

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 with the application of the definitions set out in Part 2 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 11.00 a.m. on 23 July 2019 at St Pierre Park Hotel, Rohais, St Peter Port, Guernsey GY1 1FD is set out in Part 3 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, Link 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 Link Asset Services so that it is received by Link Asset Services by no later than 11.00 a.m. on 21 July 2019 (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 Link Asset Services by no later than 11.00 a.m. on 21 July 2019. The time of receipt will be taken to be the time from which Link 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. 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, any new information or any change in events, conditions or circumstances on which any such statements are based, unless required to do so by law or any appropriate regulatory authority. 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	11.00 a.m. on 21 July 2019
Last time and date for receipt of CREST Proxy Instructions	11.00 a.m. on 21 July 2019
Last time and date for registration in the Register	Close of business on 21 July 2019
Annual General Meeting	11.00 a.m. on 23 July 2019

Notes:

1. References 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 GROUP LIMITED

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

Directors:

Iain Ferguson CBE	(Non-Executive Chairman)
Warwick Brady	(Chief Executive Officer)
Nick Dilworth	(Chief Operating Officer)
Lewis Girdwood	(Chief Financial Officer)
Ginny Pulbrook	(Non-Executive Director)
John Coombs	(Non-Executive Director)
Andrew Wood	(Non-Executive Director)
David Blackwood	(Non-Executive Director)
David Shearer	(Non-Executive Chairman Elect)

Registered Office
Floor 2
Trafalgar Court
Les Banques
St Peter Port
Guernsey
GY1 4LY

20 June 2019

Dear Shareholder

1. Notice of Annual General Meeting

Your attention is drawn to the Notice set out in Part 3 of this document (including the explanatory notes) convening the Annual General Meeting to be held at 11.00 a.m. on 23 July 2019 at St Pierre Park Hotel, Rohais, St Peter Port, Guernsey GY1 1FD where the resolutions set out in the Notice will be proposed. A Proxy Form is also enclosed to enable you to exercise your voting rights.

The purpose of the Annual General Meeting is to seek Shareholders' approval for the resolutions set out in the Notice. It is also an opportunity for Shareholders to express their views and to ask questions of the Directors of the Company. We, as your Board, are committed to open dialogue with our Shareholders and our Annual General Meeting is an excellent means to engage with you directly.

The Acquisition

On 11 January 2019, the Company announced its involvement in the acquisition by Connect Airways Limited of the entire issued share capital of Flybe Group plc. The Acquisition completed on 11 March 2019. In connection with the Acquisition, the Company entered into the Commitment Agreement with Cyrus.

Resolutions 15 ratifies the Put Option and authorises the Directors to issue Ordinary Shares in the Company for cash and/or to sell shares held by the Company in treasury for cash to Cyrus and/or DLP (DLP being a company owned by funds managed by Cyrus) without first offering them to the existing Shareholders in proportion to their existing shareholdings up to an aggregate nominal amount of £920,000 in connection with the Put Option and Commitment Agreement (representing 9,200,000 Ordinary Shares). This represents approximately 2.48 per cent of the issued Ordinary Share capital of the Company (excluding treasury shares) as at the Latest Practicable Date.

Subject to the approval of Shareholders, under the Commitment Agreement Cyrus and/or DLP (as applicable) may elect to transfer up to £23,000,000 (in whole or part) of its commitment under the Second Ranking Facility Agreement in accordance with the transfer provisions set out therein to the Company in exchange for the Company issuing Cyrus and/or DLP (as applicable) Ordinary Shares.

Further information can be found in the explanatory note to Resolution 15.

2. 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 Link Asset Services at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible. Link Asset Services must receive the Proxy Form by 11.00 a.m. on 21 July 2019 (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 Link Asset Services (under CREST participant ID: RA10) by no later than 11.00 a.m. on 21 July 2019 (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 Link 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.

Resolutions 1 to 13 are to be proposed as ordinary resolutions and Resolutions 14, 15 and 16 are to be proposed as special resolutions. The ordinary resolutions 1 to 13 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 14, 15 and 16 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.

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

3. Further information

Your attention is drawn to the definitions set out in Part 2 of this document and the Notice of Annual General Meeting set out in Part 3 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.

