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 you 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 General Meeting.

STOBART GROUP LIMITED

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

Approval of the Directors' Remuneration Policy

Approval of the New Incentive Plan

and

Notice of General Meeting

A notice convening the General Meeting of the Company to be held at 11 a.m. on 24 October 2014 at the Fermain Valley Hotel, Fermain Lane, St. Peter Port, Guernsey GY1 1ZZ is set out in Part 4 of this document. Whether or not you propose to attend the 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 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 11 a.m. on 22 October 2014 (being 48 hours before the time appointed for the holding of the 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 11 a.m. on 22 October 2014. 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 General Meeting in person should you wish.

IMPORTANT NOTICE

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

FORWARD-LOOKING STATEMENTS

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

CONTENTS

EXPECTED TIMETABLE OF EVENTS

Last time and date for receipt of Proxy Form for the General Meeting	11 a.m. on 22 October 2014
Last time and date for receipt of CREST Proxy Instructions	11 a.m. on 22 October 2014
Last time and date for registration in the Register	11 a.m. on 22 October 2014
General Meeting	11 a.m. on 24 October 2014

Notes:

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

PART 1: LETTER FROM THE CHAIRMAN OF STOBART

(incorporated in Guernsey with registered with number 39117)

Directors:	*Registered Office*
Iain George Thomas Ferguson CBE (Non-Executive Chairman)	Old Bank Chambers
William Andrew Tinkler (Chief Executive Officer)	La Grande Rue
Benjamin Mark Whawell (Chief Finance Officer)	St. Martin's
Richard Butcher (Chief Executive Stobart Energy & Infrastructure)	Guernsey
Andrew Wood (Non-Executive Director)	GY4 6RT
John Garbutt (Non-Executive Director)	
John Coombs (Non-Executive Director)	1 October 2014

Dear Shareholder

Approval of the Directors' Remuneration Policy, Approval of the New Incentive Plan and Notice of General Meeting

1. Introduction

At our June annual general meeting we told shareholders that the company would review the current remuneration arrangements and propose a new remuneration policy to present to Shareholders under a binding vote for approval at the October general meeting, which will be held on Friday 24 October 2014. The Company has carefully considered the design and philosophy of remuneration at Stobart Group and has consulted major Shareholders on these proposed changes. The Remuneration Committee believes the proposed new remuneration arrangements will better align Stobart pay practices with market, while effectively incentivising individuals to achieve challenging targets.

The Company also proposes to put the New Incentive Plan in place. Pursuant to Listing Rule 9.4.1, Shareholders are required to approve the New Incentive Plan prior to its implementation.

The purpose of this document is to explain the background to, reasons for and terms of the Proposals, to explain why the Board considers the Proposals to be in the best interests of the Company and Shareholders as a whole and accordingly why the Board recommends that you vote in favour of the Resolutions to be proposed at the General Meeting, notice of which is set out at the end of this document, as each member of the Board intends to do in respect of his own beneficial holding of Ordinary Shares.

2. Directors' Remuneration Policy

Stobart's remuneration policy to date has been to keep the fixed pay of executive directors low, but to provide the potential to earn very significant additional rewards for exceptional performance. The proposed changes to the Directors' remuneration policy summarised below will bring remuneration structures broadly into line with market for a company of Stobart's size, while still retaining the capacity to incentivise truly exceptional performance. The proposed new policy report is contained in the Appendix to this document.

Fixed Remuneration

As part of the Remuneration Committee's philosophy to keep fixed pay low, executive director salaries were frozen at £200,000 for three years from May 2011. As such, current salaries are below lower quartile for comparable roles at companies of Stobart's size. The Remuneration Committee therefore intends to increase salaries for the three executive directors to be broadly in line with market median for comparable roles at companies of similar market capitalisation to Stobart Group. Proposed salaries are as follows: Group CEO £420,000; Group CFO £270,000; and Group executive director and CEO, Energy and Infrastructure £260,000. In light of the expiration of the prior three-year salary freeze in May 2014, the Committee intends to make these salary increases effective from 1 July 2014, subject to Shareholder approval of the overall reshaping of the package.

Current pension arrangements for a salary supplement in lieu of pension will be maintained; the Remuneration Committee intends to honour previous commitments to increase quantum from 15% to 20% of salary for all executive directors.

Annual bonus

Previous short term incentive arrangements provided for unlimited bonuses to be paid for exceptional individual performance. The Company proposes to cap annual bonus awards at 100% of salary (target 50% of salary). Bonus payouts will depend 30% on personal/strategic measures and 70% on EBITDA, based on Group EBITDA for Group CEO and Group-only roles and a combination of Group and Divisional EBITDA for roles with significant Divisional responsibilities. For the EBITDA element of the annual bonus awards, 0% will vest for threshold performance, 50% for target and 100% for stretch. For bonus awards made in respect of the 2014/15 financial year, threshold EBITDA performance will be set at 95% of budget, target will be set in line with budget and stretch at 115% of budget. The vesting schedule will be on a straight-line basis between these points.

Long-term Incentive Plan

The LTIP within the Current Incentive Plan was intended to motivate management to deliver above top quartile performance, with vesting starting at approximately upper quartile against the FTSE250. The Remuneration Committee has decided to modify the existing arrangements, to bring them more closely in line with a market approach. The 2014 LTIP will allow grants of up to 150% of salary (200% in exceptional circumstances), with vesting based on challenging but achievable earnings per share (**EPS**) and total shareholder return (**TSR**) targets (weighted equally). To motivate management to achieve truly exceptional performance, the Remuneration Committee has included a multiplier which can increase the award by up to 2 times for the achievement of TSR outperformance of the FTSE 250 of 40% per annum. This multiplier award can only be applied if the primary stretch EPS and TSR targets are both achieved in full, ensuring that management are motivated to achieve the Company's core strategic targets. Performance will be measured at the end of three-years and awards will initially vest on the third anniversary of the date of grant.

