

**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 Shares in the Company, please forward this document together with the enclosed 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 3 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 unanimous recommendation by the Directors to Shareholders to vote in favour of the Resolutions to be proposed at the Annual General Meeting.**

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# Stobart Group Limited

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

## Notice of Annual General Meeting

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A notice convening the Annual General Meeting of the Company to be held at 1.00pm on 25 June 2015 at the St. Pierre Park Hotel, Rohais, St. Peter Port, Guernsey GY1 1FD is set out in Part 4 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 1.00pm on 23 June 2015 (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 1.00pm on 23 June 2015. 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.

# Stobart Group

## Contents

Expected Timetable of Events	2
Part 1: Letter from the Board	3
Part 2: SAYE Share Option Scheme	5
Part 3: Definitions	7
Part 4: Notice of Annual General Meeting	8

## Expected Timetable of Events

Last time and date for receipt of Proxy Form for the Annual General Meeting	1.00pm on 23 June 2015
Last time and date for receipt of CREST Proxy Instructions	1.00pm on 23 June 2015
Last time and date for registration in the Register	6.00pm on 23 June 2015
General Meeting	1.00pm on 25 June 2015

### 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 Board  
Stobart Group Limited (the “Company”)  
(incorporated under the laws of Guernsey with registered number 39117)

**Directors:**

Iain Ferguson CBE	(Non-Executive Chairman)
Andrew Tinkler	(Chief Executive Officer)
Ben Whawell	(Chief Finance Officer)
Richard Butcher	(Chief Executive Stobart Energy & Infrastructure)
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

21 May 2015

**Dear Shareholder**

**Notice of Annual General Meeting**

Your attention is drawn to the notice set out in Part 4 of this document (including the explanatory notes) convening the Annual General Meeting to be held at 1.00pm on 25 June 2015 at St. Pierre Park Hotel, Rohais, St. Peter Port, Guernsey GY1 1FD where the resolutions set out in the Notice will be proposed.

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

**SAYE Share Option Scheme**

You should note that, in addition to the other Resolutions being proposed, the Company is looking to approve and adopt a SAYE Share Option Scheme. A summary of the principal terms of the SAYE Share Option Scheme is set out in Part 2 of this Notice and copies of the proposed rules of the SAYE Share Option Scheme are available for inspection at the registered office of the Company.

The Board believes that it is important to provide a greater number of employees and directors with the opportunity to acquire shares in the Company in a potentially tax-efficient manner so that employees and directors are encouraged to identify their interests more closely with those of the Company's shareholders. It is proposed that the SAYE Share Option Scheme, which is designed to meet the requirements of Schedule 3 to the Income Tax (Earnings and Pensions) Act 2003 in order to receive certain tax benefits, is adopted with this in mind.

Resolution 13 and the accompanying explanatory notes relate to the SAYE Share Option Scheme.

**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 1.00pm on 23 June 2015 (being 48 hours before the time appointed for the holding of the Annual General Meeting).

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 1.00pm on 23 June 2015 (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.

**Further Information**

Your attention is drawn to the further information set out in Parts 2 to 3 (inclusive) of this document and the Notice of Annual General Meeting set out in Part 4 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.

Part 1: Letter From the Board  
Stobart Group Limited (the “Company”)  
(incorporated under the laws of Guernsey with registered number 39117)

**Recommendation**

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

As a result of their potential participation in the SAYE Share Option Scheme, the executive directors are excluded from the directors' recommendation set out above in so far as it relates to Resolution 13 in respect of the SAYE Share Option Scheme. The non-executive directors (who will not be eligible to participate in the proposed SAYE Share Option Scheme) believe the adoption of the SAYE Share Option Scheme to be in the best interests of the Company and the Shareholders as a whole and therefore recommend you to vote in favour of Resolution 13.

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 30,157,644 Ordinary Shares, representing 9.20 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: SAYE SHARE OPTION SCHEME

### Summary of the principal terms of the Stobart Group Limited Savings- Related Share Option Scheme (the “Scheme”)

The Scheme has been designed to be capable of meeting the requirements of Schedule 3 to the Income Tax (Earnings and Pensions) Act 2003 (“**Schedule 3**”). The principal terms of the Scheme are as follows:

#### **Eligibility**

Invitations to participate will be given to all employees and all full-time directors of the Company and of any participating subsidiary of the Company (the “**Group**”) who are UK income tax resident, subject to the Board being able to limit invitations to those who have been employed for a continuous period set by the Board of between one week and five years. Invitations may also be issued to other employees or full-time directors of the Group at the discretion of the Board. Any persons who are prevented from being granted options by the Model Code will be unable to participate.

