

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you are recommended to seek your own advice immediately from a stockbroker, solicitor, accountant or other professional adviser authorised pursuant to the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

If you have sold or transferred all of your Ordinary Shares in the Company, please forward this document together with the Proxy Form without delay 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. Such documents should not, however, be forwarded or transmitted in or into any jurisdiction where to do so might constitute a violation of the relevant laws in such jurisdiction. If you have sold or transferred only part of your holding of Ordinary Shares, you should retain these documents and consult the stockbroker bank or other agent through whom the sale or transfer was effected.

This document should be read in conjunction with the enclosed Proxy Form and the definitions set out in Part 4 of this document. The whole of this document should be read and, in particular, your attention is drawn to the letter from the Chairman of the Company set out in Part 1 of this document which contains the recommendation by the Directors to Shareholders to vote in favour of the resolutions to be proposed at the Annual General Meeting.

Stobart Group Limited

(incorporated under the laws of Guernsey with registered number 39117)

Notice of Annual General Meeting

A notice convening the Annual General Meeting of the Company to be held at 12.00 p.m. on 29 June 2017 at St Pierre Park Hotel, Rohais, St Peter Port, Guernsey GY1 1FD is set out in Part 5 of this document. Whether or not you propose to attend the Annual General Meeting, please complete, sign and return the accompanying Proxy Form in accordance with the instructions printed on it as soon as possible. The Proxy Form must be received by the Company's registrar, Capita Asset Services, not less than 48 hours before the time of the holding of the Annual General Meeting. The Proxy Form may be delivered by post or by hand, to Capita Asset Services so that it is received by Capita Asset Services by no later than 12.00 p.m. on 27 June 2017 (being 48 hours before the time appointed for the holding of the Annual General Meeting). CREST members can also appoint proxies by using the CREST electronic proxy appointment service and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual so that it is received by Capita Asset Services by no later than 12.00 p.m. on 27 June 2017. The time of receipt will be taken to be the time from which Capita Asset Services is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

Completion and return of a Proxy Form or transmitting a CREST Proxy Instruction will not prevent you from attending and voting at the Annual General Meeting in person should you wish to do so.

IMPORTANT NOTICE

The release, publication or distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves about, and observe, any applicable restrictions or requirements. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction. This document has been prepared for the purposes of complying with English law and the Listing Rules and the applicable rules and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of England and Wales. The statements contained in this document are made as at the date of this document, unless some other time is specified in relation to them, and publication of this document shall not give rise to any implication that there has been no change in the facts set forth herein since such date. Nothing contained in this document shall be deemed to be a forecast, projection or estimate of the future financial performance of the Company except where otherwise stated.

FORWARD-LOOKING STATEMENTS

This document contains certain "forward-looking statements" with respect to certain plans and objectives of the members of the Group. In some cases, these forward-looking statements can be identified by the fact that they do not relate to historical or current facts and by the use of forward-looking terminology, including the terms "anticipates", "believes", "estimates", "expects", "intends", "plans", "prepares", "goal", "target", "will", "may", "should", "could" or "would" or, in each case, their negative or other variations or comparable terminology. These statements are based on assumptions and assessments made by the Directors in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe appropriate. Investors should specifically consider the factors identified in this document that could cause actual results to differ before making an investment decision. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company or the Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. They are also based on numerous assumptions regarding the Company's and/or the Group's present and future business strategies and the environment in which it is believed that the Group will operate in the future. These forward-looking statements speak only as at the date of this document. Except as required by the FCA, the Listing Rules, the Disclosure and Transparency Rules, the London Stock Exchange or applicable law, the Company expressly disclaims any obligations or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this document.

Stobart Group

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Expected Timetable of Events

Last time and date for receipt of Proxy Form for the Annual General Meeting	12.00 p.m. on 27 June 2017
Last time and date for receipt of CREST Proxy Instructions	12.00 p.m. on 27 June 2017
Last time and date for registration in the Register	Close of business on 27 June 2017
Annual General Meeting	12.00 p.m. on 29 June 2017

Notes:

1. Reference to times are to London times unless otherwise stated.
2. The dates and times given in this document are based on the Company's current expectations and may be subject to change.
3. Any changes to the timetable set out above will be announced via a Regulatory Information Service.

PART 1: LETTER FROM THE CHAIRMAN OF STOBART

(incorporated under the laws of Guernsey with registered number 39117)

Directors:

Iain Ferguson CBE	(Non-Executive Chairman)
Andrew Tinkler	(Chief Executive Officer)
Richard Butcher	(Executive Director)
Andrew Wood	(Non-Executive Director)
John Garbutt	(Non-Executive Director)
John Coombs	(Non-Executive Director)

Registered Office
Old Bank Chambers
La Grande Rue
St. Martin's
Guernsey
GY4 6RT

30 May 2017

Dear Shareholder

Notice of Annual General Meeting

1. Notice of Annual General Meeting

Your attention is drawn to the Notice set out in Part 5 of this document (including the explanatory notes) convening the Annual General Meeting to be held at 12.00 p.m. on 29 June 2017 at St Pierre Park Hotel, Rohais, St Peter Port, Guernsey GY1 1FD where the resolutions set out in the Notice will be proposed.

Resolution 12 seeks Shareholder approval for the Company's Directors' Remuneration Policy.