Executive directors' shareholding requirement

Executive directors are expected to build a shareholding equal to 200% of their annual salary within five years of the later of their appointment to the Board or the introduction of the Directors' Remuneration Policy.

3. New Incentive Plan

The New Incentive Plan will allow the Remuneration Committee to award up to 150% of salary to executive directors in the form of performance shares. The Remuneration Committee retains discretion to increase this award up to 200% of salary in exceptional circumstances.

Awards will vest at the end of a three-year performance measurement period, with Remuneration Committee discretion to introduce an additional holding period of up to two years. Vesting of awards is based 50% on EPS and 50% on TSR. The EPS performance condition will vest on a straight-line basis between 25% and 100% for 3-year cumulative EPS growth (in pence) between target and stretch performance levels. EPS targets will be set by the Remuneration Committee at the start of each three-year performance period, taking into account a range of internal and external forecasts, including, without limitation, broker forecasts and internal strategic plan. The Remuneration Committee may adjust EPS targets during the performance period if it feels that external factors outside of the control of management, for example changes in tax regime, accounting rules and so on, have affected the achievability and hence motivation of those targets. The TSR performance condition will vest on a straight-line basis between 25% and 100% for 3-year TSR outperformance of FTSE250 Index between target (Index) and stretch (Index +10%) performance levels.

If both elements of the long-term incentive plan exceed stretch performance levels for any grant at the end of the three-year performance measurement period, executive directors will be eligible to earn a multiple of their LTIP award based on the following performance. No multiplier will be applied if Stobart's 3-year TSR outperforms the FTSE250 Index by less than 15% per annum. For TSR outperformance of 15% per annum, a multiplier of 1.167x will apply to the full long-term incentive award. For each additional 5% per annum outperformance of the FTSE250 Index, the multiplier will increase on a stepped basis by a further 0.167x, up to a maximum 2x (capped) multiplier if 3-year TSR out-performs the FTSE250 Index by 40% per annum or more.

For the 2014/15 financial year, an initial grant of performance shares equal to 50% of salary will be made to executive directors on 1 November 2014, based on a prorated normal long-term incentive opportunity. 50% of these performance shares will vest based on 3-year cumulative EPS growth (in pence) over the period from 1 March 2014 to 28 February 2017, of which 25% will vest for achieving target 3-year cumulative EPS of 17p, representing one of the highest broker forecasts for this period available at the time the targets were set. No vesting will occur below this threshold. Vesting will increase on a straight-line basis between 25% and 100% of the EPS element for 3-year cumulative EPS between target and stretch of 21p. The remaining 50% of these performance shares will vest based on Stobart's 3-year TSR versus the FTSE250 Index TSR over the period from 1 November 2014 to 31 October 2017. 25% of this element will vest for target 3-year TSR performance in line with the FTSE250 Index. No vesting of this element will occur for TSR performance below this level. Vesting will increase on a straight-line basis between 25% and 100% of the TSR element for 3-year TSR out-performance of the FTSE250 Index between nil and 10% per annum. No shares will vest to participants until the end of the TSR performance period on 31 October 2017. The potential LTIP multiplier will be calculated based on TSR outperformance of the FTSE250 Index in accordance with the usual LTIP multiplier vesting schedule, over the same performance period as the TSR element of the regular LTIP award (1 November 2014 to 31 October 2017).

4. General Meeting

Your attention is drawn to the notice set out in Part 4 of this document convening the General Meeting to be held at 11 a.m. on 24 October 2014 at the Fermain Valley Hotel, Fermain Lane, St. Peter Port, Guernsey GY1 1ZZ where the following resolutions will be proposed:

RESOLUTION 1 – an ordinary resolution to approve the Directors' Remuneration Policy.

RESOLUTION 2 – an ordinary resolution to approve and adopt the New Incentive Plan.

The Resolutions, being ordinary resolutions, 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 Resolution. Resolution 2 is required by the Listing Rules.

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

5. Action to be taken

You are invited to attend the General Meeting. If you would like to vote on the Resolutions but cannot attend the General Meeting in person, please fill in the Proxy Form accompanying this document and return it to Capita Asset Services at Capita Asset Services, PXS 1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF as soon as possible. Capita Asset Services must receive the Proxy Form by 11 a.m. on 22 October 2014 (being 48 hours before the time appointed for the holding of the 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 11 a.m. on 22 October 2014 (being 48 hours before the time appointed for the holding of the 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 General Meeting and voting in person should you wish to do so.

6. Further Information

Your attention is drawn to the further information set out in Parts 2 to 3 (inclusive) of this document, the Notice of General Meeting set out in Part 4 and the Directors' Remuneration Policy set out in the Appendix 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.

7. Recommendation

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

Accordingly, the Board recommends that the Shareholders vote in favour of the Resolutions as they intend to do in respect of their beneficial holdings, amounting, in aggregate, to 32,239,853 Ordinary Shares, representing 9.83 per cent. of the issued share capital of the Company (excluding treasury shares) at the Latest Practicable Date.

Yours faithfully

Iain Ferguson CBE
Chairman

PART 2: INFORMATION RELATING TO THE NEW INCENTIVE PLAN

Subject to Shareholders voting in favour of Resolution 2, the Board intends to implement the New Incentive Plan in addition to the Current Incentive Plan. The proposed New Incentive Plan has the following features:

1. Participation

1.1 Awards may be made under the New Incentive Plan to executive directors and other key employees (**New Participants**) of the Group. The Remuneration Committee will determine which executive directors will participate. Actual participation in the New Incentive Plan will be reviewed by the Remuneration Committee at its discretion on an annual basis prior to each grant of the awards. Executive directors will be granted awards with performance conditions, as set out below.

