



The Agriculture & Engineering Group

Notice of Annual General Meeting

Company Number: 98221

Carr's Group plc

Notice of Annual General Meeting

Tuesday 12 January 2021 at 11:30am

PLEASE NOTE

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice from your stockbroker or other independent adviser authorised under the Financial Services and Markets Act 2000.

If you have recently sold or transferred all of your shares in Carr's Group plc, please forward this document together with the accompanying documents as soon as possible either to the purchaser or transferee, or to the person who arranged the sale or transfer, so that they can pass these documents to the person who now holds the shares.

Company Number: 98221
Carr's Group plc ("the Company")
Notice of Annual General Meeting

Notice is hereby given that the one hundred and twelfth Annual General Meeting of the Company will be held at Old Croft, Stanwix, Carlisle CA3 9BA on Tuesday 12 January 2021 at 11.30am for the following purposes:

ORDINARY BUSINESS

1. To receive the Company's annual accounts for the financial year ended 29 August 2020 together with the Directors' report and the Auditor's report on those accounts.
2. To declare a final dividend of 2.50 pence per ordinary share for the year ended 29 August 2020.
3. To re-elect Peter Page as a Non-Executive Director of the Company.
4. To elect Hugh Pelham as an Executive Director of the Company.
5. To re-elect Neil Austin as an Executive Director of the Company.
6. To re-elect Alistair Wannop as a Non-Executive Director of the Company.
7. To re-elect John Worby as a Non-Executive Director of the Company.
8. To re-elect Ian Wood as a Non-Executive Director of the Company.
9. To elect Kristen Eshak Weldon as a Non-Executive Director of the Company.
10. To re-appoint KPMG LLP as Auditor of the Company.
11. To authorise the Audit Committee of the Board to determine the remuneration of the Auditor.
12. To approve the Directors' Remuneration Policy, set out on pages 54 to 60 of the Company's Annual Report and Accounts 2020 which, if approved, shall take effect immediately after the end of the Annual General Meeting taking place on 12 January 2021.
13. To approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) for the year ended 29 August 2020.
14. To consider and, if thought fit, pass the following resolution, which will be proposed as an ordinary resolution:

"THAT, in substitution for all existing and unexercised authorities, the Directors of the Company be and are hereby generally and unconditionally authorised for the purpose of section 551 of the Companies Act 2006 (the "Act") to exercise all powers of the Company to allot shares to such persons at such times and generally on such terms and conditions as the Directors may determine (subject always to the Articles of Association of the Company) up to an aggregate nominal amount of £762,843.10 provided that this authority shall, unless previously renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the next Annual General Meeting or on 28 February 2022 (if earlier) save that the Directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require shares to be allotted after the expiry of such period, and the Directors of the Company may allot shares in pursuance of such offer or agreement as if the authority conferred hereby had not expired."

SPECIAL BUSINESS

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

"THAT, subject to and conditional upon the passing of Resolution 14, and in substitution for all existing and unexercised authorities, the Directors of the Company be and are hereby empowered pursuant to section 570-573 of the Act to allot shares pursuant to the authority conferred upon them by Resolution 14 as if section 561 of the Act did not apply to any such allotment, provided that this authority shall be limited to:

- a. the allotment of shares in connection with a rights issue or similar offer in favour of ordinary shareholders where the shares respectively attributable to each shareholder are proportionate (as nearly as may be) to the respective number of shares held by them, subject only to such exclusion or other arrangements as the Directors of the Company may consider appropriate to deal with fractional entitlements or legal and practical difficulties under the laws of, or the requirements of any recognised regulatory body in, any territory; and
- b. the allotment (otherwise than pursuant to sub-paragraph (a) above) of shares up to an aggregate nominal amount of £115,582.25 representing approximately 5% of the current issued share capital of the Company,

such authority to expire on the date of the next annual general meeting of the Company or on 28 February 2022 (if earlier), save that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted (or treasury shares sold) after such expiry and the Directors may allot shares in pursuance of such offer or agreement as if the power conferred hereby had not expired."

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

THAT, subject to and conditional upon the passing of Resolution 14, and in substitution for all existing and unexercised authorities, the Directors of the Company be and are hereby empowered pursuant to section 570-573 of the Act to allot shares pursuant to the authority conferred upon them by Resolution 14 as if section 561 of the Act did not apply to any such allotment, provided that this authority and power shall be:

- a. limited to the allotment of shares or treasury shares up to a nominal amount of £115,582.25 representing approximately 5% of the current issued share capital of the Company; and
- b. used only for the purposes of financing (or refinancing, if the authority is used within six months after the original transaction) a transaction which the Directors and the Company determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

Notice of Annual General Meeting continued

such authority to expire on the date of the next annual general meeting of the Company or on 28 February 2022 (if earlier), save that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted (or treasury shares sold) after such expiry and the Directors may allot shares in pursuance of such offer or agreement as if the power conferred hereby had not expired."