#### **Savings Contract**

Participants in the Scheme must enter into a savings contract with a bank or building society selected by the Board. Under this contract a participant agrees to save a specified monthly amount for either 3 or 5 years. The amount per month cannot be less than £10 or more than £500, subject to the Board deciding on a lower value (or such other amount as may be specified in Schedule 3).

Participants will be granted options to acquire ordinary shares in the Company. The number of ordinary shares under option will be the number of ordinary shares which have an aggregate option price not exceeding the total proceeds of the savings contract.

#### **Grant of options**

For the first grant of options under the Scheme only, invitations to apply for options may be issued under the Scheme within the period of six weeks following a date determined by the Board after approval of the Scheme by Shareholders. Thereafter invitations may be issued within the period of six weeks beginning with either of the following:

- (a) the dealing day following the day on which the Company announces its annual or interim results in any year; or
- (b) the dealing day following the day on which any relevant legislation, regulation or other rule or directive preventing the grant of an option is removed or ceases to have effect.

Options may also be granted at any other time when the Board determines that circumstances are exceptional so as to justify the grant of options.

No options can be granted more than 10 years after the adoption of the Scheme.

#### **Exercise price**

The exercise price for an option must be set when the option is granted or during the 30 days prior to the grant date. Options will be granted at a price which is not less than 80 per cent (or such other percentage as may be specified in Schedule 3) of the average middle market quotation of an ordinary share as derived from the Official List of the UK Listing Authority on the three dealing days prior to the valuation date. The exercise price cannot be less than the nominal value of an ordinary share.

#### **Exercise and lapse of options**

Options granted under the Scheme are personal to the relevant participants and may not be charged, assigned or transferred. An option will lapse immediately upon such charge, assignment or transfer or if the relevant participant is adjudged bankrupt.

Except as described below, options may normally only be exercised within six months of the maturity of the relevant savings contract by a person who is then a director or an employee of a member of the Group or an associated company of the Company or a company of which the Company has control.

Where a participant who is an employee or director dies before the maturity of the savings contract his or her option may be exercised by his or her personal representatives within 12 months of the date of death. Where a participant dies within 6 months of the maturity of the relevant savings contract his or her option may be exercised by his or her personal representatives within 12 months of maturity of the savings contract. Options not exercised within such time periods will lapse.

A participant may also exercise his or her option within 6 months of ceasing to be employed or holding office within the Group where such cessation occurs as a result of:

- (a) injury, disability, redundancy or retirement;
- (b) his or her employing company or business being disposed of outside the Group; or
- (c) any other reason, but only at the discretion of and to the extent permitted by the Board (but only after the expiry of three years from the date of grant of the relevant option).

Options not exercised within the relevant time periods will lapse.

# Stobart Group Limited

## Notice of Annual General Meeting

A participant may also exercise his or her options within a limited period following take-over of the Company or a reconstruction, amalgamation or voluntary winding up of the Company.

In certain circumstances participants may release their options in exchange for options over shares in a company acquiring the Company, provided that the new options are equivalent for the purposes of Schedule 3.

### **Scheme limits**

The maximum number of ordinary shares over which options to subscribe may be granted under the Scheme on any one day may not exceed (when aggregated with shares issued or issuable under all the employee share schemes operated by the Company in the immediately preceding 10 years) 10 per cent of the issued ordinary share capital of the Company in issue immediately prior to that day.

### **Variation of capital**

If an increase or variation in the capital of the Company occurs by reason of a capitalisation or rights issue (including an increase or variation having an effect similar to a rights issue) or a sub-division, consolidation or reduction or otherwise, the Board may make appropriate adjustments to the exercise price and the number of shares under option or, where an option has been exercised at that time, the number of ordinary shares to be allotted or transferred provided that (except in the case of a capitalisation issue) the Board have been independently advised in writing that such adjustments are fair and reasonable and the value of the ordinary shares in the option and its aggregate exercise price are substantially the same immediately after the adjustment as they were before the adjustment. Where the option is to subscribe for new ordinary shares in the Company, the option price may not be less than the nominal value of an ordinary share.