1.2 Awards will generally be made within 42 days of the announcement of the Company's financial results and may be made annually. Awards will only be made at any other point in exceptional circumstances at the discretion of the Remuneration Committee. However, assuming the New Incentive Plan is adopted at the General Meeting, it is intended that the first round of awards will be made on 1 November 2014, based on a prorated normal long-term incentive opportunity.

2. Employee Benefit Trust

An employee benefit trust (**EBT**) has already been formed for the purpose of holding shares in the Company which could be used in connection with the New Incentive Plan. The EBT is located in the Channel Islands and has an independent trustee.

3. Nature of Awards

3.1 Awards made under the New Incentive Plan will be settled in performance shares. The Company shall retain the flexibility to satisfy awards either through shares purchased in the market using the EBT or by using newly issued shares if it deems it to be in the Shareholders' interests to do so.

3.2 Awards will give the New Participants a right to receive a specified number of shares in the Company at the end of a period of at least three financial years, starting with the year of grant, subject to the satisfaction of performance conditions set by the Remuneration Committee when the awards are granted. The Remuneration Committee shall have the discretion to apply an additional holding period for shares of up to two years, following the end of the three year performance period.

3.3 The relevant award size shall be a percentage of the New Participant's salary and will be determined using the New Participant's prevailing salary at the date of grant to calculate the potential value of the award. The number of shares to be granted under the award will be determined by dividing the potential value of the award by the average Company share price over the 3 trading days immediately preceding the date of grant.

3.4 The normal maximum value of awards will be 150% of the New Participant's salary which could rise to 300% of the New Participant's salary with a maximum 2 x multiplier if certain additional performance conditions are met.

3.5 In exceptional circumstances, as determined at the discretion of the Remuneration Committee, awards may be made up to a value of 200% of the New Participant's prevailing salary at the date of grant which could rise to 400% of the New Participant's salary with a maximum 2 x multiplier if certain additional performance conditions are met.

4. Performance Conditions and Vesting

At the time of grant of an award under the New Incentive Plan, the Remuneration Committee will determine the performance conditions that must be satisfied in order for the New Participant to receive the maximum number of shares to which the award relates. The performance conditions that the Remuneration Committee proposes to apply to the grant of the awards under the New Incentive Plan will be as follows:

4.1. Awards will vest at the end of a three year performance period (subject to a potential additional holding period of up to two years);

4.2 vesting of an award will be subject to the performance conditions based on the Company's earnings per share (**EPS**) and the Company's total shareholder return (**TSR**). For the initial grant of awards, these performance conditions will be weighted equally;

4.3 The EPS performance condition will vest on a straight-line basis between 25% and 100% for three year cumulative EPS growth (in pence) between the target and stretch performance levels, as set by the Remuneration Committee at the start of each three year performance period;

4.4 The TSR performance condition will also vest on a straight-line basis between 25% and 100% if the Company's three year TSR exceeds the TSR of the FTSE 250 Index between the target (FTSE 250 Index) and stretch (10% above FTSE 250 Index) performance levels.

4.5 If both the EPS and TRS performance conditions exceed the stretch performance levels at the end of the three year performance period the New Participants will be eligible to receive a multiple of their award based on the following performance levels:

(a) no multiplier will be applied if the Company's three year TSR does not exceed the FTSE 250 Index by at least 15% per annum;

(b) a multiplier of 1.167 will apply to the award value if the Company's three year TSR exceeds the FTSE 250 Index by 15% per annum;

(c) for each additional 5% per annum the Company's three year TSR exceeds the FTSE 250 Index the multiplier will increase on a "stepped basis" by a further 0.167 up to a maximum multiplier of 2; and

(d) the maximum multiplier of 2 will apply if the Company's three year TSR exceeds the FTSE 250 Index by 40% per annum or more.

4.6 For awards with performance conditions attached, the awards will be released at the later of:

(a) the relevant anniversary of the date of grant (third anniversary in normal circumstances);

(b) determination of any performance outcome by the Remuneration Committee (where applicable); and

(c) the release of audited results following the end of the relevant performance period (where applicable).

There will be no retesting of the performance conditions except in the case of material misstatement and/or gross misconduct.

4.7 The earliest vesting date will normally be on the third anniversary of grant, or any later anniversary as the Remuneration Committee may decide.

4.8 The Remuneration Committee will have discretion to ensure the vesting outcome is a fair reflection of performance over the relevant performance period.

5. Cessation of Employment

If a New Participant ceases to be employed in the Group by reason of:

5.1 death, the awards shall vest as soon as practicably possible following the date of death of the New Participant. The awards will normally be prorated for time in employment as a proportion of the vesting period, and be tested for performance (where practicable, calculated on the basis of performance up to the date of cessation of employment or the latest financial year-end preceding this date);

5.2 retirement with the Company's consent, ill-health, injury, redundancy, employment being transferred outside the Group, the awards will vest, subject to attainment of the performance conditions, at the end of the vesting period prorated for the time in employment of the New Participant with the Group as a proportion of the vesting period; or

5.3 any other reason such as resignation or misconduct, the awards will lapse on the date of cessation of employment.

The Remuneration Committee will have discretion, on a case-by-case basis, to amend the proportion of awards vesting should it deem this appropriate for those leaving employment for any reason.

6. Clawback

The Board or the Remuneration Committee shall be entitled to clawback any vested and/or unvested awards (including the shares obtained through an award) in the event of material misstatement and/or gross misconduct.

7. Change of Control

In the event of a change of control of the Company the awards will vest on the date a third party obtains control. Such vesting will still be subject to the satisfaction of the performance conditions. The awards will normally be prorated to reflect the proportion of time between the date of grant of the award and the change of control becoming effective, subject to the Remuneration Committee's discretion.