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

"THAT, the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 693 of the Act) of shares provided that:

- a. the maximum number of shares which may be purchased is 9,246,582 (representing approximately 10% of the Company's issued share capital);
- b. the minimum price which may be paid for each share is 2.5p;
- c. the maximum price which may be paid for each share is an amount equal to 105% of the average of the middle market quotations for an share as derived from the Daily Official List of London Stock Exchange plc for the 5 business days immediately preceding the day on which the share in question is purchased;
- d. unless previously revoked or varied, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company to be held in 2022 or, if earlier, on the date which is 12 months after the date of the passing of this Resolution; and
- e. the Company may make a contract or contracts to purchase shares under the authority hereby conferred prior to the expiry of such authority, which contract or contracts will or may be executed wholly or partly after the expiry of such authority and may make a purchase of shares in pursuance of any such contract or contracts."

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

"THAT, a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice."

By order of the board



MATTHEW RATCLIFFE

Company Secretary

Date: 23 November 2020

Old Croft,
Stanwix,
Carlisle CA3 9BA

Annual General Meeting

Following the financial year ended 29 August 2020

DEAR SHAREHOLDER

The Annual General Meeting of Carr's Group plc is to be held at Old Croft, Stanwix, Carlisle CA3 9BA on Tuesday 12 January 2021.

DUE TO THE COVID-19 PANDEMIC SHAREHOLDERS ARE ASKED NOT TO ATTEND THE MEETING

COVID-19

We recognise the importance of our Annual General Meeting, which enables our shareholders to engage with the Board, hear about the Company and its performance, and ask questions.

Circumstances relating to the COVID-19 pandemic continue to evolve, which represents a challenge for us all. The health, safety and wellbeing of our stakeholders remains of paramount importance and, in the light of current UK Government guidelines and restrictions, we have taken the decision to hold a more limited AGM in January 2021, which will not involve shareholders attending in person.

We must insist on non-attendance by shareholders; not only for legal reasons, but because it is the right thing to do. We strongly urge shareholders not to travel to the venue on the day. Those who do will, regrettably, be turned away.

That is not to say we want any less shareholder engagement. We urge all of our shareholders to cast their votes on the resolutions proposed at the AGM by proxy in advance of the meeting, and to raise any questions they might have in writing or by email. Further information on voting by proxy and raising questions is contained in this notice.

The Company's AGM will be held at its Registered Office at Old Croft, Stanwix, Carlisle, Cumbria, CA3 9BA on Tuesday 12 January 2021 at 11.30am. No shareholders will be permitted entry to the meeting, with the exception of sufficient Directors who also hold shares, to enable a quorum of members to form the meeting and duly record the proxy votes cast by shareholders in advance.

Our online broadcast

Given that shareholders will not be able to meet and hear from the Board in January, in order to provide an update on the Company's trading performance, to introduce Hugh Pelham, our incoming Chief Executive Officer Designate, and to provide answers to questions raised by shareholders, shortly after the AGM on 12 January 2021, we will be broadcasting a public presentation on the Company's website at www.carrsgroup.com. We encourage all our shareholders to view the broadcast, which will remain uploaded to view for 28 days.

Casting votes by proxy

Shareholders are urged to cast their votes on the resolutions being proposed at the AGM by proxy. This can be done via the shareholder portal at www.signalshares.com or by completing a proxy form and returning this to the Company's registrars at Link Asset Services, Freepost SAS, 34 Beckenham Road, Beckenham, Kent, BR3 9ZA (please note that proxy forms must arrive by no later than 11:30am on Friday 8 January 2021).

Raising questions

Any shareholders who wish to raise questions are encouraged to submit these to the Company Secretary either in writing to Carr's Group plc, Old Croft, Stanwix, Carlisle, CA3 9BA or via email to agm@carrsgroup.com. Written responses to questions raised in advance of the AGM will be provided to shareholders directly and included in a "Questions and Answers" section on the Company's website. Where practicable, questions raised in advance of the AGM will also be responded to as part of the Company's broadcast on 12 January 2021.

The resolutions proposed

The Directors consider that all of the proposed resolutions are in the best interests of the Company and its stakeholders as a whole, and that the approval of such resolutions is most likely to promote the success of the Company.

The Directors unanimously recommend that you vote in favour of all the proposed resolutions as they intend to do in respect of their own beneficial holdings. Resolutions 1 to 14 are ordinary resolutions which will be passed if more than 50% of the votes cast are in favour of the Resolutions. Resolutions 15 to 18 are special resolutions which will be passed if at least 75% of the votes cast are in favour of the Resolutions.