Resolution 13 seeks approval of the alignment of performance periods for the Awards granted on 1 November 2014 while Resolution 14 seeks approval of some minor amendments to the rules of the Long Term Incentive Plan (details of such amendments are found in Part 2 of this document).

Resolution 16 seeks Shareholder approval for the Company to approve and adopt the Amended Articles of Incorporation (details of such amendments are found in Part 3 of this document).

Only holders of Ordinary Shares may vote at the Annual General Meeting.

2. Directors' Remuneration Policy

The proposed new Directors' Remuneration Policy is summarised below. The proposed new policy is contained in pages 54 to 59 of the Directors' Remuneration Report contained within the Annual Report and Accounts.

The Existing Directors' Remuneration Policy underwent significant changes in 2014, which the Directors believe brought the Company's remuneration structures broadly into line with market norms for its size, whilst retaining capacity to incentivise performance. The Remuneration Committee has reviewed the Existing Directors' Remuneration Policy this year and determined that no significant changes are required at this time as they believe it remains appropriate for retaining and incentivising the executive team.

The Directors' Remuneration Policy is therefore being submitted for the approval of the Shareholders incorporating the following minor amendments to the Existing Directors' Remuneration Policy:

- the extent of the Remuneration Committee's discretion in implementing the Directors' Remuneration Policy has been clarified;
- the malus and clawback conditions have been strengthened by inserting provisions relating to miscalculation and risk-taking in excess of what has been approved by the Board. The malus and clawback provisions have also been clarified so that they can apply for a period of two years from the date of an annual bonus payment or vesting of an award made under the Long Term Incentive Plan;
- information throughout the Directors' Remuneration Policy has been generally updated, for example, updated performance scenario charts have been included; and
- the Directors' Remuneration Policy has generally been made shorter and easier to read.

Resolution 12 and the accompanying explanatory notes relate to the Directors' Remuneration Policy.

3. Alignment of Performance Periods for 2014 LTIP awards

In the Directors' Remuneration Report for financial year ended 29 February 2016, the performance periods for the Awards granted on 1 November 2014 under the Long Term Incentive Plan were stated as 1 November 2014 to 31 October 2017 for the Total Shareholder Return (TSR) Performance Condition and 1 March 2014 to 28 February 2017 for the Earnings Per Share (EPS) Performance Condition. The Remuneration Committee would like to align the EPS Performance Condition with the TSR Performance Condition and the Vesting Period. The Vesting Period and both the EPS Performance Condition and the TSR Performance Condition for the Awards made on 1 November 2014 would then all be aligned to 1 November 2014 to 31 October 2017.

To calculate the cumulative EPS for such Awards, we would take one-third of the EPS in the financial year ended 28 February 2015 and two-thirds of the EPS in the year ending 28 February 2018 together with the EPS relating to all of the two financial years in between (being financial years ended 29 February 2016 and 28 February 2017).

For all subsequent Awards under the Long Term Incentive Plan (i.e. post 1 November 2014), both performance periods for the EPS Performance Condition and TSR Performance Condition are aligned with full financial years, as previously communicated to Shareholders and agreed by the Remuneration Committee.

Resolution 13 and the accompanying explanatory notes relate to the alignment of the performance periods for the Awards granted on 1 November 2014.

4. Amendments to the Long Term Incentive Plan

The proposed minor amendments to the rules of the Long Term Incentive Plan are summarised in Part 2 of this document.

The Long Term Incentive Plan (as amended) will be available for inspection at the offices of Hill Dickinson LLP (at Broadgate Tower, 20 Primrose Street, London EC2A 2EW) during usual business hours on any weekday (Saturday, Sunday and public holidays in the United Kingdom excluded) from the date of this Notice until the end of the Annual General Meeting and will be available for inspection at the place of the Annual General Meeting for at least 15 minutes prior to and during the Annual General Meeting.

Resolution 14 and the accompanying explanatory notes relate to the proposed amendments to the Long Term Incentive Plan.

5. Amended Articles of Incorporation

You should note that, in addition to the resolutions being proposed, the Company is looking to approve and adopt the Amended Articles of Incorporation. A summary of the principal amendments to the Existing Articles of Incorporation is set out in Part 3 of this document.

The Amended Articles of Incorporation will be available for inspection at the offices of Hill Dickinson LLP (at Broadgate Tower, 20 Primrose Street, London EC2A 2EW) during usual business hours on any weekday (Saturday, Sunday and public holidays in the United Kingdom excluded) from the date of this Notice until the end of the Annual General Meeting and will be available for inspection at the place of the Annual General Meeting for at least 15 minutes prior to and during the Annual General Meeting.

Resolution 16 and the accompanying explanatory notes relate to the Amended Articles of Incorporation.

6. Action to be Taken

You are invited to attend the Annual General Meeting. If you would like to vote on the resolutions but cannot attend the Annual General Meeting in person, please fill in the Proxy Form accompanying this document and return it to Capita Asset Services at PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF as soon as possible. Capita Asset Services must receive the Proxy Form by 12.00 p.m. on 27 June 2017 (being 48 hours before the time appointed for the holding of the Annual General Meeting).

Resolutions 1 to 15 are to be proposed as ordinary resolutions and Resolutions 16, 17 and 18 are to be proposed as special resolutions. The ordinary resolutions 1 to 15 will require a simple majority of those voting in person or by proxy (whether on a show of hands or on a poll) in favour of such resolutions. The special resolutions 16, 17 and 18 will require approval by not less than 75 per cent of those voting in person or by proxy (whether on a show of hands or on a poll) in favour of such resolutions.