8. Limits

8.1 The New Incentive Plan will be subject to the following limits:

(a) on any date, the aggregate nominal amount of new shares in respect of which share awards may be granted under the New Incentive Plan may not, when added to the nominal amount of new shares allocated in the previous 10 years under *all* employee share schemes of the Group (excluding awards made prior to listing), exceed 10% of the equity share capital of the Company; and

(b) on any date, the aggregate nominal amount of new shares in respect of which share awards may be granted under the New Incentive Plan may not, when added to the nominal amount of new shares allocated in the previous 10 years under employee share schemes of the Group established for the benefit of *selected* employees (excluding awards made prior to listing), exceed 5% of the equity share capital of the Company.

9. Variation of Share Capital

In the event of a variation of the share capital of the Company, the Remuneration Committee may make appropriate adjustments to the number of shares to which the awards relate.

10. Amendments

10.1 The Board may amend the provisions of the New Incentive Plan or the terms of the awards granted under it, provided that no amendment to the advantage of New Participants in the New Incentive Plan will be made without the prior approval by ordinary resolution of the Shareholders, other than minor amendments to the benefit administration of the New Incentive Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for any New Participant or any company in the Group.

10.2 The New Incentive Plan will be administered by the Remuneration Committee.

11. Pensionability

The New Incentive Plan and any benefits thereunder are not pensionable.

12. Current Incentive Plan

In the event that any of the awards under the Current Incentive Plan vest and a New Participant is entitled to exercise his vested award under the Current Incentive Plan, the amount of such exercised award shall be set off and reduce any amount due to the same New Participant under the New Incentive Plan if such awards vest and become exercisable.

13. Other

The above description summarises the main features of the New Incentive Plan, but does not form part of the rules of the New Incentive Plan and should not be taken as affecting the interpretation of the detailed terms and conditions constituting the rules. The Board reserves the right to make such amendments and additions as they consider desirable and in particular may adopt a new incentive plan which is more favourable from a taxation perspective. However, if the Board does exercise such a right, the above description as to the identity and number of New Participants, the limits on the awards, the performance conditions and other matters described in this section will not be materially altered.

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

PART 3: DEFINITIONS

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

2006 Act	the Companies Act 2006, as amended;
Board	the board of directors of the Company;
Capita Asset Services	Capita Asset Services;
Company or Stobart	Stobart Group Limited, a limited company incorporated under the laws of Guernsey with registered number 39117;
CREST	the Relevant System (as defined in the CREST Regulations), in respect of which Euroclear is the Operator (as defined in the CREST Regulations);
CREST Manual	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CCSS Operations Manual, Daily Timetable, CREST Application Procedures and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996 and as subsequently amended);
CREST member	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations);
CREST participant	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations);
CREST Proxy Instruction	an appropriate and valid CREST message appointing a proxy by means of CREST;
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended;
CREST Sponsor	a CREST participant admitted to CREST as a CREST sponsor;
Current Incentive Plan	the long term incentive plan of the Group approved and adopted on 18 May 2011;
Directors	the directors of the Company whose names are set out on page 4 of this document;
Directors' Remuneration Policy	the new directors remuneration policy of the Group, set out in the Appendix to this document, which is to be voted on by Shareholders at the General Meeting;
Disclosure and Transparency Rules	the Disclosure Rules and Transparency Rules made by the FCA under Section 73A of FSMA, as amended from time to time;
Divisional	the divisions of the Group from time to time and which at present are Stobart Energy, Stobart Rail, Stobart Aviation and Stobart Investments;
Euroclear	Euroclear UK & Ireland Limited, as the CREST operator (as defined in the CREST Regulations);
EBITDA	earnings before interest, taxation, depreciation and amortisation;
FCA	the Financial Conduct Authority of the United Kingdom, and any of its successor authorities;
FSMA	the Financial Services and Markets Act 2000, as amended from time to time;
General Meeting	the general meeting of the Company to be held at 11 a.m. on 24 October 2014 at the Fermain Valley Hotel, Fermain Lane, St. Peter Port, Guernsey GY1 1ZZ, a notice of which is set out in Part 4 of this document, and any adjournment thereof;

Group or Stobart Group	the Company, the Subsidiaries and all other subsidiary undertakings of the Company from time to time;
Latest Practicable Date	30 September 2014 (being the latest practicable date before the date of this document);
Listing Rules	the listing rules made by the UK Listing Authority under section 73A of FSMA, as amended from time to time;
London Stock Exchange	London Stock Exchange plc;
LTIP	Long term incentive plan;
New Incentive Plan	the incentive plan, as described in Part 2 of this document, which is proposed to be put in place for Directors and Stobart management and which is to be voted on by Shareholders at the General Meeting;
Notice of General Meeting	the notice of the General Meeting set out in Part 4 of this document;
Portal	Capita share portal www.capitashareportal.com;
Proposals	the approval and adoption of the Directors' Remuneration Policy and the New Incentive Plan;
Proxy Form	the form of proxy enclosed with this document for use at the General Meeting;
Register	the register of members of the Company;
Remuneration Committee	the Company's remuneration committee;
Resolution 1	Resolution 1 as set out in the Notice of General Meeting;
Resolution 2	Resolution 2 as set out in the Notice of General Meeting;
Resolutions	the resolutions set out in the Notice of General Meeting to be proposed at the General Meeting and Resolution shall mean any one of them;
Shareholder(s)	holder(s) of a Ordinary Share(s);
Shares	ordinary shares of 10 pence each in the capital of the Company;
Subsidiaries	the subsidiary undertakings of the Company;
UK Listing Authority	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA; and
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland.

