



Notice of Annual General Meeting

To be held at 11.00am
on 22 April 2009

DRIVING ON





THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO WHAT ACTION TO TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, ACCOUNTANT, BANK MANAGER OR OTHER PROFESSIONAL ADVISOR AUTHORISED PURSUANT TO THE FINANCIAL SERVICES AND MARKETS ACT 2000. IF YOU HAVE SOLD OR TRANSFERRED YOUR SHARES IN ARRIVA PLC YOU SHOULD SEND THIS DOCUMENT TOGETHER WITH THE ACCOMPANYING FORM OF PROXY TO THE STOCKBROKER, BANK OR OTHER AGENT THROUGH WHOM THE SALE OR TRANSFER WAS EFFECTED FOR TRANSMISSION TO THE PURCHASER OR TRANSFEREE.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the company will be held at the Ramside Hall Hotel, Carville, Durham DH1 1TD on Wednesday 22 April, 2009 at 11.00 am to transact the following business. Resolutions 1 to 10 inclusive will be proposed as ordinary resolutions. Resolution 11 will be proposed as an extraordinary resolution. Resolutions 12 and 13 will be proposed as special resolutions.

1. To consider and adopt the Accounts for the year ended 31 December 2008 together with the reports of the directors and auditors thereon. **(Resolution 1)**
2. To declare a final dividend for the year ended 31 December 2008 on the ordinary shares of the company, of 17.91 pence per share. **(Resolution 2)**
3. To approve the Directors' Remuneration Report for the year ended 31 December 2008. **(Resolution 3)**
4. To re-elect directors retiring by rotation under the terms of the Articles of Association.
 - (a) Sir Richard Broadbent **(Resolution 4)**
 - (b) Mr S P Lonsdale **(Resolution 5)**
 - (c) Mr S G Batey **(Resolution 6)**
5. To elect Mrs A Risley as a director. **(Resolution 7)**
6. To re-appoint PricewaterhouseCoopers LLP as auditors to the company and authorise the directors to fix the auditors' remuneration. **(Resolution 8)**
7. As special business to consider and, if thought fit, pass the following resolutions:
 - (a) Ordinary Resolution **(Resolution 9)**

'That the directors be and they are hereby generally and unconditionally authorised in accordance with section 80 of the Companies Act 1985 to exercise all the powers of the company to allot:

 - (i) relevant securities (within the meaning of section 80(2) of that Act) up to an aggregate nominal amount of £3,310,951; and
 - (ii) relevant securities comprising equity securities (within the meaning of section 94 of that Act) up to a further aggregate nominal amount of £3,310,951 provided that they are offered by way of a rights issue to holders of ordinary shares on the register of members at such record date(s) as the directors may determine where the equity securities respectively attributable to the interest of the ordinary shareholders are proportionate (as nearly as may be practicable) to the respective numbers of ordinary shares held or deemed to be held by them on any such record date(s), subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange or by virtue of shares being represented by depositary receipts or any other matter.

This authority shall expire on the date of the next Annual General Meeting of the company, save that the company shall be entitled to make offers or agreements before the expiry of such authority which would or might require relevant securities to be allotted after such expiry and the directors shall be entitled to allot relevant securities pursuant to any such offer or agreement as if this authority had not expired. All unexercised authorities previously granted to the directors to allot relevant securities be and are hereby revoked.'

(b) Ordinary Resolution (**Resolution 10**)

'That the authorised share capital of the company be and is hereby increased from £14,500,000 to £20,000,000 by the creation of an additional 110,000,000 ordinary shares of 5 pence each.'

(c) Extraordinary Resolution (**Resolution 11**)

'That the company be and is hereby granted general and unconditional authority to make market purchases (within the meaning of Section 163 of the Companies Act 1985) on the London Stock Exchange of ordinary shares of 5 pence each in its capital
PROVIDED THAT:

- (i) this power shall be limited so that the number of ordinary shares of 5 pence each which may be acquired pursuant to this authority does not exceed 19,865,707 ordinary shares and shall expire on 22 July 2010, or, if earlier, at the conclusion of the next Annual General Meeting; and
- (ii) the price which may be paid for such ordinary shares does not exceed 5 per cent above the average of the middle market quotations as derived

from The Stock Exchange Official List for the five business days before the purchase is made and is not less than 5 pence per share (in each case exclusive of expenses).'

(d) Special Resolution (**Resolution 12**)

'That the directors be and they are hereby empowered pursuant to section 95 of the Companies Act 1985 to allot equity securities (within the meaning of section 94 of that Act) for cash pursuant to the authority conferred by Resolution 9 above or by way of a sale of treasury shares as if section 89(1) of that Act did not apply to any such allotment provided that this power shall be limited to:

- (i) the allotment of equity securities in connection with an offer of securities (but in the case of the authority granted under paragraph (ii) of Resolution 9 by way of rights issue only) in favour of the holders of ordinary shares on the register of members at such record date(s) as the directors may determine and other persons entitled to participate therein where the equity securities respectively attributable to the interests of the ordinary shareholders are proportionate (as nearly as may be practicable) to the respective numbers of ordinary shares held or deemed to be held by them on any such record date(s), subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange or by virtue of shares being represented by depositary receipts or any other matter; and

- (ii) the allotment (otherwise than pursuant to sub-paragraph (i) of this Resolution 12) to any person or persons of equity securities up to an aggregate nominal amount of £496,643

and shall expire upon the expiry of the general authority conferred by Resolution 9 above, save that the company shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted after such expiry and the directors shall be entitled to allot equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired.'