4. Shareholder engagement

Following the voting outcome at the Company's 2018 annual general meeting in respect of the re-election of each of Iain Ferguson, Warwick Brady, Andrew Wood and John Coombs as Directors of the Company, the approval of the Directors' Remuneration Report and the authority to allot shares for cash, the Board has engaged with the Shareholders to understand the reasons behind the result. In the Company's RNS announcement on 9 July 2018 the Board set out its proposals to seek to unify the interests of Shareholders and to provide the framework for the delivery of the Company's strategy to the benefit of all stakeholders. This included a search for persons to be appointed as Non-Executive Chairman, Senior Independent Director and one or more additional Non-Executive Directors, including one female Director. The changes were intended to result in a refreshed and strengthened Board. Subsequently, Nick Dilworth has been appointed as Chief Operating Officer and each of Ginny Pulbrook, David Blackwood and David Shearer (Chairman-Elect) have been appointed as Non-Executive Directors. Further, David Shearer will take over as Chairman at the conclusion of the Annual General Meeting. Iain Ferguson and Andrew Wood will both step down from the Board at that time.

5. Recommendation

The Board considers the passing of the resolutions to be proposed at the Annual General Meeting 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 to be proposed at the Annual General Meeting, as the Directors intend to do in respect of their own beneficial holdings of Ordinary Shares, which amount in aggregate to 880,743 Ordinary Shares representing approximately 0.2 per cent of the issued Ordinary Shares of the Company (excluding treasury shares) at the Latest Practicable Date.

Yours faithfully

Iain Ferguson CBE

Chairman

PART 2: DEFINITIONS

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

“Acquisition”	the acquisition by Connect Airways of the entire issued share capital of Flybe Group plc implemented by a court-sanctioned scheme of arrangement under Part 26 of the Companies Act 2006;
“Annual General Meeting”	the Annual General Meeting of the Company convened for 11.00 a.m. on 23 July 2019, Notice of which is set out in Part 3 of this document;
“Annual Report and Accounts”	the Annual Report and Accounts for the financial year ended 28 February 2019;
“Articles of Incorporation”	the articles of incorporation of the Company adopted pursuant to a resolution passed at the annual general meeting of the Company on 29 June 2017;
“Board”	the Directors of the Company (or, where the context requires, any duly constituted committee thereof);
“Commitment Agreement”	an agreement entered into between Cyrus and the Company dated 11 January 2019 in connection with, inter alia, certain equity contributions and facilities to be made available by Cyrus and/or DLP in relation to the Acquisition and the Put Option;
“Company or Stobart”	Stobart Group Limited, a company incorporated under the laws of Guernsey with registered number 39117;
“Connect Airways”	Connect Airways Limited, a company incorporated in England and Wales with company number 11732177, established by the Company, DLP and Virgin Travel Group Limited for the purpose of effecting the Acquisition;
“CREST”	the CREST system (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 member (as defined in the CREST Regulations) of CREST;
“CREST participant”	a person who is, in relation to CREST, a user (as defined in the CREST Regulations);
“CREST Proxy Instruction”	an appropriate and valid CREST computer instruction appointing a proxy by means of CREST;
“CREST Regulations”	the Uncertificated Securities (Guernsey) Regulations, 2009 (SI 2009 No. 48), as amended;
“CREST sponsor”	a sponsor (as defined in the CREST Regulations) in relation to CREST;
“Cyrus”	Cyrus Capital Partners, LP a Delaware limited liability partnership;
“DLP”	DLP Holdings S.à r.l, a company owned by funds managed by Cyrus incorporated under the laws of Luxembourg;
“Director(s)”	the Directors of the Company;
“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;
“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;
“Latest Practicable Date”	17 June 2019 (being the latest practicable date prior to publication of this Notice);
“Listing Rules”	the listing rules made by the UK Listing Authority under section 73A of FSMA, as amended from time to time;
“Notice”	the Annual General Meeting set out in Part 3 of this document;
“Ordinary Share” or “Ordinary Shares”	the issued Ordinary Shares of 10p each in the capital of the Company;

“Proxy Form”	the form of proxy which accompanies this document, for use at the Annual General Meeting;
“Put Option”	the put option granted by the Company to Cyrus and/or DLP of up to 9,200,000 Ordinary Shares in the Company (based on £23,000,000 of the Second Ranking Facility Agreement being converted into Ordinary Shares at a price of 250 pence per Ordinary Share);
“Regulatory Information Service”	any channel recognised as a channel for the dissemination of regulatory information by listed companies, as defined in the Listing Rules;
“Second Ranking Facility”	a £50,000,000 second-ranking facility agreement between, among others, Connect Airways, DLP and Virgin Atlantic Limited entered into on 21 February 2019 to provide revolving credit and loan facilities to Connect Airways and its subsidiaries; and
“Shareholder”	a registered holder of an Ordinary Share.