### **Amendment and termination**

The terms of the Scheme may only be amended to the advantage of current or potential option holders with the prior authority of the Company in general meeting, except for minor amendments to benefit the administration of the Scheme, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for option holders or for any member of the Group. No amendment may be made that causes the Scheme to cease to meet the requirements of Schedule 3.

The Board may at any time resolve to cease making further invitations to participate under the Scheme but such resolution will not affect the rights of participants who have at that time existing options under the Scheme.

### **Miscellaneous**

Benefits provided to participants under the Scheme will not form part of their wages or remuneration or count as pay or remuneration for pension fund or other purposes.

## Part 3: Definitions

The following definitions apply throughout this document unless the context requires otherwise:

<b>“Annual General Meeting” or “AGM”</b>	the annual general meeting of the Company convened for 1.00pm on 25 June 2015, notice of which is set out at the end of this document;
<b>“Board”</b>	the directors of the Company (or, where the context requires, any duly constituted committee thereof);
<b>“Company”</b>	Stobart Group Limited, a company incorporated under the laws of Guernsey with registered number 39117;
<b>“Form of Proxy”</b>	the form of proxy which accompanies this document, for use at the Annual General Meeting;
<b>“Latest Practicable Date”</b>	21 May 2015;
<b>“Notice”</b>	the notice of the Annual General Meeting set out in part 4 of this document;
<b>“Resolutions”</b>	the resolutions set out in the Notice;
<b>“SAYE Share Option Scheme”</b>	the save as you earn share option scheme, details of which are set out in Part 2 of this document;
<b>“Shareholder”</b>	a registered holder of a Share; and
<b>“Share”</b>	ordinary shares of 10 pence each in the capital of the Company.

## Part 4: 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 1.00pm, on 25 June 2015 at the St. Pierre Park Hotel, Rohais, St. Peter Port, Guernsey GY1 1FD. Shareholders are asked to consider and, if thought fit, pass resolutions 1 to 14 as ordinary resolutions and resolutions 15 and 16 as special resolutions.

#### Ordinary Business:

1. To receive the Company's Annual Accounts for the financial year ended 28 February 2015, the Directors' Report and the Auditors' Report on those accounts.
2. To declare a final dividend for the year ended 28 February 2015 of 4p per ordinary share of 10p each in the capital of the Company.
3. To re-elect Iain Ferguson CBE under article 75 of the articles of incorporation of the Company, who retires by rotation pursuant to article 74(1) of the 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 articles of incorporation of the Company, who retires by rotation pursuant to article 74(1) of the 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 articles of incorporation of the Company, who retires by rotation pursuant to article 74(1) of the 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 Ben Whawell under article 75 of the articles of incorporation of the Company, who retires by rotation pursuant to article 74(1) of the 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 Coombs under article 75 of the articles of incorporation of the Company, who retires by rotation pursuant to article 74(1) of the 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 re-elect John Garbutt under article 75 of the articles of incorporation of the Company, who retires by rotation pursuant to article 74(1) of the 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.
9. To re-elect Richard Butcher under article 75 of the articles of incorporation of the Company, who retires by rotation pursuant to article 74(1) of the 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.
10. To re-appoint KPMG LLP as Auditors of the Company.
11. To authorise the Directors to fix the Auditors' remuneration.
12. To approve the Directors' Remuneration Report (other than the Directors Remuneration Policy) for the financial year ended 28 February 2015.

#### Special Business:

13. To consider and, if thought fit, pass the following resolution which will be proposed as an ordinary resolution:  
*"THAT the Stobart Group Limited Savings-Related Share Option Scheme (the "Scheme"), in the form of the rules of the Scheme tabled at the meeting and initialled by the Chairman for the purpose of identification, be and is hereby approved and the Directors of the Company be and are hereby authorised to adopt and carry the same into effect with such amendments (if any) to the Scheme as may be required."*
14. 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 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 £10,930,861 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 2016 (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."*



15. 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 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 10p 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 £1,639,629, 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 2016 (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.”*
16. 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 10p each, provided that:*
- (a) the maximum aggregate number of ordinary shares hereby authorised to be acquired does not exceed 32,792,583 ordinary shares of 10p each;*
  - (b) the minimum price (exclusive of expenses) which may be paid for an ordinary share shall be 10p;*
  - (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 or 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 2016 (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

**Kate Willard**

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  
21 May 2015

# Explanatory Notes to the Resolutions

## **Resolution 1 – Report and Accounts**

The Directors are obliged to lay the Directors' and Auditors' Reports and audited financial statements for the year ended 28 February 2015 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 4p per share in respect of the year ended 28 February 2015 is recommended by the Directors for payment to shareholders who are on the register of members at the close of business on 29 May 2015, and if approved, the date of payment of the final dividend will be 3 July 2015.