CREST members can appoint proxies by using the CREST electronic proxy appointment service and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual so that it is received by Capita Asset Services (under CREST participant ID: RA10) by no later than 12.00 p.m. on 27 June 2017 (being 48 hours before the time appointed for the holding of the Annual General Meeting). The time of receipt will be taken to be the time from which Capita Asset Services is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

Completion and return of a Proxy Form or transmitting a CREST Proxy Instruction will not prevent you from attending the Annual General Meeting and voting in person should you wish to do so.

7. Further Information

Your attention is drawn to the further information set out in the Notice of Annual General Meeting in Part 5 at the end of this document. You are advised to read the whole of this document and not rely on the summary information provided above.

8. Recommendation

The Board considers the passing of the resolutions to be in the best interests of the Company and the Shareholders as a whole.

Accordingly, the Board recommends that the Shareholders vote in favour of the resolutions as they intend to do in respect of their beneficial holdings, amounting, in aggregate, to 29,031,490 Ordinary Shares, representing 8.3 per cent of the issued share capital of the Company (excluding treasury shares) at the latest practicable date.

Yours faithfully

Iain Ferguson CBE
Chairman

PART 2: INFORMATION RELATING TO THE AMENDMENT(S) TO THE LONG TERM INCENTIVE PLAN

Pursuant to rule 34.2 of the rules of the Long Term Incentive Plan (Rules) and subject to Shareholders voting in favour of Resolution 14, the Board would like to make some minor amendments to the Rules for clarification purposes, as follows:

1. Definition of “Performance Period”

Under the Rules, vesting of the Award Shares is subject to the Performance Conditions, which for all Awards to date has included an EPS Performance Condition and a TSR Performance Condition, both of which are to be measured over the “Performance Period”. The “Performance Period” is currently defined under the Rules as follows:

“Performance Period means the period from the Award Date to the third anniversary of the Award Date”.

The Board wishes to make a minor amendment and replace the current definition of “Performance Period” with the following:

“Performance Period means the period from the start of the financial year of the Company in which the Award is granted, or such later date as the Committee may at its discretion determine, to the third anniversary of such start date”

This amendment means that the measurement periods for the EPS Performance Condition and TSR Performance Condition relating to the grants of Awards on 1 November 2014, 6 November 2015 and 17 June 2016, each as disclosed in the annual report and accounts for those respective periods, are consistent with the Rules. It also allows the Company to measure both the EPS and TSR on a financial year basis, which is more practical than calculating a part-year EPS, unless the Remuneration Committee determines otherwise. For example, for Awards granted on 1 November 2014, the Committee wishes to align the EPS Performance Period to the TSR Performance Period and the Vesting Period, as described in Resolution 13, to begin at 1 November 2014, immediately after the Long Term Incentive Plan was approved by shareholders at the October 2014 General Meeting.

2. Dividend Accrual

The Rules are to be amended so that dividends shall accrue during the Vesting Period on those Award Shares that become Vested Award Shares so that the Rules are consistent with the Directors’ Remuneration Policy, as approved by Shareholders. This will be achieved by amending Rule 36.4 so that it is subject to an additional Rule 36.5 to be inserted in the Rules in the following terms:

“36.5 Dividends shall accrue on the Award Shares during the Vesting Period, but only to the extent that such Award Shares become Vested Award Shares”.

3. Individual Maximum Entitlement

The individual limits on the making of Awards set out in Rules 8.1 and 8.2 are to be clarified so that it is clear that these are annual limits, in line with existing practice and the Directors’ Remuneration Policy, as approved by Shareholders.

4. Claw Back of Awards

Rule 10 is to be clarified to allow the Remuneration Committee to determine for each Award the circumstances upon which the Directors or the Remuneration Committee may refuse to allow any Share Issuance or to claw back and cancel any Vested Award Shares. This shall allow the Remuneration Committee to enhance claw back in line with developing best practice, for example, as proposed in this year’s Directors’ Remuneration Policy by including provisions for Awards to be clawed back in circumstances of miscalculation or risk-taking in excess of that which has been approved by the Board.

Rule 12 is also to be clarified so that Award Certificates shall include details of the circumstances, as prescribed by the Remuneration Committee for each Award, upon which the Directors and/or the Remuneration Committee are entitled to refuse to allow a Share Issuance or to claw back and cancel Vested Award Shares.

5. Approval of Amendments

Pursuant to rule 34.2 of the Rules, the Board may only amend provisions of the Long Term Incentive Plan with the prior approval of the Shareholders by ordinary resolution. Resolution 14 seeks to obtain this approval of the Shareholders by way of ordinary resolution.

6. Other

The above description summarises the proposed amendment(s) to the Long Term Incentive Plan, but does not form part of the rules of the Long Term Incentive Plan and should not be taken as affecting the interpretation of the detailed terms and conditions constituting the rules.

The Long Term Incentive Plan (as amended) will be available for inspection at the offices of Hill Dickinson LLP (at Broadgate Tower, 20 Primrose Street, London EC2A 2EW) during usual business hours on any weekday (Saturday, Sunday and public holidays in the United Kingdom excluded) from the date of this Notice until the end of the Annual General Meeting and will be available for inspection at the place of the Annual General Meeting for at least 15 minutes prior to and during the Annual General Meeting.