PART 3: 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 11.00 a.m. on 23 July 2019 at St Pierre Park Hotel, Rohais, St Peter Port, Guernsey GY1 1FD. Resolutions 1 to 13 will be proposed as ordinary resolutions and Resolutions 14, 15 and 16 will be proposed as special resolutions. You will be asked to consider and vote on the resolutions below. For further information on all of the resolutions, please refer to the explanatory notes which can be found on pages 10 to 14.

Ordinary Business:

1. To receive the Company's Annual Accounts for the financial year ended 28 February 2019, the Directors' Report and the Auditor's Report on those accounts.
2. To declare a final dividend for the financial year ended 28 February 2019 of 3.0 pence per Ordinary Share.
3. To re-elect Warwick Brady, who retires and, being eligible, offers himself for re-election as a Director pursuant to provision 18 of the UK Corporate Governance Code.
4. To re-elect John Coombs, who retires and, being eligible, offers himself for re-election as a Director pursuant to provision 18 of the UK Corporate Governance Code.
5. To approve the appointment of Nick Dilworth as a Director under article 74 of the Articles of Incorporation.
6. To approve the appointment of Ginny Pulbrook as a Director under article 74 of the Articles of Incorporation.
7. To approve the appointment of David Blackwood as a Director under article 74 of the Articles of Incorporation.
8. To approve the appointment of Lewis Girdwood as a Director under article 74 of the Articles of Incorporation.
9. To approve the appointment of David Shearer as a Director under article 74 of the Articles of Incorporation.
10. To re-appoint KPMG LLP as auditors of the Company to hold office until the conclusion of the next general meeting of the Company at which accounts are laid.
11. To authorise the Directors to determine the auditors' remuneration.
12. To approve the Directors' Remuneration Report (other than the Directors' Remuneration Policy) for the financial year ended 28 February 2019, set out on pages 58 to 75 of the Annual Report and Accounts.

Special Business:

13. 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, 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 Ordinary Shares in the Company or to grant rights to subscribe for, or to convert any security into, Ordinary Shares in the Company (such shares and rights being together referred to as 'Relevant Securities') up to an aggregate nominal value of £12,360,724 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), 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 at close of business on 23 October 2020 (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."

14. 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 13, the Directors of the Company be and are hereby generally and unconditionally authorised to issue Ordinary Shares for cash, under the authority given by Resolution 13, and/or to sell Ordinary Shares held by the Company as treasury shares for cash, as if article 7(2)(b) of the Articles of Incorporation did not apply to any such issue or sale, provided that this power shall be limited to:

- a) *the issue of Ordinary Shares or the sale of treasury shares in connection with an offer of shares by way of a rights issue only to:*
 - i. *the holders of Ordinary Shares in proportion as nearly as practicable to their respective holdings of such shares, and*
 - ii. *the 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, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and*
- b) *the issue otherwise than pursuant to (a) above of shares for cash up to an aggregate nominal value equal to £1,854,108.50,*

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 at close of business on 23 October 2020 (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 and treasury shares to be sold after the expiry of such period and the Directors of the Company may issue shares and sell treasury shares in pursuance of such offer or agreement as if such power had not expired."