## **Resolutions 3 to 9 inclusive – Re-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 Company's shareholders. Ben Whawell, Andrew Tinkler and Richard Butcher each offer themselves for re-appointment as Executive Directors. Iain Ferguson CBE, Andrew Wood, John Coombs and John Garbutt each offer themselves for reappointment as Non-Executive Directors. The Board recommends that shareholders support these re-appointments. 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.

## **Resolutions 10 and 11 – Auditors' Appointment and Remuneration**

The auditors of a company must be re-appointed at each general meeting at which accounts are presented. Resolution 10 proposes the reappointment of the Company's existing auditors, KPMG LLP, until the next Annual General Meeting of the Company to be held in 2016. In accordance with current best practice, Resolution 11 is a separate resolution which gives authority to the Directors to determine the auditors' remuneration.

## **Resolution 12 – Directors' Remuneration Report**

The Board seeks shareholders' approval of the Directors' Remuneration Report 2015 which gives details of the Directors' remuneration for the year ended 28 February 2015 and which is included from pages 60 to 75 of the Annual Report and Accounts 2015 sent with this Notice. The Directors' Remuneration Report 2015 is consistent with the Directors' Remuneration Policy adopted at the general meeting of the Company held on 24 October 2014. In line with legislation, this vote will be advisory and the Directors' entitlement to remuneration is not conditional on the resolution being passed.

## **Resolution 13 – Approval and adoption of SAYE Share Option Scheme**

This resolution seeks Shareholder approval for the Company to approve and adopt the SAYE Share Option Scheme, details of which are found at Part 2 of this Notice.

## **Resolution 14 – Directors' authority to issue shares**

This resolution authorises the general issue of shares up to an aggregate nominal value of £10,930,861 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 2016 (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 15 – Disapplication of pre-emption rights**

This resolution authorises the Directors to issue ordinary shares of 10p 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 £1,639,629 (representing 16,396,291 ordinary shares of 10p each). This represents approximately 5% of the issued ordinary share capital of the Company (excluding treasury shares) as at 21 May 2015 (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% of existing issued share capital. In accordance with the Pre-Emption Group Guidelines, the Board confirms its intention that no more than 7.5% 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 16 – Authority to purchase own shares**

This resolution seeks shareholder approval for the Company to make market purchases of up to 32,792,583 ordinary shares of 10p each, being approximately 10 per cent of the issued share capital of the Company (excluding treasury shares) as at 21 May 2015 (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 of 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 21 May 2015 (being the latest practicable date prior to the publication of this notice), was 34,004,120 representing approximately 10.37 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 11.52 per cent of the issued share capital as at 21 May 2015. No warrants over ordinary shares in the capital of the Company are in existence as at 21 May 2015.

Invesco Asset Management Limited ('Invesco') is currently interested in an aggregate of 97,153,248 ordinary shares, representing 29.63 per cent of the issued share capital of the Company (excluding treasury shares) as at 21 May 2015 (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 32.9 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 1.00pm on 23 June 2015. 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, BR3 4ZF by 1.00pm on 23 June 2015.
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 21 May 2015, being the last practicable date prior to publication of this notice, the Company's issued share capital consists of 327,925,831 ordinary shares of 10p each, carrying one vote each together with 26,403,000 treasury shares in respect of which the Company is not permitted to exercise voting rights (such treasury shares equate to approximately 8.05% of the Company's issued share capital (excluding treasury shares)), and 1,000 non-voting deferred shares of 0.1p each. Therefore, the total voting rights in the Company as at 21 May 2015 are 327,925,831.
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 6.00pm on 23 June 2015 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 Secretary at [Kate.Willard@stobartgroup.com](mailto:Kate.Willard@stobartgroup.com) on or before 6.00pm on 23 June 2015.
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](http://www.stobartgroup.com).
11. A copy of this notice and the Company's Annual Accounts for the financial year ended 28 February 2015 will also be placed on the website.