

First name Surname

Address1

Address2

Address3

Address4

Postcode

**Investor Code: [IVC]**

Dear [firstname]

**Important information about your Stagecoach Group plc shares held in the Buy-As-You-Earn Plan ("the BAYE Plan") and what action you can take**

**THIS LETTER AND THE ACCOMPANYING FORM OF ELECTION ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.**

Stagecoach wrote to you recently to let you know that administration for the BAYE Plan was being transferred to Link Corporate Services (Link) from 28 March 2022. This transfer is still going ahead as planned but on 9 March 2022 an announcement was made regarding the proposed acquisition of Stagecoach Group plc by Inframobility UK Bidco Limited which has implications for you as a BAYE Plan member.

This letter is in two parts:

- **Part I explains what impact the proposed acquisition will have on your BAYE Shares and the action you need to take**
- **Part II gives information on how to access your BAYE account now managed by Link**

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## **PART I**

### **PROPOSED ACQUISITION OF STAGECOACH GROUP PLC BY INFRAMOBILITY UK BIDCO LIMITED AND YOUR BAYE SHARES**

#### **1. INTRODUCTION**

On 9 March 2022, the board of directors of Stagecoach Group plc ("**Stagecoach**") and the board of directors of Inframobility UK Bidco Limited ("**PEIF III Bidco**") announced that they had agreed to the terms of a recommended cash offer (the "**Offer**") by PEIF III Bidco to acquire the entire issued and to be issued share capital of Stagecoach (the "**Acquisition**").

Full details of the Offer are set out in the Offer document dated 22 March 2022 (the "**Offer Document**"), a copy of which is available on Stagecoach's website at <https://www.stagecoachgroup.com/investors/recommended-offer-from-dws.aspx>.

#### **2. WHAT IMPACT DOES THE OFFER HAVE ON MY BAYE SHARES**

Normally, in the ordinary course of business, your BAYE Plan shares are held in the BAYE trust and may not ordinarily be withdrawn without penalty until the expiry of a specified period.

However, as a result of the Offer, you will have the opportunity to instruct Link Market Services Trustees Limited (the "**Trustee**") to vote on the Offer on your behalf. This is because, as a participant in the BAYE Plan you already own the Stagecoach shares that are held in the BAYE trust through your BAYE account.

Under the terms of the Offer you can choose to sell and receive cash for the partnership, matching and dividend shares (if any) held under the BAYE Plan on your behalf ("**your Shares**") by the Trustee.

You should consider the Offer to Stagecoach shareholders as described fully in the Offer Document and as summarised below.

The terms of the Offer and any arrangements explained in this letter to purchase shares at 105 pence per share will only be implemented if PEIF III Bidco receives a sufficient level of acceptances to enable it to complete the acquisition of Stagecoach in accordance with the terms of the Offer.

If the Offer does not proceed for any reason, your rights under and participation in the BAYE Plan will continue as normal subject to the rules of the BAYE Plan.

**The Trustee cannot accept the Offer on your behalf without your instructions. It is therefore very important that if you want to accept the Offer you return the Election Form enclosed with this letter to us (using the enclosed prepaid envelope) as soon as possible and in any event by no later than 3.00 p.m. on Tuesday 19 April 2022.**

### 3. THE OFFER

Under the terms of the Offer, if successful:

<b>For each of your Shares held in the BAYE Plan you would receive:</b>	<b>105p</b>
<b>Total number of Shares currently held by the Trustee on your behalf*:</b>	<b>XX</b>
<b>Cash value of your Shares under this offer if successful:</b>	<b>£YYYY</b>

*\* This will be a combination of partnership, matching and dividend shares (if any). For more information on the mix of shares held by the Trustee on your behalf please sign on to the new Link portal – see below).*