PART 3: INFORMATION RELATING TO THE AMENDED ARTICLES OF INCORPORATION

The proposed Amended Articles of Incorporation incorporate the following principal amendments to the Existing Articles of Incorporation:

1. Secretary (Article 100)

The Existing Articles of Incorporation do not allow for the same person to act as both Director and Secretary of the Company. The Amended Articles of Incorporation allows the Directors to appoint a person as Secretary as they see fit, including one of the Board to act as both a Director and Secretary of the Company.

2. Means of Communication for General Meetings and the Annual General Meeting (Articles 129 to 138 inclusive)

- 2.1 The Existing Articles of Incorporation require written notice of general meetings and annual general meetings to be given to Shareholders, such notice to be given by way of post. The Amended Articles of Incorporation permit the Company to send such notice and any relevant papers by way of Electronic Means (including, without limitation, by way of email or website publication).
- 2.2 The Board notes that telephone calls and other electronic means of communication are permitted under the Existing Articles of Incorporation in relation to attendance at general meetings, but not in relation to the communication of notice(s) or the circulation of documents. The Board therefore believes that this amendment will bring consistency to the Company's articles of incorporation and provide the Company with greater ease of communication with its Shareholders. Shareholders may still request that such notices and papers be sent by way of post.

3. Deemed Service (Article 138)

- 3.1 The Existing Articles of Incorporation provide that documents sent by way of post shall be deemed to be received, in the case of documents sent to addresses within the UK, Channel Islands or Isle of Man, on the third day after the day of posting and, in the case of documents sent to addresses elsewhere, on the seventh day after the day of posting.
- 3.2 The Amended Articles of Incorporation now provide that documents shall be deemed to be received, in the case of documents sent to addresses within the UK, Channel Islands or Isle of Man, on the second day after the day of posting and, in the case of documents sent to addresses elsewhere, on the third day after the day of posting (in each case, excluding any day that is a non-business day).

4. Changes in law

The Existing Articles of Incorporation incorporate various out-dated references to CREST that have been since superseded in Guernsey and also do not reflect the changes in law made by the Companies (Guernsey) Law 2008. The Amended Articles of Incorporation make the Company's constitution compliant with those changes in law.

5. Other

The above description summarises the main amendments that will be effected by the Amended Articles of Incorporation, but does not form part of the Company's constitution and should not be taken as affecting the interpretation of the Amended Articles of Incorporation.

The Amended Articles of Incorporation will be available for inspection at the offices of Hill Dickinson LLP (at Broadgate Tower, 20 Primrose Street, London EC2A 2EW) during usual business hours on any weekday (Saturday, Sunday and public holidays in the United Kingdom excluded) from the date of this Notice until the end of the Annual General Meeting and will be available for inspection at the place of the Annual General Meeting for at least 15 minutes prior to and during the Annual General Meeting.

PART 4: DEFINITIONS

The following definitions apply to words and phrases used in this document except where the context requires otherwise:

“Amended Articles of Incorporation”	the amended articles of incorporation of the Company to be adopted pursuant to Resolution 16, a copy of which are available for inspection as set out in paragraph 5 of Part 1 above;
“Annual General Meeting”	the annual general meeting of the Company convened for 12.00 p.m. on 29 June 2017, notice of which is set out at Part 5 of this document;
“Annual Report and Accounts”	the annual report and accounts for financial year ended 28 February 2017;
“Award”	a right granted to receive a share issuance (as defined in the Long Term Incentive) pursuant to the Long Term Incentive Plan;
“Award Certificates”	a certificate or other form of available agreement evidencing an Award, as defined by the Long Term Incentive Plan;
“Award Date”	in relation to an Award, the date on which that Award is made;
“Award Shares”	the shares over which an Award subsists, as more fully defined in the Long Term Incentive Plan;
“Board”	the Directors of the Company (or, where the context requires, any duly constituted committee thereof);
“Company or Stobart”	Stobart Group Limited, a company incorporated under the laws of Guernsey with registered number 39117;
“CREST”	the Relevant System (as defined in the CREST Regulations), in respect of which Euroclear is the operator (as defined in the CREST Regulations);
“CREST Manual”	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CCSS Operations Manual, Daily Timetable, CREST Application Procedures and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996 and as subsequently amended);
“CREST member”	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations);
“CREST participant”	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations);
“CREST Proxy Instruction”	an appropriate and valid CREST message appointing a proxy by means of CREST;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended;
“CREST Sponsor”	a CREST participant admitted to CREST as a CREST sponsor;
“Director(s)”	the directors of the Company;
“Directors’ Remuneration Policy”	the new directors’ remuneration policy of the Group, set out in the directors’ remuneration report contained within the Annual Report and Accounts for financial year ended 28 February 2017, which is to be voted on by Shareholders at the Annual General Meeting;
“Disclosure and Transparency Rules”	the disclosure guidance and transparency rules of the FCA made for the purposes of Part VI of FSMA in relation to the disclosure of information by an issuer whose financial instruments are admitted to trading on a regulated market in the UK;
“EPS”	cumulative earnings per share growth, as defined in the Long Term Incentive Plan;
“EPS Performance Condition”	the EPS performance condition, as defined in the Long Term Incentive Plan;
“Electronic Means”	a document sent in electronic form and by electronic means, which means that it is sent and received at its destination by means of electronic equipment for the processing (which expression includes, without limitation, digital compression) or storage of data, and entirely transmitted and received by wire, by radio, by optical means or by other electromagnetic means, or is sent by other means;
“Euroclear”	Euroclear UK & Ireland Limited, as the CREST operator (as defined in the CREST Regulations);
“Existing Articles of Incorporation”	the existing articles of incorporation of the Company adopted on 18 May 2011;
“Existing Directors’ Remuneration Policy”	the existing directors’ remuneration policy of the Group, adopted and approved in October 2014;
“FCA”	the Financial Conduct Authority of the United Kingdom, and any of its successor authorities;
“FSMA”	the Financial Services and Markets Act 2000, as amended from time to time;