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

"THAT, the grant of the Put Option under the Commitment Agreement be and is hereby ratified for all purposes and further that Directors of the Company be and are hereby generally and unconditionally authorised in addition to any authority granted under Resolution 14 to issue Ordinary Shares for cash and/or to sell Ordinary Shares held by the Company as treasury shares for cash as if article 7(2)(b) of the Articles of Incorporation did not apply to any such issue or sale, provided that this power shall be:

- a) limited to the issue of Ordinary Shares or sale of treasury shares up to an aggregate nominal value equal to £920,000; and*
- b) used only for the purpose of the Put Option granted to DLP Holdings S.à.r.l and/or Cyrus Capital Partners, LP pursuant to the Commitment Agreement,*

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 at close of business on 23 October 2020 save that the Directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require Ordinary Shares to be issued or treasury shares to be transferred after the expiry of such period and the Directors of the Company may issue Ordinary Shares and transfer treasury 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 on such terms and in such manner as the Directors may determine, provided that:

- a) the maximum aggregate number of Ordinary Shares hereby authorised to be acquired does not exceed 37,082,171 Ordinary Shares;*
- 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 an Ordinary Share as derived from the Official List of the London Stock Exchange plc for the five business days immediately before the purchase is made; and (ii) the higher of the price of the last independent trade of an Ordinary Share, and the highest independent bid as derived from the London Stock Exchange Trading System 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 at close of business on 23 October 2020 (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

Louise Brace	<i>Registered Office</i>
Company Secretary	Floor 2
Stobart Group Limited	Trafalgar Court
	Les Banques
	St Peter Port
	Guernsey
	GY1 4LY

Registered in Guernsey with registered number 39117

20 June 2019

Explanatory notes to the resolutions

Resolutions 1 to 13 (inclusive) are proposed as ordinary resolutions. For each of these to be passed, more than half of the votes cast must be in favour of the relevant resolution. Resolutions 14, 15 and 16 are proposed as special resolutions. For each of these to be passed, at least three quarters of the votes cast must be in favour of the resolution.

An explanation of each of the resolutions is set out below:

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 2019 before Shareholders at a general meeting.

Resolution 2 – Final dividend

A final dividend of 3.0 pence per Ordinary Share in respect of the financial year ended 28 February 2019 is recommended by the Directors for payment to Shareholders who are on the Company's register of members at the close of business on 21 June 2019 and, if the dividend is approved by Shareholders, the date of payment of the final dividend will be 31 July 2019.

Resolutions 3 to 9 inclusive – re-election and appointment of Directors

Under the UK Corporate Governance Code, the Directors of all companies admitted to premium segment of the Official List should be subject to annual re-election by the Shareholders. Warwick Brady offers himself for re-election as an Executive Director and Nick Dilworth and Lewis Girdwood, who were appointed as Directors by the Board following the Company's 2018 annual general meeting, each offers himself for appointment as an Executive Director. John Coombs offers himself for re-appointment as Non-Executive Director. Ginny Pulbrook, David Blackwood and David Shearer, who have also been appointed as Directors by the Board following the Company's 2018 annual general meeting, each offer themselves for appointment as Non-Executive Directors, with David Shearer as Non-Executive Chairman. The Directors believe that all four of the Non-Executive Directors are independent in character and judgement, such that half of the Board (excluding the Chairman) are independent. In addition, the Chairman confirms that, following formal procedure evaluation, each of the Non-Executive Director's performance is and continues to be effective and they each demonstrate commitment to their role.

The diverse experience, skills and contribution offered by each Director across a variety of industries and sectors (as more particularly described in their individual biographies) are very valuable to the Company and complement its strategy. Given that these attributes are, and will continue to be, important to the Company's long-term sustainable success, the Chairman believes that it is appropriate that each of them who wish to continue to serve on the Board, do so.

Neither Iain Ferguson nor Andrew Wood is offering themselves for re-election and will resign from the Board following the Annual General Meeting.

Biographical details for each Director are set out in the Appendix on pages 14 and 15 of this Notice.

Resolutions 10 and 11 – Auditors' re-appointment and remuneration

The auditors of a company must be appointed at each general meeting at which accounts are presented to Shareholders. Resolution 10 proposes the re-appointment of the Company's existing auditors, KPMG LLP, until the conclusion of the next annual general meeting of the Company to be held in 2020. The current appointment of KPMG LLP as the Company's auditors will end at the conclusion of the Annual General Meeting and it has advised of its willingness to stand for re-appointment.

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 Shareholder approval of the Directors' Remuneration Report 2019 (excluding the Directors' Remuneration Policy) which gives details of the Directors' remuneration for the financial year ended 28 February 2019 and which is set out on pages 58 to 75 of the Annual Report and Accounts. Certain disclosures are included in the Directors' Remuneration Report 2019 set out in the Annual Report and Accounts (at pages 59 and 67 to 69) in relation to the Stobart Aviation Incentive Plan. This vote will be advisory and the Directors' entitlement to remuneration is not conditional on the resolution being passed.