### 4. YOUR CHOICES

#### 4.1 Take the cash by accepting the Offer

You are invited to inform the Trustee if you wish to accept the Offer. If you instruct the Trustee to accept the Offer, and the Offer to purchase Stagecoach is successful, then all of your Shares will cease to be held in the BAYE Plan and the Trustee will sell your Shares in exchange for a cash payment (being 105p x the number of Shares held in the trust on your behalf). The cash proceeds will be paid to you tax-free by Stagecoach in the next practicable payroll run following the date on which the acquisition completes. The expected tax position on the disposal of your Shares held under the BAYE Plan is:

- **no charge to income tax and no National Insurance contributions should arise in connection with the disposal of your Shares; and**
- **the disposal of your Shares should not give rise to a chargeable gain for capital gains tax purposes.**

#### 4.2 Do nothing

If you do nothing, the Trustee cannot accept the Offer on your behalf. However, if the Offer becomes or is declared wholly unconditional your Shares may be compulsorily acquired for cash of 105 pence per share on a tax-free basis by PEIF III Bidco in due course. If PEIF III Bidco does not elect to compulsorily

acquire your Shares then you would retain them, but you would not be able to sell them.

#### 4.3 **Withdrawing your shares from the BAYE Plan rather than accepting the Offer**

You are permitted to withdraw your Shares from the BAYE Plan and then accept the Offer in relation to those shares. However, withdrawing your Shares from the BAYE Plan rather than instructing the Trustee to accept the Offer on your behalf may give rise to Income Tax, National Insurance and capital gains tax consequences for you (the tax advantages associated with accepting the Offer are set out in 4.1 above). You would also lose any Matching Shares if they have been held for less than three years.

If you leave (or have recently left) service with Stagecoach before the Offer becomes unconditional you will cease to be a BAYE participant, the withdrawal of your Shares will be subject to the Rules of the BAYE Plan and you may be liable to pay Income Tax and National Insurance based on the value of all or some of your Shares.

If you leave service before the Offer becomes unconditional any acceptance notice you have given to the BAYE Trustee in relation to the Offer will become invalid. As a leaver you will have the option to become a Shareholder in your own right and should receive a separate invitation to accept the Offer, if it is still open, once your name is held on the Share Register.

#### 5. **ACTION**

You should decide if you wish the Trustee to accept the Offer on your behalf to receive a one-off tax free cash payment for your Shares payable if the Offer is accepted by a sufficient number of shareholders.

You must provide your instructions using the attached Election Form and return it to the Trustee in the prepaid envelope provided as soon as possible and by no later than 3.00 p.m. on **Tuesday 19 April 2022**.

If you are not a UK National, some additional information is needed from you before your Election can be made. The Election Form explains how to provide this additional information.

**Nothing in this letter or the information pack constitutes financial advice to any holder of shares, share awards or share options in Stagecoach or PEIF III Bidco. If you are in any doubt as to the choice to make, you should contact an independent financial or taxation adviser who is authorised under the Financial Services and Markets Act 2000.**

#### 6. **QUESTIONS**

If you have any questions, please contact Link Market Services Trustees Limited either by calling 0371 664 0330 or by emailing StagecoachGroup@linkgroup.co.uk. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday excluding public holidays in England and Wales. Calls may be recorded and monitored for security and training purposes. For legal reasons none of Link, Stagecoach, your employer, or PEIF III Bidco can give any legal, financial or tax advice.

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## **Part 2**

### **HOW TO ACCESS YOUR BAYE ACCOUNT MANAGED BY LINK**

To find out how many shares you hold and learn more about the BAYE Plan you must register on the Stagecoach share portal now managed by Link. To register please follow the instructions below.

- Access the Stagecoach Share Portal at <https://www.stagecoachshareportal.co.uk/welcome>.
- Select 'Register' from the bottom of the menu on the right hand side.
- Use your unique Investor Code (which can be found at the top of this letter), your postcode and surname to register an account on the portal.
- You will then be prompted to set up a username, password and memorable word. Once this has been set up, whenever you wish to log into the portal after this, you just need to enter your username, password and memorable word – you do not need to register again.