“Group or Stobart Group”	the Company, the subsidiaries and all other subsidiary undertakings of the Company from time to time;
“Listing Rules”	the listing rules made by the UK Listing Authority under section 73A of FSMA, as amended from time to time;
“London Stock Exchange”	London Stock Exchange plc;
“Long Term Incentive Plan”	the incentive plan, which was put in place for Directors and Stobart management and which was approved by Shareholders at the general meeting on 24 October 2014;
“Notice”	the notice of the Annual General Meeting set out in Part 5 of this document;
“Ordinary Shares”	the issued Ordinary Shares of the Company;
“Proxy Form”	the form of proxy which accompanies this document, for use at the Annual General Meeting;
“Regulatory Information Service”	any channel recognised as a channel for the dissemination of regulatory information by listed companies, as defined in the Listing Rules;
“Remuneration Committee”	the Company’s remuneration committee;
“Share”	Ordinary Shares of 10 pence each in the capital of the Company;
“Shareholder”	a registered holder of a Share;
“Share Issuance”	the allotment and issue or transfer of Award Shares, as defined in the Long Term Incentive Plan;
“TSR”	the total shareholder return, as defined in the Long Term Incentive Plan;
“TSR Performance Condition”	the TSR performance condition, as defined in the Long Term Incentive Plan;
“Vested Award Shares”	has the meaning given to it in the Long Term Incentive Plan; and
“Vesting Period”	the vesting period for any Award Shares, as defined in the Long Term Incentive Plan.

PART 5: NOTICE OF ANNUAL GENERAL MEETING STOBART GROUP LIMITED

(incorporated under the laws of Guernsey with registered number 39117)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at 12.00 p.m. on 29 June 2017 at St Pierre Park Hotel, Rohais, St Peter Port, Guernsey GY1 1FD. Shareholders are asked to consider and, if thought fit, pass Resolutions 1 to 15 as ordinary resolutions and Resolutions 16, 17 and 18 as special resolutions.

Ordinary Business:

1. To receive the Company's Annual Accounts for the financial year ended 28 February 2017, the Directors' Report and the Auditor's Report on those accounts.
2. To declare a final dividend for the financial year ended 28 February 2017 of 4.5 pence per Ordinary Share of 10 pence each in the capital of the Company.
3. To re-elect Iain Ferguson CBE under article 75 of the Existing Articles of Incorporation (article 76 of the Amended Articles of Incorporation) of the Company, who retires by rotation pursuant to article 74(1) of the Existing Articles of Incorporation (article 75(1) of the Amended Articles of Incorporation) of the Company and provision B.7.1 of the UK Corporate Governance Code and who, being eligible, offers himself for re-election as a Director.
4. To re-elect Andrew Tinkler under article 75 of the Existing Articles of Incorporation (article 76 of the Amended Articles of Incorporation) of the Company, who retires by rotation pursuant to article 74(1) of the Existing Articles of Incorporation (article 75(1) of the Amended Articles of Incorporation) of the Company and provision B.7.1 of the UK Corporate Governance Code and who, being eligible, offers himself for re-election as a Director.
5. To re-elect Andrew Wood under article 75 of the Existing Articles of Incorporation (article 76 of the Amended Articles of Incorporation) of the Company, who retires by rotation pursuant to article 74(1) of the Existing Articles of Incorporation (article 75(1) of the Amended Articles of Incorporation) of the Company and provision B.7.1 of the UK Corporate Governance Code and who, being eligible, offers himself for re-election as a Director.
6. To re-elect John Coombs under article 75 of the Existing Articles of Incorporation (article 76 of the Amended Articles of Incorporation) of the Company, who retires by rotation pursuant to article 74(1) of the Existing Articles of Incorporation (article 75(1) of the Amended Articles of Incorporation) of the Company and provision B.7.1 of the UK Corporate Governance Code and who, being eligible, offers himself for re-election as a Director.
7. To re-elect John Garbutt under article 75 of the Existing Articles of Incorporation (article 76 of the Amended Articles of Incorporation) of the Company, who retires by rotation pursuant to article 74(1) of the Existing Articles of Incorporation (article 75(1) of the Amended Articles of Incorporation) of the Company and provision B.7.1 of the UK Corporate Governance Code and who, being eligible, offers himself for re-election as a Director.
8. To approve the appointment of Warwick Brady as a Director under article 73 of the Existing Articles of Incorporation (article 74 of the Amended Articles of Incorporation) with effect from 1 July 2017.
9. To reappoint KPMG LLP as auditors of the Company.
10. To authorise the Directors to agree the auditors' remuneration.
11. To approve the Directors' Remuneration Report (other than the Directors' Remuneration Policy) for the financial year ended 28 February 2017.
12. That the Directors' Remuneration Policy set out on pages 54 to 59 of the Directors' Remuneration Report contained in the Annual Report and Accounts for financial year ended 28 February 2017 be and is hereby approved and adopted with immediate effect after the end of the Annual General Meeting.