Resolution 13 – Directors' authority to issue shares

In accordance with The Investment Association's Share Capital Management, this resolution authorises the general issue of Ordinary Shares up to an aggregate nominal value of £12,360,724, which is equal to approximately one-third of the nominal value of the current issued share capital of the Company (excluding treasury shares) at the Latest Practicable Date. Such authority will expire at the conclusion of the next annual general meeting of the Company or 23 October 2020 (whichever is earlier). The Directors have no current intention to exercise this authority (except under employee share schemes), but the Board wishes to ensure that the Company has maximum flexibility in managing the financial resources of the Company. 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.

The Company held no treasury shares as at the Latest Practicable Date.

Resolution 14 – disapplication of pre-emption rights

This resolution authorises the Directors to issue Ordinary Shares for cash without first offering them to the existing Shareholders in proportion to their existing shareholdings. The authority under this resolution would be limited to:

- a) allotments or sales in connection with pre-emptive offers and offers to holders of other equity securities if required by the rights of those shares or as the Board considers necessary; and
- b) allotments or sales (otherwise than pursuant to (a) above) up to an aggregate nominal amount of £1,854,108.50 (representing 18,541,085 Ordinary Shares), which represents approximately 5 per cent of the issued Ordinary Share capital of the Company (excluding treasury shares) as at the Latest Practicable Date.

The disapplication authorities in Resolution 14 are in accordance with the Pre-Emption Group's Statement of Principles which allow a board to allot shares for cash otherwise than in connection with a pre-emptive offer up to 5 per cent of a company's issued share capital for use on an unrestricted basis. In accordance with the Pre-Emption Group's Statement of Principles, 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 (except in accordance with Resolution 15) without prior consultation with Shareholders.

Resolution 15 – ratification of the Put Option and disapplication of pre-emption rights in relation to Put Option under the Commitment Agreement

This resolution ratifies the grant of the Put Option pursuant to the Commitment Agreement for all purposes and authorises the Directors to issue Ordinary Shares in the Company for cash and/or to sell shares held by the Company in treasury for cash to Cyrus and/or DLP without first offering them to the existing Shareholders in proportion to their existing shareholdings up to an aggregate nominal amount of £920,000 in connection with the Put Option (defined below) contained in the Commitment Agreement (representing 9,200,000 Ordinary Shares). This represents approximately 2.48 per cent of the issued Ordinary Share capital of the Company (excluding treasury shares) as at the Latest Practicable Date.

Under the Commitment Agreement Cyrus and/or DLP (as applicable) may elect to transfer up to £23,000,000 (in whole or part) of its commitment under the Second Ranking Facility Agreement in accordance with the transfer provisions set out in the Second Ranking Facility Agreement to the Company in exchange for the Company issuing Cyrus and/or DLP (as applicable) Ordinary Shares (being, the Put Option). The Put Option may be exercised after the second anniversary of completion of the Acquisition by Cyrus and/or DLP (as applicable) giving the Company 30 days' prior written notice that it is exercising the Put Option (a **Put Option Exercise Notice**) if: (a) at any point during the period beginning on the date of completion of the Acquisition and ending on the date which is two years later, there have been 400,000 or more passengers at London Southend Airport which are attributable to the Connect Airways group's operations, calculated on a trailing 12-month basis; or (b) at any point on or after completion of the Acquisition, there have been 100,000 or fewer passengers at London Southend Airport which are attributable to Connect Airways group's operations, calculated on a trailing 12-month basis. The Ordinary Shares issued to Cyrus and/or DLP (as applicable) under the Put Option will be issued at a price of 250 pence per share (**Put Option Shares**), as adjusted for all dividends declared or paid by the Company between the date of completion of the Acquisition and completion of the Put Option. The resolution gives authority for 9,200,000 Ordinary Shares to be issued on the basis that the full £23,000,000 is converted into Ordinary Shares at a price of 250 pence per Ordinary Share.