(e) Special Resolution (**Resolution 13**)

'That a general meeting, other than an Annual General Meeting, may be called on not less than 14 clear days' notice and that Article 60 of the company's Articles of Association be amended by the deletion of the words "and a meeting called for the passing of a Special Resolution" in the first line and the replacement of the words "a meeting of the company (other than an Annual General Meeting or a meeting for the passing of a Special Resolution)" commencing on the third line with the words "any other general meeting".'

By order of the Board

D P Turner
Secretary

Company No. 347103

Registered Office:

Admiral Way

Doxford International Business Park

Sunderland

SR3 3XP

20 March 2009

NOTES

1. Only those shareholders registered in the register of members of the company at 6 pm on 20 April 2009 shall be entitled to attend and vote at the Annual General Meeting (AGM) in respect of the number of shares registered in their name at that time.

Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the AGM. If the AGM is adjourned, only shareholders entered on the company's register of members no less than 48 hours before the time fixed for the adjourned meeting shall be entitled to attend and vote at the meeting.

2. **A member entitled to attend and vote at this meeting may appoint one or more persons (who need not be members of the company) to exercise all or any of his rights to attend and vote at the meeting.**

A member can appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him. Completion and submission of the proxy form will not preclude the member from attending and voting at the meeting or any adjournment thereof. If a member attends the meeting in person, the authority of the proxies will automatically be terminated.

A proxy form is enclosed for use in respect of Resolutions 1 to 13. Forms must be received at the designated address at least 48 hours before the meeting whether in manual or electronic format.

If two or more valid but differing appointments of a proxy are received in respect of the same share for use at the same meeting, the one which is last received (regardless of its date or the date of its signature) shall be treated as replacing and revoking the others as

regards that share; if the company is unable to determine which was last received, none of them shall be treated as valid in respect of that share.

3. A copy of this notice has been sent for information only to persons who have been nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 ("Nominated Persons"). The rights to appoint a proxy cannot be exercised by a Nominated Person: they can only be exercised by the member. However, a Nominated Person may have a right under an agreement between him and the member by whom he was nominated to be appointed as a proxy for the meeting or to have someone else so appointed. If a Nominated Person does not have such a right or does not wish to exercise it, he may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.
4. Any or all joint holders of shares may attend the AGM, although only one holder may vote in person or by proxy. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the company's register of members in respect of the joint holding (the first-named being the most senior).
5. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll

those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives - www.icsa.org.uk - for further details of this procedure. The guidance includes a sample form of representation letter if the chairman is being appointed as described in (i) above.

6. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising 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. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (EUI) specifications and must contain the information required for such

instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Computershare Investor Services plc (CREST Participant - number 3RA50) by no later than 48 hours before the time appointed for holding the 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 Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

7. A statement of transactions of the directors in the shares of the company together with copies of the directors' service contracts or letters of appointment and the directors' Deeds of Indemnity will be available for inspection during business hours from the date hereof until the day of the AGM at the registered office and at the venue of the AGM from 10.45 am until its conclusion.
8. If approved, the proposed final dividend of 17.91 pence per ordinary share will be paid on 1 May 2009, to shareholders on the register at 5 pm on 27 March 2009.
9. The total number of ordinary shares in issue and the total of voting rights as at 1 March 2009 in Arriva plc was 198,657,072.

EXPLANATORY NOTES RELATING TO THE BUSINESS TO BE CONDUCTED AT THE ANNUAL GENERAL MEETING TO BE HELD ON 22 APRIL 2009

The Board of Arriva plc considers the resolutions set out in the Notice of Annual General Meeting are likely to promote the success of the company and are in the best interests of its shareholders as a whole. The directors unanimously recommend that you vote in favour of the resolutions as they intend to do in respect of their own beneficial holdings.

Explanatory notes in relation to certain of the business to be conducted at the AGM are given below:

(1) **Authority to allot shares (Resolution 9)**

This item, set out as Resolution 9 in the accompanying Notice of Meeting, seeks shareholder approval for the directors to be authorised to allot shares. Under the provisions of Section 80 Companies Act 1985 (“the Act”) the directors are not permitted to allot shares unless authorised to do so by the shareholders. The Act provides for such authority to be granted either by the company in general meeting or by the Articles of Association, and in both cases such authority must be renewed at least every five years. Notwithstanding the statutory provisions, institutional best practice indicates that this authority be renewed annually.