Special Business:

13. To confirm and hereby approve that the EPS Performance Condition relating to the Awards granted on 1 November 2014 pursuant to the Long Term Incentive Plan be measured between 1 November 2014 to 31 October 2017 to align with the TSR Performance Period and Vesting Period.
14. To confirm and hereby approve the adoption of the amended rules of the Long Term Incentive Plan as summarised in Part 2 of this document and in the form produced to the Annual General Meeting and initialled by the Chairman for the purposes of identification.
15. To consider and, if thought fit, pass the following resolution which will be proposed as an ordinary resolution:

"THAT, for the purposes of article 7(1) of the Existing Articles of Incorporation (article 7(1) of the Amended Articles of Incorporation) of the Company, the Directors of the Company be and they are hereby generally and unconditionally authorised to exercise all or any of the powers of the Company to issue shares in the Company or to grant rights to subscribe for, or to convert any security into, shares in the Company (such shares and rights being together referred to as 'Relevant Securities') up to an aggregate nominal value of £11,710,961 to such persons at such times and generally on such terms and conditions as the Directors may determine (subject

always to the articles of incorporation of the Company), provided that this authority shall, unless previously renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the next annual general meeting of the Company or on 31 August 2018 (if earlier) save that the Directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require Relevant Securities to be issued after the expiry of such period and the Directors of the Company may issue Relevant Securities in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired."

16. To consider and, if thought fit, pass the following resolution which will be proposed as a special resolution:

"THAT the Amended Articles of Incorporation (as defined and summarised in Part 3 of this document and in the form produced to the Annual General Meeting and initialled by the Chairman of the Annual General Meeting for the purposes of identification), be and are hereby adopted as the new articles of incorporation of the Company in substitution for, and to the exclusion of, the Existing Articles of Association."

17. To consider and, if thought fit, pass the following resolution which will be proposed as a special resolution:

"THAT, subject to the passing of Resolution 14, the Directors of the Company be and are hereby generally and unconditionally authorised to issue shares for cash, whether under the authority given by Resolution 14, or under section 292 of the Companies (Guernsey) Law 2008 as amended, as if article 7(2)(b) of the Existing Articles of Incorporation (article 7(2)(b) of the Amended Articles of Incorporation) of the Company did not apply to any such issue, provided that this power shall be limited to (a) the issue of shares in connection with an offer of shares by way of a rights issue only to (i) the holders of Ordinary Shares of 10 pence each in the capital of the Company in proportion as nearly as practicable to their respective holdings of such shares, and (ii) holders of other shares as required by the rights of those shares or as the Directors otherwise consider necessary, and so that the Directors may impose any limits or restrictions and make any arrangements as the Directors may otherwise consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, or legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and/or (b) the issue otherwise than pursuant to (a) above of shares up to an aggregate nominal value equal to £1,756,644.10; and such power shall, unless previously renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the next annual general meeting of the Company or on 31 August 2018 (if earlier) save that the Directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require shares to be issued after the expiry of such period and the Directors of the Company may issue shares in pursuance of such offer or agreement as if such power had not expired."

18. To consider and, if thought fit, pass the following resolution which will be proposed as a special resolution:

"THAT in accordance with the Companies (Guernsey) Law 2008 as amended, and in substitution for all existing authorities, the Company be, and hereby is generally, and unconditionally authorised to make one or more market acquisitions as defined in section 316 of the Companies (Guernsey) Law, 2008 of its Ordinary Shares of 10 pence each, provided that:

- a) *the maximum aggregate number of Ordinary Shares hereby authorised to be acquired does not exceed 35,132,883 Ordinary Shares of 10 pence each;*
- b) *the minimum price (exclusive of expenses) which may be paid for an Ordinary Share shall be 10 pence;*
- c) *the maximum price (exclusive of expenses) which may be paid for an Ordinary Share shall be not more than the higher of: (i) 5 per cent above the average of the middle market quotations for the Ordinary Shares as derived from the Official List of the London Stock Exchange plc for the five business days before the purchase is made; and (ii) the higher of the price of the last independent trade, and the highest independent bid at the time of the purchase for the Ordinary Shares;*
- d) *the authority conferred shall expire at the conclusion of the next annual general meeting of the Company or on 31 August 2018 (if earlier);*
- e) *notwithstanding paragraph (d), the Company may make a contract to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be completed wholly or partly after the expiration of such authority, and may make a purchase of Ordinary Shares pursuant to any such contract; and*
- f) *any Ordinary Shares bought back may be held as treasury shares in accordance with the Companies (Guernsey) Law, 2008 or be subsequently cancelled by the Company."*

By order of the Board

Richard Laycock
Company Secretary
Stobart Group Limited

Registered Office
Old Bank Chambers
La Grande Rue
St Martin's
Guernsey GY4 6RT

Registered in Guernsey with registered number 39117

30 May 2017

Notes to the Resolutions

Resolution 1 – Report and Accounts

The Directors are obliged to lay the Directors' and Auditor's Reports and audited financial statements for the year ended 28 February 2017 before Shareholders at a general meeting.

