

EZJ AGM

23 February 2012

easyGroup Holdings Limited
Voting intentions

easyGroup's objectives

- To use its legal right to vote at the Company's annual general meeting to
 - Increase transparency of directors' transactions using company money
 - Increase scrutiny and hold people accountable for their actions
 - Align management incentives contained in the remuneration report with those of the shareholders in order to maximise total returns
 - To work towards binding resolutions on remuneration
 - **easyGroup** recognizes that the City prefers to deal with scrutiny in private meetings but such meetings have been subsequently misrepresented by management
 - In the past staying quiet has been taken as tacit approval of the board's actions
 - **easyGroup's** criticisms are now out in the open and can be used to gauge future EPS performance
 - Most other shareholders, especially the 3000 individual investors do not have the resources nor the experience that **easyGroup** has to monitor their investments in the company hence the need to make our views public
 - without an objection from **easyGroup** no other single shareholder can effect change anyway
 - Standard Life as a major shareholder in EZJ is conflicted as it manages the Airbus £4.6bn pension fund.

Resolution 1: To receive the annual report and accounts for the year ended 30 September 2011.

VOTE: WITHHELD

Reasons for Vote

- The company should adopt the EU-adopted IFRS ahead of 2013 implementation
- Aircraft leases should be capitalised so ROCE calculation reflects all the capital assigned to aircraft purchase

Resolution 2: To approve the Directors Remuneration report for the year ended 30 September 2011 contained in the Annual Report and accounts.

VOTE: AGAINST

Reasons for Vote

- Method of calculating ROCE does not align management's interests with those of shareholders
 - Due to phoney calculation used, the new 12% ROCE target is easier to achieve than the 15% ROE target it replaces
 - Ignores impact of operating leases on capital structure of airline.
 - Encourages selling and leasing back aircraft to generate cash which is deducted from the capital employed
- “Bullet” vesting of award in one year (2013), rather than an average over 3 years performance.

Resolution 3: To re-elect Charles Gurassa as a Director.

VOTE: FOR

Charles Gurassa: Appointed to the Board on 27 June 2011 and became Deputy Chairman and SID on 1 September 2011. Chairman - Tragus, MACH, Parthenon Entertainment and Genesis Housing Association. Former CEO - Thomson Travel Group plc. Former Executive Chairman - TUI Northern Europe. Former Chairman - LOVEFiLM, Phones4U, Virgin Mobile plc and Alamo/National Rent a Car, 7 Days. Former director, Passenger and Cargo - British Airways. Former SID - Merlin Entertainments. Former NED at Whitbread plc. Former Advisory Board member - Alpitour.

Reasons for Vote

- As a new appointment following the last aircraft order he might be a good influence in restraining further spend with Airbus

Resolution 4: To re-elect Andrew Martin as a Director.

VOTE: FOR

Andrew Martin: Appointed to the Board on 1 September 2011. Group FD - Compass Group plc. Former Group FD - First Choice Holidays plc. Former partner - Arthur Andersen. Chartered Accountant.

Reasons for Vote

- As a new appointment following the last aircraft order he might be a good influence in restraining further spend with Airbus

Resolution 5: To re-elect Adele Anderson as a Director.

VOTE: AGAINST

Adele Anderson: Appointed to the Board on 1 September 2011. Former CEO (captive insurer), CFO and partner - KPMG and Europe CFO and Head of Financial Analysis, Risk and Control - KPMG Europe.

Reasons for Vote

- Not independent - having previously worked at KPMG where she was Europe CFO and ex-colleague of Sir Michael Rake for 24 years.
- KPMG are auditors to Airbus/EADS, a major supplier to easyJet.
- Never served on a PLC board before.
- Major shareholders were not consulted on her nomination or election.

Resolution 6: To re-elect Sir Michael Rake as a Director.

VOTE: AGAINST

Sir Michael Rake : Former Deputy Chairman – EZJ. Chairman - BT Group plc and of the Guidelines Monitoring Committee. NED - Barclays plc, McGraw Hill Inc and the Financial Reporting Council. Board member of Guards Polo Club. Governor of Wellington College. Member of the Prime Minister's Business Advisory Group. Former Chairman - KPMG International and KPMG Europe. Former Senior partner - KPMG UK.

Reasons for Vote

- Over committed in terms of board positions held and unable to dedicate the time to easyJet
- Method of calculating ROCE does not align Management's interests with those of Shareholders,
 - ROCE target is easier to achieve than the ROE target it replaces and target is lower than previous ROE target.
 - Ignores impact of operating leases on capital structure of airline.
 - Encourages sale and leaseback of aircraft .
- “Bullet” vesting of award in one year (2013), rather than an average over 3 years performance.
- KPMG are auditors to Airbus/EADS, a major supplier to easyJet.
- Ordered 15 additional aircraft in January 2012 and increased the cost of another 20 orders creating unnecessary capital expenditure of \$1.3bn with Airbus by 2015
 - Did not operate a transparent 3 way tender before ordering the above aircraft
 - Refuses to publish the real cost per aircraft
- Refuses to publish aircraft unit profitability as it exposes the un-profitability of the last aircraft

Resolution 7: To re-elect Carolyn McCall as a Director.

VOTE: WITHHELD

Carolyn McCall : Former CEO - Guardian Media Group plc. Former NED - Lloyds TSB, Tesco plc and New Look. Former Chairman - Opportunity Now. Former President - Women in Advertising and Communications London (WACL).