PART 4: NOTICE OF GENERAL MEETING

STOBART GROUP LIMITED

(incorporated in Guernsey with registered number 39117)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of Stobart Group Limited (**Company**) will be held at 11 a.m. on 24 October 2014 at the Fermain Valley Hotel, Fermain Lane, St. Peter Port, Guernsey GY1 1ZZ for the purpose of considering and, if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

1. That the Directors' Remuneration Policy, set out on pages 17 to 23 of the circular to the Company's shareholders dated 1 October 2014 (**Document**), be and is hereby approved and adopted with immediate effect after the end of the General Meeting.
2. That with effect from the date of this Resolution, the rules of the New Incentive Plan (as defined and summarised in the Document) in the form produced to the General Meeting and initialled by the Chairman of the General Meeting for the purposes of identification, the principal features of which are summarised in Part 2 of the Document, be and are hereby approved and adopted and the Directors of the Company be and are authorised to do all acts and things which they may consider necessary or expedient to give effect to the New Incentive Plan.

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

By Order of the Board
Kate Willard
Company Secretary

Dated 1 October 2014

Notes:

1. A member of the Company is entitled to appoint a proxy to exercise all or any of his or her rights to attend and to speak and vote on his or her behalf at the meeting. A member of the Company may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a member of the Company.
2. A form of proxy that may be used to make such appointment and give proxy instructions accompanies this notice. Instructions for use are shown on the form. Lodging a completed form of proxy or any CREST Proxy Instruction (as described in paragraphs 8 to 11 below) will not prevent the member from attending and voting in person if he/she wishes to do so.
3. To be valid, the form of proxy, together with any power of attorney or other authority under which it is signed, or a duly certified or office copy thereof, must be (a) received by post or (during normal business hours only) by hand at the offices of the Company's Registrar, Capita Asset Services, PXS 1 , The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF, or (b) the proxy must be lodged using the CREST Proxy Voting Service (in accordance with notes 8-10 below) in each case so as to be received not later than 11 a.m. on 22 October 2014 or if the meeting is adjourned, no later than 48 hours before the time fixed for the adjourned meeting. If you have not previously used the Portal, you will first be asked to register as a new user, for which you will require your investor code (which can be found on the form of proxy), family name and postcode (if resident in the UK).
4. Any person to whom this notice is sent who is a person nominated under section 146 of the 2006 Act to enjoy information rights (a Nominated Person) may, under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.
5. The statement of the rights of members in relation to the appointment of proxies in paragraph 1 above does not apply to Nominated Persons. The rights described in that paragraph can only be exercised by members of the Company.
6. To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the register of members of the Company as at 11 a.m. on 22 October 2014 or, in the event that the meeting is adjourned, in the register of members at 11 a.m. on the date two days before the date of any adjourned meeting. Changes to entries on the register of members after the relevant deadline shall be disregarded in determining the rights of any persons to attend or vote at the meeting.
7. As at 30 September 2014 (being the last practicable date prior to the publication of this notice) the Company's issued share capital consisted of 354,328,831 ordinary shares of 10 pence each, carrying one vote each, 26,403,000 treasury shares in respect of which the Company is not permitted to exercise voting rights (such treasury shares equate to approximately 7.45% of the Company's issued share capital) and 1,000 non-voting deferred shares of 0.1p each). Therefore, the total voting rights in the Company as at 30 September 2014 are 327,925,831.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
9. In order for a proxy appointment or instruction made using the CREST service to be valid, the CREST Proxy Instruction must be properly authenticated in accordance with Euroclear's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent (CREST participant ID:RA10) not later than 11 a.m. on 22 October 2014, or if the meeting is adjourned, not later than 48 hours before the time fixed for the adjourned meeting. 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 Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
10. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear 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 or her 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 providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
11. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the CREST Regulations.
12. A member that is a company or other organisation not having a physical presence cannot attend in person but can appoint someone to represent it. This can be done in one of two ways: either by the appointment of a proxy (described above) or of a corporate representative. Members considering the appointment of a corporate representative should check their own legal position and the Company's articles of incorporation.
13. If you have any questions relating to the completion and return of the form of proxy, please telephone Capita Asset Services between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (except UK public holidays) on 0871 664 0300 (calls cost 10p per minute plus network extras) from within the UK, or +44 208 639 3399 if calling from outside the UK. The helpline cannot provide advice on the merits of the proposed resolutions or give any financial, legal or tax advice.
14. The directors' remuneration policy will be available for inspection at the London offices of Hill Dickinson (at Broadgate Tower, 20 Primrose Street, London EC2A 2EW) during usual business hours on any weekday (Saturday, Sunday and public holidays in the United Kingdom excluded) from the date of this notice until the meeting and will be available for inspection at the place of the meeting for at least 15 minutes prior to and during the meeting.
15. The New Incentive Plan will be available for inspection at the London offices of Hill Dickinson (at Broadgate Tower, 20 Primrose Street, London EC2A 2EW) during usual business hours on any weekday (Saturday, Sunday and public holidays in the United Kingdom excluded) from the date of this notice until the meeting and will be available for inspection at the place of the meeting for at least 15 minutes prior to and during the meeting.

Explanatory Notes

Shareholders are asked to approve the directors' remuneration policy which is set out in full on pages 17 to 23 of the circular to the Company's shareholders dated 1 October 2014 sent with this Notice of General Meeting. Once the policy is approved the Company will not be able to make a remuneration payment to a current or prospective director or a payment for loss of office to a current or past director, unless the payment is consistent with the policy or has been approved by a resolution of the shareholders of the Company.

Appendix: Directors' Remuneration Policy

Introduction

This part of the remuneration report has been prepared in accordance with the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended.

Overview

The remuneration of non-executive directors is determined by the Group executive directors in consultation with the Group Chairman.

The membership of the Remuneration Committee is determined by the Group Board and is confined to independent non-executive directors, with the Company Secretary acting as secretary to the Remuneration Committee. While no others have rights of attendance, the Remuneration Committee may invite the Chief Executive Officer, external advisers and others holding key positions to attend some or all of its meetings.