The Put Option and the issue of the Put Option Shares shall only be exercisable by Cyrus and/or DLP (as applicable) after the second anniversary of completion of the Acquisition and is conditional upon and subject to the Directors of the Company having authority from its shareholders to: (a) issue the Put Option Shares to Cyrus and/or DLP (as applicable) at the expiry of the date set out in the Put Option Exercise Notice and; (b) disapply pre-emption rights relating to the issue of the Put Option Shares (**Put Option Share Issue Consent**). The Put Option shall continue in full force and effect while any amounts are outstanding under the Second Ranking Facility Agreement.

For the purpose of giving effect to the terms of the Put Option, the Company has undertaken to Cyrus to use all reasonable endeavours following completion of the Acquisition to procure that it obtains the Put Option Share Issue Consent at the Company's 2019 Annual General Meeting. Resolution 15 is intended to fulfil this requirement.

If and to the extent that the Put Option Share Issue Consent has not been obtained at the date of a Put Option Exercise Notice, the Company shall issue to Cyrus and/or DLP (as applicable) such number of Put Option Shares which it is permitted to issue under and in accordance with its constitutional documents, current shareholder authorities, the UK Listing Rules and any limits set by the Pre-emption Group and Investment Association (the **Permitted Put Option Share Issuance**). If, following the Permitted Put Option Share Issuance, any amount of the Put Option under the applicable Put Option Exercise Notice has not been satisfied by the issuance of Put Option Shares, the Company shall pay Cyrus a Put Option Cash Payment in lieu of issuing additional Put Option Shares. The Put Option Cash Payment would be amount equal to: (a) the amount of the Put Option which has not been satisfied by a Permitted Put Option Share Issuance multiplied by; (b) the closing price of the Ordinary Shares on the trading day immediately prior to the Put Option Exercise Notice divided by 250p.

Explanatory notes to the resolutions continued

Resolution 16 – authority to purchase own shares

This resolution seeks Shareholder approval for the Company to make market purchases of up to 37,082,171 Ordinary Shares, being approximately 10 per cent of the issued share capital of the Company (excluding treasury shares) as at the Latest Practicable Date and specifies the minimum and maximum prices at which the Ordinary Shares may be bought. The authority conferred shall expire at the conclusion of the next annual general meeting of the Company or on 23 October 2020 (if earlier).

The Directors have no present intention of exercising the authority to purchase the Company's Ordinary Shares, however, 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 shares repurchased under this authority and held in treasury will, at the appropriate time, be transferred to the Employee Benefit Trust to meet the requirements, as they arise, of the Company's share incentive arrangements (unless otherwise agreed by the Board).

The total number of awards and options to subscribe for Ordinary Shares in the capital of the Company outstanding as at the Latest Practicable Date was 3,798,279, representing approximately 1.0 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 1.1 per cent of the issued share capital as at the Latest Practicable Date. No warrants over Ordinary Shares in the capital of the Company are in existence as at the Latest Practicable Date.

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, Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU by 11.00 a.m. on 21 July 2019. 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, Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU by 11.00 a.m. on 21 July 2019. Alternatively, a member may revoke a proxy appointment by notifying the Company in writing at its registered office before the commencement of the Annual General Meeting, or any adjournment thereof, or the taking of any poll at which the proxy is to be used.
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, Link 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 34(1) of the Uncertificated Securities (Guernsey) Regulations, 2009.
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 the Latest Practicable Date, the Company's issued share capital consists of 370,821,715 Ordinary Shares, carrying one vote each, with no treasury shares and 1,000 non-voting deferred shares of 0.1 pence each. Therefore, the total voting rights in the Company as at the Latest Practicable Date are 370,821,715.
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 21 July 2019 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 21 July 2019.
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. The following documents are available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excluded) at the Company's registered office, Floor 2, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 4LY, from the date of this Notice until the conclusion 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 copies of the Directors' service contracts.
12. A copy of this Notice will also be placed on the website.