At the previous AGM of the company held on 23 April 2008, the directors were given authority to allot ordinary shares in the capital of the company up to a maximum nominal amount of £3,310,393, representing approximately one-third of the company’s then issued ordinary share capital. This authority expires at the end of this year’s AGM.

In December 2008, the Association of British Insurers (“ABI”) revised its guidelines on directors’ authority to allot shares (in line with the recommendations of the report issued in November 2008 by the Rights Issue Review Group). The ABI’s guidelines previously stated that the directors’ general authority to allot shares should be limited to an amount equal to one-third of the company’s issued

share capital. The new guidelines state that the ABI members will permit, and treat as routine, resolutions seeking authority to allot shares representing up to two-thirds of the company’s issued share capital. The new guidelines provided that the extra routine authority (that is the authority to allot shares representing the additional one-third of the company’s issued share capital) can only be used to allot shares pursuant to a fully pre-emptive rights issue.

In light of these revised guidelines, the Board considers it appropriate that the directors be granted authority to allot shares in the capital of the company up to a maximum nominal amount of £6,621,902 representing the new guideline limit of approximately two-thirds of the company’s issued ordinary share capital as at 1 March 2009 (the latest practicable date prior to publication of these notes). Of this amount 66,219,020 shares (representing approximately one-third of the company’s issued ordinary share capital) can only be allotted pursuant to a rights issue. This power will last until the conclusion of the next AGM in 2010.

The directors have no present intention of exercising this authority.

(2) Increase in authorised share capital (Resolution 10)

This item, set out as Resolution 10 in the accompanying Notice of Meeting, seeks shareholder approval for an increase in the authorised share capital of the company from £14,500,000 to £20,000,000, representing an increase of approximately 38 per cent. As discussed in connection with Resolution 9 above, it is proposed that the directors be given authority to allot shares up to a nominal amount of £6,621,902, in line with the ABI's revised guidelines on directors' authority to allot shares. It is therefore proposed that the company's authorised share capital be increased so that the company's unissued share capital is in line with the new authority to allot.

(3) Purchase of own shares (Resolution 11)

This item, set out as Resolution 11 in the accompanying Notice of Meeting, seeks to renew the authority of the company to make market purchases of up to 19,865,707 ordinary shares (10 per cent of the issued ordinary shares at 1 March 2009) of 5 pence each at a price not exceeding 5 per cent above the average of the mid-market quotation of the ordinary shares in the five business days preceding such purchase and not below 5 pence per share.

The directors have no present intention of exercising the authority to purchase the company's ordinary shares but will keep the matter under review, taking into account the financial resources of the company, the company's share price and future funding opportunities. The authority will be exercised only if the directors believe that to do so would result in an increase in earnings per share and would be in the interests of shareholders generally. Any purchases of ordinary shares would be by means of market purchases through the London Stock Exchange.

(4) Disapplication of pre-emption rights (Resolution 12)

This item, set out as Resolution 12 in the accompanying Notice of Meeting, seeks to renew the authority granted at the previous AGM for the directors to take advantage of Section 95 of the Act. Section 89 of the Act requires that an allotment of shares for cash may not be made unless the shares are first offered to existing shareholders on a pre-emptive basis in accordance with the Act. Section 95 of the Act permits the directors to disapply these pre-emption requirements and accordingly a Special Resolution will be proposed at the AGM which, if passed, will have the effect of granting the directors the power, on similar terms to that granted by the Special Resolution passed at the AGM held on 23 April 2008, to allot up to 5 per cent of the present issued ordinary share capital otherwise in accordance with Section 89 of the Act in addition to any issue by way of rights.

(5) To allow general meetings to be called on 14 days' notice (Resolution 13)

This item, set out as Resolution 13 in the accompanying Notice of Meeting, seeks shareholder approval to allow the company to hold general meetings (other than AGMs) on 14 days' notice.

The Companies Act 2006 allows companies, subject to any restrictions in their articles of association, to hold general meetings other than annual general meetings on 14 days' notice. The Companies Act 2006 provisions relating to meetings are due to be amended with effect from August 2009, as a result of the UK implementation of the EU Shareholder Rights Directive (the "Directive"). One of the amendments to be made will, in accordance with the Directive, increase the minimum notice period for listed company general meetings to 21 days, but with an ability for companies to reduce this period back to

14 days (other than for annual general meetings) provided that two conditions are met. The first condition is that the company offers facilities for shareholders to vote by electronic means. The second condition is that there is an annual resolution of shareholders approving the reduction in the minimum notice period from 21 days to 14 days. The Board is therefore proposing Resolution 13 as a special resolution to approve 14 days as the minimum period of notice for all general meetings of the company other than AGMs. The approval will be effective until the company's next AGM in 2010, when it is intended that the approval be renewed.

Article 60 of the company's Articles of Association currently applies a 21 day notice period to AGMs and meetings for the passing of a Special Resolution. Resolution 13 will have the effect of amending Article 60 of the company's Articles of Association in order to permit all general meetings other than AGMs to be held on 14 days' notice.





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