Full terms of reference for the Remuneration Committee are available on Stobart Group website www.Stobartgroup.com

Future Remuneration Policy

Element	Purpose and link to short- and long-term strategy	Operation, performance measures and periods	Maximum opportunity
Basic salary (Fixed pay)	To ensure the total package for executive directors is competitive versus the relevant market. To help us attract & retain executives of suitably high calibre to execute the Board's agreed strategy and lead the management team.	Salaries are paid monthly in cash, and are subject to continued good performance.	Salaries will remain around market median.
Fringe benefits (Fixed pay)	To provide a range of market competitive benefits to encourage retention and which enable an executive director to perform his or her duties.	The company currently provides fringe benefits such as standard executive medical cover and death in service cover. Executives are also entitled to a company car or cash in lieu.	Not applicable
Pension (Fixed pay)	Provides a basic level of Company contribution, which employees can supplement with their contributions.	Company contributions are made, either to a pension plan or in the form of an equivalent cash allowance taken in the form of an additional salary supplement of the same value rather than as pension contributions.	Up to 20% of salary.

Element	Purpose and link to short- and long-term strategy	Operation, performance measures and periods	Maximum opportunity
Annual Bonus (Variable pay)	Rewards achievement of short-term strategic objectives and motivates executive directors to achieve stretching profit goals.	Performance conditions for annual bonus awards will be based primarily on a profit measure, initially 70% on Group EBITDA for Group CEO and other Group-only roles, and an equal combination of Group and Divisional EBITDA for roles which incorporate an element of Divisional responsibility. Vesting of the profit element will be nil at or below threshold performance, increasing on a straight-line basis between nil and 50% for achievement of target, and on a straight-line basis between 50% and full vesting for stretch performance. The remaining 30% of the award will be based on specific, relevant personal/ strategic objectives, set by the Remuneration Committee prior to the beginning of the financial year. The Remuneration Committee will retain discretion to clawback any awards made under the annual bonus in the event of material misstatement and/or gross misconduct.	Up to 100% of salary.
Long term Incentive Plan (Variable pay)	Rewards longer term value creation and aligns executive director interests with those of shareholders through use of performance shares.	Awards vest subject to the achievement of performance conditions at the end of a 3-year performance period, based on a combination of relevant performance measures, which will include both EPS and TSR. These two measures will account for the overall weighting and will initially be weighted 50% each.	Normal LTIP maximum; face value at grant of 150% of salary, up to 300% with maximum 2x multiplier. In exceptional circumstances, as determined at the discretion of the Remuneration Committee, awards may be made up to a face value at grant of 200% of salary (400% with maximum 2 x multiplier).

Element	Purpose and link to short- and long-term strategy	Operation, performance measures and periods	Maximum opportunity
		Each metric will vest on a straight-line basis between 25% and 100% between threshold and stretch performance levels, with nil vesting for performance below threshold. If all elements of the long-term incentive plan exceed stretch performance levels for any grant at the end of the three-year performance measurement period, participants, i.e. the executive directors, will be eligible to receive a multiplier of the LTIP award based on the following performance levels: - no multiplier if three-year TSR outperforms the FTSE250 Index by less than 15% per annum. - a stepped multiplier between 15% and 40% p.a. outperformance, rising by 0.167x for each additional 5% p.a. out-performance. - a multiplier of 2x (the cap) if three-year TSR outperforms the FTSE250 Index by 40% p.a. or more. The Remuneration Committee will retain discretion to clawback any vested and/or unvested LTIP awards in the event of material misstatement and/or gross misconduct.	

Element	Purpose and link to short- and long-term strategy	Operation, performance measures and periods	Maximum opportunity
		The Remuneration Committee also retains the discretion to apply an additional holding period to shares of up to two years following the end of the three-year performance period.	
Shareholding requirements	Aligns executive director interests with those of shareholders.	Executive directors are expected to build a shareholding equal to 200% of their annual salary within five years of the later of their appointment to the Board or the introduction of the Directors' Remuneration Policy.	

Non-Executive Director Remuneration	
Fees To remunerate non-executive directors to reflect their level of responsibility and anticipated workload.	The Chairman is paid a fee determined by the Remuneration Committee. Fees for other non-executive directors are determined by the Chairman and the executive directors at a Board meeting. The fees paid comprise a base fee and additional fees for the roles of Senior Independent Director, Chairman of Audit Committee and Chairman of Remuneration Committee. Non-executive directors do not have any pension payable in respect of their services, and they are not entitled to any benefits. Details can be found in the annual report on remuneration.

Differences in the remuneration policy between executive directors and other employees

Salaries across the Group are set at appropriate market rates and reflect the skill, expertise and experience of individual staff members.

Changes to the Remuneration Policy

As discussed in the previous directors' remuneration policy, in light of the fundamental reshaping of Stobart Group's business and the appointment of a new Remuneration Committee over the beginning of this financial year, the Remuneration Committee has undertaken a full review of Stobart's remuneration arrangements. The proposed changes to the directors' remuneration policy summarised below will bring remuneration structures broadly into line with market for a company of Stobart's size, while retaining the capacity to incentivise truly exceptional performance.

Fixed Remuneration

As part of the Committee's philosophy to keep fixed pay low, executive director salaries were frozen at £200,000 for three years from May 2011. As such, current salaries are below lower quartile for comparable roles at companies of Stobart's size. The Remuneration Committee therefore intends to increase salaries for the three executive directors to be broadly in line with market median for comparable roles at companies of similar market capitalisation to Stobart Group. Proposed salaries are as follows: Group CEO £420,000; Group CFO £270,000; and Group executive director and CEO, Energy and Infrastructure £260,000. In light of the expiration of the prior three-year salary freeze in May 2014, the Remuneration Committee intends to make these salary increases effective from 1 July 2014, subject to Shareholder approval of the overall reshaping of the package.