Reasons for Vote

- Ordered 15 additional aircraft in January 2011 and increased the cost of another 20 orders creating unnecessary capital expenditure of \$1.3bn with Airbus by 2015 after just 6 months in the job and without prior airline experience
- Did not operate a transparent 3 way tender before ordering the above aircraft
- Refuses to publish the real cost per aircraft
- Refuses to publish aircraft unit profitability as it exposes the un-profitability of the last aircraft
- Will quintuple take home relative to last job without creating any real incremental shareholder value.
- EPS will decline this year despite the huge capex with Airbus

Resolution 8: To re-elect Christopher Kennedy as a Director.

VOTE: WITHHELD

Christopher Kennedy: Former CFO - EMI Music.

Reasons for Vote

- Published incorrect capital flow information (slide 16) in the pre-close statement presentation in September 2011 – error identified by comparison with previous information published 15 November 2011 (slide 21)
- The maintenance figure was inaccurate by US\$200 million despite short gap between the two presentations

Resolution 9: To re-elect David Bennett as a Director.

VOTE: WITHHELD

David Bennett: Chairman - Pacnet. NED - CMC Markets plc, Jerrold Holdings Ltd and Clarity Commerce. Former Group CEO and FD - Alliance & Leicester plc. Former Executive Director - Abbey National plc.

Reasons for Vote

- Was Chair (2009) and Member (2010) of the discredited Remuneration Committee that agreed Harrison settlement rejected at last AGM .
- As Chairman of the audit committee should have scrutinised the following transaction: Simon Gulliford acting via his “one man show” consultancy company called Gulliford communications worked for EZJ to advise on the selection of a new advertising agency to spend the £50m TV ad budget. The contract was awarded to VCCP, one of Tim Bell’s companies. A few months later another one of Tim Bell’s companies purchased the “consultancy company” of Gulliford for a reported £4.5million.

Resolution 10: To re-elect Rigas Doganis as a Director

VOTE: AGAINST

Rigas Doganis - Chairman - European Aviation Club (Brussels). NED - GMR Hyderabad International Airport (India). Visiting Professor - Cranfield University. Former Chairman/CEO - Olympic Airways. Former NED - South African Airways. Aviation Consultant.

Reasons for Vote

- Since his appointment to the Remuneration Committee he has diluted shareholders by the issue of 10-20 million of free shares to staff
- The precise numbers and the recipients of these free shares are still not published - so there is no accountability
- Was a member of the discredited Remuneration Committee that agreed the Harrison settlement.

Resolution 11: To re-elect John Browett as a Director.

VOTE: WITHHELD

John Browett - CEO - Dixons Retail until 20 February 2012, upon which date he will leave the Board and remain at the Company until 20 April 2012 when assumes Senior Vice President of Retail - Apple, Inc. Former Operations Development Director and Group Strategy Director - Tesco plc.

Reasons for Vote

- His recent appointment as SVP of Apple, based in California questions his ability to allocate sufficient time to easyJet board

Resolution 12: To re-elect Keith Hamill as a Director.

VOTE: AGAINST

Keith Hamill: Chairman -Tullett Prebon. Deputy Chairman - Travelodge. Director of Samsonite. Former Chairman - Go, Alterian, Collins Steward, Heath Lambert, Luminar and Moss Bros. Former FD - WH Smith, Forte and United Distillers. Former director - Electrocomponents and Cadmus Communications Corp. Former partner - PricewaterhouseCoopers. Chartered Accountant.

Reasons for Vote

- Was a member of the discredited Remuneration Committee that agreed the Harrison settlement.
- Was head of the Remuneration Committee that approved the use of the current phoney-ROCE formula and “bullet” vesting of the 2011 award in 2013.
- As a former partner of PWC he is not independent of the auditors of the company as pointed out by PIRC

Resolution 13: To reappoint PricewaterhouseCoopers LLC as auditors to company.

VOTE: AGAINST

Reasons for Vote

- The company should adopt the EU-adopted IFRS ahead of 2013
- Aircraft leases should be capitalised so ROCE calculation reflects all the capital assigned to aircraft purchase

Resolution 14: Authorise EU Political Donations and Expenditure.

VOTE: WITHHELD

Reasons for Vote

- Insufficient data.

Resolution 15: Authorise the Issue of Equity with Pre-emptive Rights

VOTE: AGAINST

Reasons for Vote

- Shareholders have already suffered considerable dilution

Resolution 16: Approve Payment of the Ordinary Dividend.

VOTE: FOR

Reasons for Vote

- Payment of a dividend is long overdue

Resolution 17: Approve Return of Cash to Shareholders through payment of a special dividend and Share Consolidation

VOTE: FOR

Reasons for Vote

- Current hoarding of cash is designed to make it easier to achieve ROCE target

Resolution 18: Authorise issue of Equity without Pre-emptive Rights.

VOTE: AGAINST

Reasons for Vote

- Insufficient data.
- Shareholders have already suffered considerable dilution

Resolution 19: Authorise Market Purchase of Shares to satisfy management and staff awards.

VOTE: WITHHELD

Reasons for Vote

- Need to understand when the takeover rules are triggered
- The company should buy back equity when the price is low , like other companies, in order to reduce surplus cash and increase EPS