A Frequently Asked Questions sheet is available on the portal which will hopefully answer any questions you may have. However, should you have any queries about the BAYE Plan, or logging into the portal, please contact the Link Helpline on **0371 664 0330\***

Yours sincerely

### **Link Group**

<p><b>In the event of a conflict between this letter and the trust deed and rules of the BAYE Plan or any relevant legislation, the rules or the legislation (as applicable) will prevail. References to taxation are for guidance only for persons resident in the UK for tax purposes.</b></p>
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**THIS ELECTION FORM AND THE ACCOMPANYING LETTER ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the contents of this document or what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000.

If you have any questions about this Election Form or the accompanying letter from Link Market Services Trustees Limited dated 28 March 2022 (the "**Letter**") (other than the financial or tax aspects), you should contact Link Market Services Trustees Limited by calling 0371 664 0330 or by emailing StagecoachGroup@linkgroup.co.uk. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. This Election Form should be read in conjunction with the Letter and the Offer Document dated 22 March 2022 (the "**Offer Document**"). Unless the context otherwise requires, words and expressions used in this document have the same meaning as in the Offer Document.

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**ELECTION FORM**

**FOR USE BY THE HOLDERS OF SHARES PURCHASED UNDER THE  
STAGECOACH GROUP PLC BUY-AS-YOU-EARN (BAYE) PLAN**

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If you wish to accept the Offer described in the Letter, you must send this Election Form duly completed using the envelope provided, as soon as possible and, in any event, so as to be received by Link Market Services Trustees Limited, Corporate Actions, 10<sup>th</sup> Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL **by no later than 3.00 p.m. on Tuesday 19 April 2022.**

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**ADDITIONAL INFORMATION REQUIREMENTS FOR NON UK NATIONALS**

To make an election if you are **not** a UK National you must also provide some additional information regarding your nationality details. To download and complete the Election Form for non-UK Nationals and the additional information form please visit the Stagecoach Share Portal at [www.stagecoachshareportal.co.uk](http://www.stagecoachshareportal.co.uk) and go to the Documents section that can be accessed from the home page. These forms can be found in the SIP General section. The additional information form is entitled 'Overseas NCI Data Form' and the Election Form for non-UK Nationals can be found with it.

This additional information must be submitted when submitting your Election Form.

Once you have obtained and completed the separate Overseas NCI Data Form and the Election Form for non-UK Nationals you can return them in the pre-paid envelope provided as per the instruction given above.

**IMPORTANT – YOU SHOULD READ THE WHOLE OF THIS ELECTION FORM BEFORE COMPLETING ANY PART OF IT.**

Please complete in BLOCK CAPITALS

Name:	
Address:	
Telephone number(s):	
Email address:	
Unique Investor Code (found at the top of the accompanying letter)	

**ONLY COMPLETE THIS FORM IF YOU ARE A UK NATIONAL**

**INSTRUCTION TO ACCEPT THE OFFER**

I am a UK National and instruct the Trustee, as the registered holder of my shares in Stagecoach Group plc, to accept the Offer in respect of all my Shares held in the BAYE Plan

Please tick this box to accept

**SIGNATURE OF SHAREHOLDER**

I hereby sign and deliver this Election Form as a deed on the date set out below and agree to be bound by its terms. By signing this Election Form I acknowledge that the instructions I make in this Election Form are irrevocable.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

in the presence of:

\_\_\_\_\_  
**Signature of Witness\***

\_\_\_\_\_  
**Name of Witness**

\_\_\_\_\_  
**Address of Witness**

\_\_\_\_\_

\_\_\_\_\_

*\*The witness should be a person aged over 18 – this can be a member of the Shareholder's family if necessary and the witness should complete the witness details set out above in this Election Form.*

Please return this form in the reply paid envelope provided or post to Link Market Services Trustees Limited, Corporate Actions, 10<sup>th</sup> Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL **as soon as possible and, in any event, so as to be received by NO LATER THAN 3.00 p.m. on 19 April 2022.**