Current pension arrangements for a salary supplement in lieu of pension will be maintained; the Remuneration Committee intends to honour historical commitments to increase quantum from 15% to 20% of salary for all executive directors.

Annual bonus

Previous short term incentive arrangements provided for unlimited bonuses to be paid for exceptional individual performance. The Company proposes to cap annual bonus awards at 100% of salary (target 50% of salary). Bonus payouts will depend 30% on personal/strategic measures and 70% on EBITDA, based on Group EBITDA for Group CEO and Group-only roles and a combination of Group and Divisional EBITDA for roles with significant Divisional responsibilities.

Long-term Incentive Plan

The Current Incentive Plan was intended to motivate management to deliver above top quartile performance, with vesting starting at approximately upper quartile against the FTSE250. The Remuneration Committee has decided to modify the existing arrangements, to bring them more closely in line with a market approach. The New Incentive Plan will allow grants of up to 150% of salary (200% in exceptional circumstances), with vesting based on challenging but achievable earnings per share (**EPS**) and total shareholder return (**TSR**) targets (weighted equally). To motivate management to achieve truly exceptional performance, the Remuneration Committee has included a multiplier which can increase the award by up to 2 times for the achievement of TSR outperformance of 40% per annum or above. This multiplier award can only be applied if the primary stretch EPS and TSR targets are both achieved in full, ensuring that management are motivated to achieve the Company's core strategic targets. Performance will be measured at the end of three-years and awards will initially vest on the third anniversary of the date of grant. The proposed policy gives the Remuneration Committee the discretion to introduce an additional holding period of up to two years.

Shareholding requirement

The Remuneration Committee has introduced a formal shareholding guideline of 200% of salary for executive directors, to be achieved within five years of the later of their appointment to the Board or the introduction of the Directors' Remuneration Policy.

Choice of performance measures for the annual bonus and LTIP and approach to target setting

Annual bonus targets are set at the beginning of the financial year. Profit is a key indicator of Stobart Group's short-term performance. Targets are set in line with budget, whilst the range between threshold and stretch performance is considered annually by the Remuneration Committee in order to ensure that it represents a stretching but achievable performance range. The remaining annual bonus is based on specific, relevant personal/strategic metrics, which are selected by the Remuneration Committee at the beginning of each financial year and reflect the most pertinent strategic goals for the year ahead.

Regarding the LTIP, for the current financial year, the Remuneration Committee has decided to maintain relative TSR vs. FTSE250 as a measure of long-term performance but to supplement that measure with an additional performance condition based on EPS.

At present, the Remuneration Committee feels that relative TSR continues to be the best measure of the long-term success of Stobart Group and that the FTSE250 total return index remains a robust and relevant benchmark. However, supplementing this with an EPS measure helps focus management on growing Stobart's profit in the following three years, and aligns with common market practice to balance internal and external measures.

In setting targets for relative TSR outperformance of the FTSE250 Index, the Remuneration Committee aims to align the vesting schedule of the TSR element of the LTIP with common market practice, with threshold vesting of 25% of the TSR proportion for median performance (in line with Index), increasing on a straight-line basis to full vesting for outperformance of the Index by 10% per annum. When considering the vesting schedule for the LTIP multiplier, the Remuneration Committee sets targets which are designed to be beyond upper quartile for threshold vesting. Threshold application of the multiplier also does not apply unless the EPS condition is also met in full. Three-year cumulative earnings per share targets are set based on a range of internal and external forecasts, including, without limitation, broker forecasts and internal strategic plan. A similar process for target-setting would be applied in the event that any additional financial performance metric was included. The Remuneration Committee may adjust EPS targets during the performance period if it feels that external factors outside of the control of management, for example changes in tax regime, accounting rules and so on, have affected the achievability and hence motivation of those targets. All long-term incentive targets are set at the beginning of the three-year performance period.

Approach to remuneration for new director appointments

The remuneration package for the appointment of a new executive director would be set in accordance with the terms and maximum levels of the approved remuneration policy in force at that time.

In addition, the Remuneration Committee may offer additional cash and/or benefits when it considers these to be in the best interests of the Company and its Shareholders taking into account remuneration relinquished when leaving their former employer. This would reflect (as far as possible) the nature and time horizons attached to that remuneration and the impact of any performance conditions. To facilitate this, the Remuneration Committee may need to avail itself of the discretion provided under Listing Rule 9.4.2R. The Company does not intend to use Listing Rule 9.4.2R for any other purpose. Shareholders will be informed of any such payments at the time of appointment.

For an internal appointment, any variable pay element awarded in respect of the previous role will be honoured, adjusted as relevant to take into account the appointment.

For the appointment of a new chairman or non-executive director, the fee would be set in accordance with the approved remuneration policy in force at that time.

Service contracts and loss of office payments

The Remuneration Committee's policy on service contracts is that they be limited to a maximum notice period of one year. All current Director contracts comply with this policy.

The Remuneration Committee is also under a duty to ensure contractual terms on termination, and any payments made, are fair to the individual and to the Group, that failure is not rewarded, and that liabilities of the Group are mitigated. If the Group terminates the employment of an executive director without giving the period of notice required under the contract, the executive director would be entitled to claim recompense for up to one year's remuneration as follows:

Notice Period	**Twelve months**
Remuneration-related provisions	Payments in lieu of notice of salary and benefits including health cover, a company car or car allowance, life and health insurance and pension. Payments in lieu of notice are not pensionable.
Change of control	There are no enhanced provisions on a change of control.

In some circumstances, the Remuneration Committee may also, at its discretion, pay a bonus to the director equivalent to the amount that they would have been entitled to, prorated over the portion of the year that they were in service.

Under the LTIP, the default treatment is that any outstanding awards will lapse on termination of employment. However, in certain prescribed 'good leaver' circumstances, the awards remain subject to performance conditions measured to the end of the performance period, and reduced by reference to the portion of the period they were employed. The Remuneration Committee retains discretion to pay director's legal fees for settlement agreements.