Resolution 2 – Declaration of Dividend

A final dividend can only be paid after it has been approved by the Shareholders. A final dividend of 4.5 pence per share in respect of the year ended 28 February 2017 is recommended by the Directors for payment to the Shareholders who are on the register of members at the close of business on 16 June 2017, and if approved, the date of payment of the final dividend will be 7 July 2017.

Resolutions 3 to 8 Inclusive – Reappointment and Appointment of Directors

Under the UK Corporate Governance Code, the Directors of a FTSE 350 company should be subject to annual re-election by the Shareholders. Andrew Tinkler offers himself for reappointment as an Executive Director and Warwick Brady offers himself for appointment as an Executive Director. Iain Ferguson CBE, Andrew Wood, John Coombs and John Garbutt each offer themselves for reappointment as Non-Executive Directors. The Board recommends that the Shareholders support these reappointments. Having reviewed the recommendations of the Nomination Committee concerning these reappointments, the Board concluded that each of the Directors listed above continue to make an effective and valuable contribution and demonstrate commitment to their roles as Directors. Richard Butcher is not offering himself for re-election and will resign from the Board following the Annual General Meeting.

Resolutions 9 and 10 – Auditors' Appointment and Remuneration

The auditors of a company must be reappointed at each general meeting at which accounts are presented. Resolution 9 proposes the reappointment of the Company's existing auditors, KPMG LLP, until the next annual general meeting of the Company to be held in 2018. In accordance with current best practice, Resolution 10 is a separate resolution which gives authority to the Directors to determine the auditors' remuneration.

Resolution 11 – Directors' Remuneration Report

The Board seeks Shareholder approval of the Directors' Remuneration Report 2017 (excluding the Directors' Remuneration Policy) which gives details of the Directors' remuneration for the year ended 28 February 2017 and which is included from pages 53 to 67 of the Annual Report and Accounts for financial year ended 28 February 2017 sent with this Notice. In line with legislation, this vote will be advisory and the Directors' entitlement to remuneration is not conditional on the resolution being passed.

Resolution 12 – Directors' Remuneration Policy

Shareholders are asked to approve the Directors' Remuneration Policy which is set out in full on pages 54 to 59 of the Directors' Remuneration Report contained within the Annual Report and Accounts for financial year ended 28 February 2017. Once the policy is approved the Company will not be able to make a remuneration payment to a current or prospective Director or a payment for loss of office to a current or past Director, unless the payment is consistent with the policy or has been approved by a resolution of the shareholders of the Company.

Resolution 13 – Alignment of Performance Periods for the Awards granted on 1 November 2014 under the Long Term Incentive Plan

This resolution seeks Shareholder approval to amend the performance period relating to the EPS Performance Condition of the Awards granted on 1 November 2014 to align it with that of the TSR Performance Condition and the Vesting Period, such that all three periods will align being measured during the period from 1 November 2014 to 31 October 2017.

Resolution 14 – Amendments to the rules of the Long Term Incentive Plan

This resolution seeks Shareholder approval of the amendments to the Long Term Incentive Plan, details of such amendments are found in Part 2 of this document.

Resolution 15 – Directors' Authority to Issue Shares

This resolution authorises the general issue of shares up to an aggregate nominal value of £11,710,961, which is equal to approximately one-third of the nominal value of the current issued share capital of the Company (excluding treasury shares). Such authority will expire at the conclusion of the next annual general meeting of the Company or 31 August 2018 (whichever is the earlier). The Directors have no current intention to exercise this authority. This resolution revokes and replaces all unexercised authorities previously granted to the Directors to issue Relevant Securities but without prejudice to any issue of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

Resolution 16 – Approval of the Amended Articles of Incorporation

This resolution seeks Shareholder approval for the Company to approve and adopt the Amended Articles of Incorporation, details of such amendments are found at Part 3 of this document.

Resolution 17 – Disapplication of Pre-emption Rights

This resolution authorises the Directors to issue ordinary shares of 10 pence each in the Company for cash without first offering them to the existing Shareholders in proportion to their existing shareholdings up to an aggregate nominal amount of £1,756,644.10 (representing 17,566,441 ordinary shares of 10 pence each). This represents approximately 5 per cent of the issued ordinary share capital of the Company (excluding treasury shares) as at 30 May 2017 (being the latest practicable date prior to publication of this Notice) and is in accordance with the Pre-Emption Group Guidelines which provide that the power to issue shares on a non-pre-emptive basis should be limited to an aggregate nominal amount equivalent to 5 per cent of existing issued share capital. In accordance with the Pre-Emption Group Guidelines, the Board confirms its intention that no more than 7.5 per cent of the issued share capital of the Company will be issued for cash on a non-pre-emptive basis during any rolling three-year period.

Resolution 18 – Authority to Purchase Own Shares

This resolution seeks Shareholder approval for the Company to make market purchases of up to 35,132,883 ordinary shares of 10 pence each, being approximately 10 per cent of the issued share capital of the Company (excluding treasury shares) as at 30 May 2017 (being the latest practicable date prior to publication of this Notice) and specifies the minimum and maximum prices at which the ordinary shares may be bought.

