applications will be made to both the UK Listing Authority and the London Stock Exchange in order to obtain the relevant approvals for admission to trading for new shares that are issued pursuant to the 2015 LTIP.

Adjustment of Awards

The number of shares over which Award is granted, the award price (where relevant) or the description of the shares may be adjusted by the Remuneration Committee in such manner as it shall determine following any variation in the share capital including a capitalisation issue, rights issue, demerger or other distribution, a special dividend or distribution, rights offer or bonus issue, sub-division, consolidation or reduction in the capital of the Company.

Amendments

Amendments to the 2015 LTIP rules may be made at the discretion of the Remuneration Committee. However, the basis for determining a participant's entitlement to be made an Award and/or acquire shares, the persons to whom an Award may be made, the limitations on the number of shares over which Awards can be made, individual participation limits and the adjustments that may be made following a variation of share capital cannot be altered to the advantage of participants without prior shareholder approval, except for minor amendments to benefit the administration of the 2015 LTIP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for the Group.

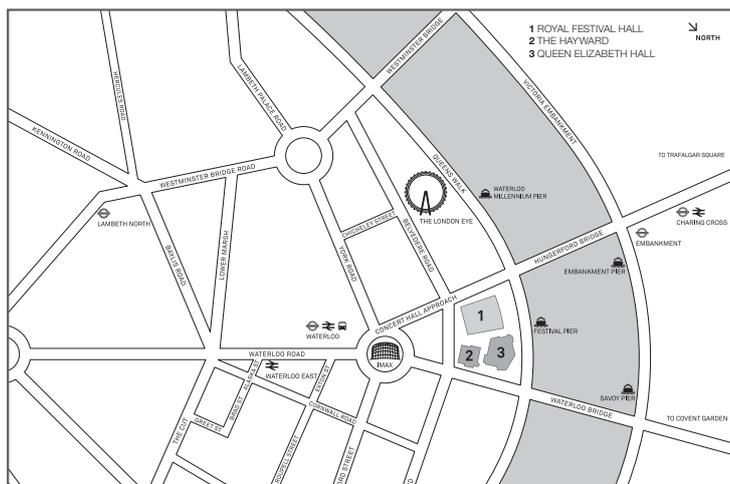
Shareholder approval will also not be required for any amendments to any performance conditions applying to an Award.

The Remuneration Committee is authorised to establish such further plans for the benefit of employees outside the UK based on the 2015 LTIP subject to such modifications as may be necessary or expedient to take account of local tax, exchange control or securities laws in any one or more overseas territories, provided that any shares made available under such further plans are treated as counting against any limits on individual or overall participation in the 2015 LTIP.

General

Shares acquired, Awards and any other rights granted pursuant to the 2015 LTIP are non-pensionable.

Location of 2015 AGM



The 2015 Annual General Meeting of National Express Group PLC will be held at 2.00pm on Wednesday, 6 May 2015 in the Purcell Room at the Queen Elizabeth Hall, Southbank Centre, Belvedere Road, London, SE1 8XX.

Directions

By train

The nearest mainline stations are Waterloo and Waterloo East. Both stations have step-free access.

By tube

The nearest underground stations are:

- Waterloo (Bakerloo, Northern, Jubilee and Waterloo and City underground lines), step-free access
- Waterloo East, step-free access
- Embankment (Circle and District underground lines)
- Charing Cross (Northern and Bakerloo underground lines)

By bus

A number of bus routes stop near to the venue. For more information, please go to www.southbankcentre.co.uk

Parking

Parking is available on site, open 7am – 1am daily. Parking fees apply. For more information, please go to www.southbankcentre.co.uk/visitor-info/parking

Shareholders with disabilities

The Purcell Room at the Queen Elizabeth Hall is fully accessible for wheelchair users. There are unisex accessible toilets on the ground floor by the Artists' Entrance and off the foyer. In the auditorium, there are spaces for wheelchair users and their companions. Guide companion dogs can be taken in. There is an infrared hearing facility and headsets can be collected from the cloakroom.

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.