For the purposes of this Policy the committee interprets the term 'good leaver' to follow normal HMRC guidance which will also allow them discretion in some circumstances where a director leaves the Company for reasons other than those outlined by HMRC but whose performance merits such award as determined by the Remuneration Committee.

The executive directors service contracts for Andrew Tinkler and Ben Whawell are dated 21 September 2007, and 9 October 2007 for Richard Butcher.

Service contracts are available for inspection at the Company's registered office during normal business hours.

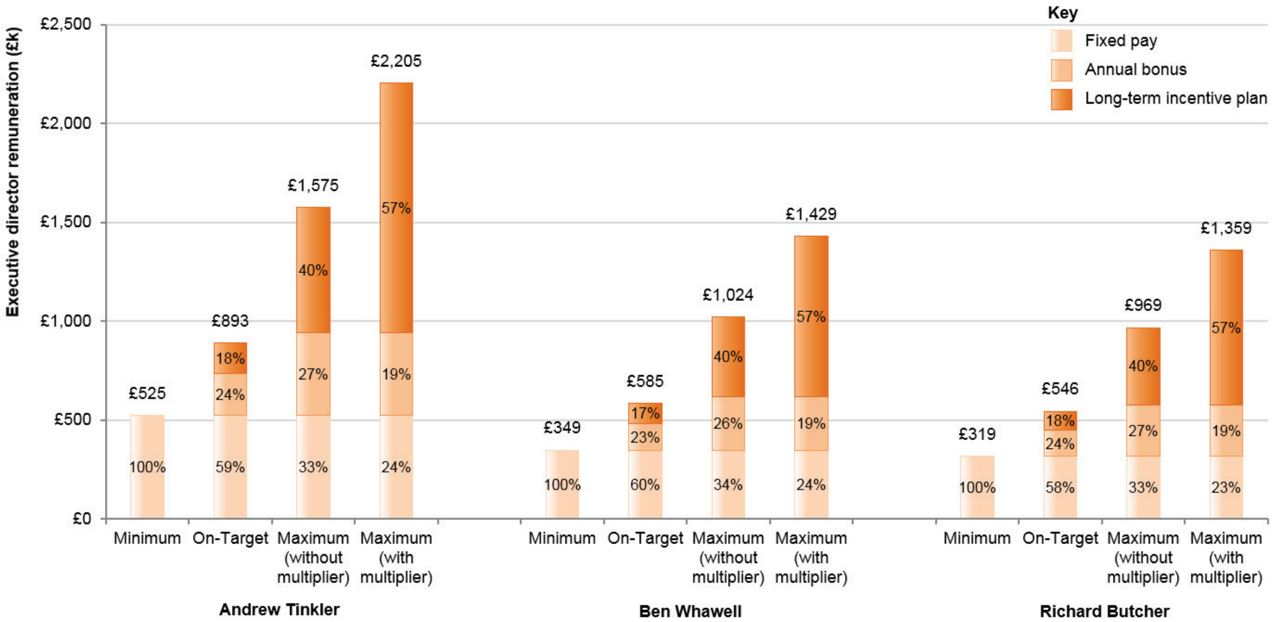
Non-executive directors are engaged under letters of appointment that set out their duties and responsibilities. They are appointed for an initial period of 1 year, subject to annual shareholder re-election. Their continued appointment is subject to the requirements of the Company's Articles (74) relating to the retirement of directors by rotation.

The terms and conditions of appointment of non-executive directors are available for inspection at the Company's registered office during normal business hours.

The non-executive directors' letters of appointment are dated as follows: Iain Ferguson: 1 October 2013, Andrew Wood: 1 November 2013, John Garbutt and John Coombs: 1 July 2014.

Reward Scenarios

The chart below gives an indication of the level of remuneration which could be receivable at different levels of performance under the proposed policy. We commit to updating this table with projected scenarios for reward scenarios which may be recommended as part of the Remuneration Policy review.



Assumptions:

Fixed pay = salary + benefits + pension.

Salary levels (on which other elements are calculated) are based on proposed salaries.

Benefits as paid for year ended 28 February 2014 on previous policy.

Pensions based on a cash supplement of 20% of salary.

Bonuses based on nil payout for minimum scenario, 50% of salary for target and 100% of salary for maximum.

Long-term incentive based on nil vesting at minimum, 25% vesting of normal awards of 150% of salary (i.e. 37.5% of salary) for on-target performance, normal opportunity of 150% of salary for maximum scenario without multiplier and normal opportunity of 300% of salary for maximum performance scenario with maximum multiplier.

Note: where percentages do not sum to 100% in the chart above this is due to rounding.

Views of Shareholders

We are committed to engaging appropriately with our Shareholders and our aim is to have an open dialogue with our major Shareholders. Each year there are structured meetings with major Shareholders to review the Company's performance and financial position. Executive pay is on the table for discussion at such meetings and we believe that it is better to do so as a part of an overall review that puts pay in the context of Company overall performance. Major Shareholders were consulted on the changes which we are putting forward at the General Meeting.

Consideration of others such as employees

We have a comprehensive employee engagement programme 'Get Involved' and encourage feedback through the 'Your Say' survey programme and our 'Stobart News' employee magazine, which the Remuneration Committee takes into account when considering executive pay, although there is currently no formal consultation with employees on Board remuneration.

Legacy Arrangements

For the avoidance of doubt, this Directors' Remuneration Policy report includes authority for the Company to honour any commitments entered into with current or former directors that have been disclosed to Shareholders in previous remuneration reports. Details of any payments to former directors will be set out in the annual report on remuneration as they arise. In the event that any of the awards under the Current Incentive Plan vest to a participating executive director, there would be a reduction in the director's payments under the New Incentive Plan.

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