In certain circumstances it may be advantageous for the Company to purchase its own shares and the Directors consider it to be desirable for the general authority to be available to provide flexibility in the management of the Company's capital resources. Purchases of the Company's own shares will be made if to do so would be in the best interests of the Company and of its Shareholders generally, and would result in an increase in earnings per share. The Company may either retain any of its own shares which it has purchased as treasury shares with a view to possible use at a future date or cancel them. Holding the shares as treasury shares gives the Company the ability to use them quickly and cost-effectively and would provide the Company with additional flexibility in the management of its capital base. No dividends will be paid on and no voting rights will be exercised in respect of treasury shares. It is the Company's current intention that if any shares repurchased under this authority, a sufficient number will be held in treasury to meet the requirements, as they arise, of the Company's share incentive arrangements, with the remainder being cancelled.

The total number of awards and options to subscribe for ordinary shares outstanding as at 30 May 2017 (being the latest practicable date prior to the publication of this Notice), was 11,456,379 representing approximately 3.3 per cent of the issued share capital (excluding treasury shares) at that date. If the authority being sought under this resolution was utilised in full, the issued share capital would be reduced by an equivalent amount and the outstanding awards and options would represent approximately 3.6 per cent of the issued share capital as at 30 May 2017. No warrants over ordinary shares in the capital of the Company are in existence as at 30 May 2017.

Invesco Perpetual Asset Management Limited ('Invesco') is currently interested in an aggregate of 94,037,248 ordinary shares, representing 26.8 per cent of the issued share capital of the Company (excluding treasury shares) as at 30 May 2017 (being the latest practicable date prior to the publication of this Notice). If the Company were to re-purchase from persons other than Invesco all ordinary shares for which it is seeking authority, Invesco's interest in shares would (assuming no other allotment of ordinary shares) increase to 29.7 per cent of the issued share capital of the Company by virtue of such action (excluding treasury shares).

Under Rule 37 of the City Code on Takeovers and Mergers ('City Code'), when a company purchases its own voting shares, any resulting increase in the percentage of shares carrying voting rights in which a person or group of persons acting in concert is interested will be treated as an acquisition for the purpose of Rule 9 of the City Code. The Panel on Takeovers and Mergers has confirmed to the Company that the exemption set out in Note 1 of Rule 37.1 of the City Code will apply to any share buy-back pursuant to the authority set out in Resolution 16 on the basis Invesco has not appointed a Director to the Company's Board and so any buy-back of ordinary shares will not incur an obligation on Invesco to make a mandatory offer under Rule 9 of the City Code.

General Notes to the Notice

1. A member of the Company entitled to attend and vote at the meeting convened by this Notice is entitled to appoint one or more proxies to exercise any of his rights to attend, speak and vote at that meeting on his behalf. If a member appoints more than one proxy each proxy must be entitled to exercise the rights attached to different shares. A proxy need not be a member of the Company.
2. A proxy may only be appointed using the procedures set out in these notes and the notes to the Proxy Form. To appoint a proxy, a member may complete, sign and date the enclosed Proxy Form and deposit it at the office of the Company's Registrars, Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF by 12.00 p.m. on 27 June 2017. Any power of attorney or any other authority under which the Proxy Form is signed (or a duly certified copy of such power or authority) must be enclosed with the Proxy Form.
3. In order to revoke a proxy appointment, a member must sign and date a Notice clearly stating his intention to revoke his proxy appointment and deposit it at the office of the Company's Registrars, Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF by 12.00 p.m. on 27 June 2017.
4. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so in relation to the meeting, and any adjournment(s) thereof, by utilising the procedures described in the CREST Manual. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message must be transmitted so as to be received by the Company's Registrars, Capita Asset Services (whose CREST ID is RA10) by the latest time for receipt of proxy appointments specified in Note 2 above. 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 the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
5. CREST members and, where applicable, their CREST sponsors, or voting service providers, should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
6. As at 30 May 2017, being the latest practicable date prior to publication of this Notice, the Company's issued share capital consists of 351,328,831 Ordinary Shares of 10 pence each, carrying one vote each, 3,000,000 treasury shares in respect of which the Company is not permitted to exercise voting rights (such treasury shares equate to approximately 0.9 per cent of the Company's issued share capital (excluding treasury shares)), and 1,000 non-voting deferred shares of 0.1 pence each. Therefore, the total voting rights in the Company as at 30 May 2017 are 351,328,831.
7. Any corporation which is a member of the Company may authorise one or more persons (who need not be a member of the Company) to attend, speak and vote at the meeting as the representative of that corporation. A certified copy of the board resolution of the corporation appointing the relevant person as the representative of that corporation in connection with the meeting must be deposited at the office of the Company's Registrars prior to the commencement of the meeting.
8. The right to vote at the meeting shall be determined by reference to the register of members of the Company. Only those persons whose names are entered on the register of members of the Company at close of business on 27 June 2017 shall be entitled to attend and vote in respect of the number of shares registered in their names at that time. Changes to entries on the register of members after that time shall be disregarded in determining the rights of any person to attend and/or vote at the meeting.
9. Members who wish to communicate with the Company by electronic means in connection with the matters set out in this Notice may do so by contacting the Company at company.secretary@stobartgroup.com on or before the close of business on 27 June 2017.
10. As soon as practicable following the Annual General Meeting, the results of the voting at the meeting and the number of votes cast for and against and the number of votes withheld in respect of each resolution will be announced via a Regulatory Information Service and also placed on the Company's website www.stobartgroup.com.
11. A copy of this Notice and the Company's Annual Report and Accounts for financial year ended 28 February 2017 will also be placed on the website.