Appendix



David Shearer
Chairman Elect



Warwick Brady
Chief Executive



Lewis Girdwood
Chief Financial Officer



Nick Dilworth
Chief Operating Officer

Appointed to the Board
1 June 2019

Background/experience

David is an experienced independent director and corporate financier. He is currently Non-Executive Chairman of Speedy Hire plc, the Scottish Edge Fund, Aberdeen New Dawn Investment Trust plc and Socium Group Limited. He will stand down from the board of Aberdeen New Dawn Investment Trust plc at the end of its September 2019 AGM. David was previously the Senior Partner of Deloitte LLP for Scotland and Northern Ireland, and a UK executive board member of the firm. He has subsequently held the positions of co-Chairman of Martin Currie (Holdings) Limited, Chairman of Mouchel Group plc and Crest Nicholson plc and a Non-Executive Director of City Inn Limited, in each case standing down after completing the successful restructuring of the businesses. David was also Non-Executive Chairman of Liberty Living Group plc and Liberty Living Finance plc, Senior Independent Director of Renold plc, STV Group plc and Superglass Holdings plc and Non-Executive Director of Mithras Investment Trust plc.

Appointed to the Board
1 July 2017

Background/experience

Warwick was appointed Chief Executive in July 2017, having worked closely with the Group since 2011, whilst he was Chief Operating Officer for easyJet, as part of unlocking capacity constraints at London's several airports including London Southend Airport. Warwick played a key part in easyJet's growth to a FTSE 100 business.

Warwick has significant experience in the aviation sector, having worked in senior executive roles at easyJet, Ryanair and Kingfisher/Air Deccan in India. He also has a background in private equity in manufacturing and technology and holds an MBA.

He has held board positions at Airline Group and NATS (National Air Traffic Services), the UK's airspace provider, and is currently a Non-Executive Director of FirstGroup plc, a leading transport operator in the UK and North America.

Appointed to the Board
1 April 2019

Background/experience

Lewis was appointed Chief Financial Officer on 1 April 2019.

Lewis previously served as Chief Financial Officer to IAG Cargo Limited, which provides global cargo services to British Airways, Iberia, Aer Lingus and other IAG airlines. Prior to that, he was Head of Financial Planning and Analysis at easyJet, responsible for financial business partnering across the airline.

Lewis has also held senior finance roles at Premier Foods PLC, British Bakeries Ltd and Racal Electronics Group International.

Appointed to the Board
1 September 2018

Background/experience

Nick was appointed Chief Operating Officer in September 2018, having worked as Group Commercial Director since October 2017.

Nick previously worked for BES Utilities, where he was Managing Director. He has also previously occupied a number of leadership roles at Practice Plan Limited and Medenta Finance and has a strong commercial background.

Nick qualified as a Chartered Accountant with BDO LLP before joining Grant Thornton as a Corporate Financier.



John Coombs
Non-Executive Director



Ginny Pulbrook
Non-Executive Director



David Blackwood
Non-Executive Director

Appointed to the Board
1 July 2014

Background/experience

In 2018, John stepped down after 16 years from the position of Managing Director of Unilever Ventures Ltd, during which time he chaired the Investment Committee and made investments in 50 early-stage businesses in the UK, US and Europe.

He has sat on the boards of 20 companies, five as Chairman. Currently he is also Non-Executive Chairman of The Co-op's Federal Retail and Trading Services Limited, which coordinates purchasing for Co-operative retailers in the UK.

Appointed to the Board
1 October 2018

Background/experience

With a background in financial public relations and investment banking, Ginny brings more than 30 years' experience as a board-level adviser to quoted companies in the infrastructure, industrial and support services sectors.

Ginny is a Partner at Capital Market Communications (Camarco). Prior to joining Camarco in 2014, Ginny co-founded and spent 26 years at one of the UK's leading financial public relations firms, Citigate Dewe Rogerson. Her specific areas of expertise include high-profile capital markets transactions and change management. A former Development Council Member of the Natural History Museum, she is currently a Trustee for Carers (UK), the UK's leading charity for unpaid carers.

Appointed to the Board
1 March 2019

Background/experience

David has significant experience at senior levels of finance, audit and risk. He holds Non-Executive Director positions at Dignity plc and Scapa Group plc, where he is also Chairman of the Audit Committee.

Previous positions include Chief Financial Officer of Synthomer plc where he was employed for seven years. Prior to this he held a number of senior roles with ICI plc. David has also previously served as a member of the Cabinet Office Audit and Risk Committee and the Board for Actuarial Standards. He is a member of the Institute of Chartered Accountants in England and Wales and a Fellow of the Association of Corporate Treasurers.