Further information on some of the resolutions proposed is set out below.

Resolutions 3-9: Election and Re-election of Directors

Resolutions 3 to 9 are separate resolutions to elect or re-elect the Directors. Other than Tim Davies, who is standing down from the Board upon conclusion of the AGM, resolutions are proposed to elect or re-elect all Directors who retire in accordance with best practice and the Corporate Governance Code 2018. Kristen Eshak Weldon and Hugh Pelham stand for election by shareholders for the first time since being appointed on 1 October 2020 and 4 January 2021, respectively. Each of the Directors proposed to be elected or re-elected have consented to their proposed appointment and are eligible to be appointed. The Board considers that each Director possesses the necessary knowledge, skills and experience to perform effectively, and has full commitment to their role.

Annual General Meeting continued

Following the financial year ended 29 August 2020

Peter Page was appointed to the Board as a Non-Executive Director and Chairman Designate in November 2019 and became Non-Executive Chairman upon conclusion of the Company's AGM in January 2020. Peter is also Chair of the Nomination Committee. He was previously Chief Executive Officer of Devro plc, a position he held for 11 years until 2018, and brings to the Board his extensive international experience and knowledge of agricultural sectors. Age 57.

Hugh Pelham will be appointed to the Board on 4 January 2021 as Chief Executive Officer Designate to take over from Tim Davies who stands down from the Board at the conclusion of the AGM on 12 January 2021. Hugh joins the Company from Minova (part of ASX-listed Orica), a manufacturer and supplier of chemical and mechanical earth control products, adhesives and support equipment across 40 countries globally, where he has served as Global President since 2018. Prior to this, Hugh spent four years as Managing Director of Wood Group Industrial Services Limited, where he also served as President (EMEA), responsible for international growth and leading over 2,000 people. Age 53.

Neil Austin was appointed Group Finance Director on 1 May 2013, joining the Company from PricewaterhouseCoopers where he had been a director since 2007. Whilst at PwC, Neil advised FTSE 350 companies including multi-nationals on internal and external audit, risk assurance, as well as providing due diligence services. He is a Fellow of the Institute of Chartered Accountants. Age 45.

Alistair Wannop was appointed to the Board as a Non-Executive Director on 1 September 2005. He is the Board's Non-Executive Director with responsibility for Employee Engagement. Alistair has been the Chairman of both the County NFU and the MAFF northern regional advisory panel. He has served as a Director of The English Farming and Food Partnership, Rural Regeneration Cumbria, and Cumbria Vision. As announced on 23 November 2020, as part of the Board's succession strategy for Non-Executive Directors, it is proposed that Alistair will stand down from the Board in January 2022. Given the level of Board succession achieved during 2019 and 2020, and recognising Alistair's deep knowledge of the Group's activities and understanding of agricultural industries, the Board considers it appropriate for Alistair to remain appointed for another year to ensure continuity. Age 58.

John Worby joined the Board as a Non-Executive Director on 1 April 2015. He is the Senior Independent Director and Chair of the Audit Committee. John has held a number of senior positions within FTSE 250 companies. He is currently a Non-Executive Director and Chairman of the Audit Committee of Hilton Food Group plc. John was previously Finance Director of Genus plc, a role from which he retired in 2013, and a Non-Executive Director of Cranswick plc and Fidessa Group plc. He is a chartered accountant and a member of the Financial Reporting Review Panel. Age 70.

Ian Wood was appointed to the Board as a Non-Executive Director on 1 October 2015. He is Chair of the Remuneration Committee. Ian retired as the Commercial Director, International Business Development in Centrica (previously British Gas) in January 2016 having held a number of positions with the company, covering various aspects of the business including engineering, customer services, industrial and commercial marketing, and energy trading within the UK, Continental Europe and North America. Ian is a Director of Talkin Energy Limited and Chief Executive of Cumbria County Holdings Limited. Age 61.

Kristen Eshak Weldon was appointed to the Board as a Non-Executive Director on 1 October 2020. Kristen was until recently a member of the Executive Group at Louis Dreyfus Company, where she focused on innovation and forward-looking investments across global agriculture. As Head of Food Innovation and Downstream Strategy, she led investment activities in the ag-tech and food technology industries. Prior to Louis Dreyfus, Kristen spent 13 years at Blackstone, the leading global investment business, where she was co-head of the London office for the company's \$75 bn Hedge Fund Solutions business. Age 42.

Having regard to the roles that they perform and the individual input and contribution they make, the Board has concluded that each candidate's performance more than justifies nomination for election or re-election by shareholders.

Resolution 10 – Re-appointment of Auditor

Resolution 10 seeks shareholder approval for the re-appointment of KPMG LLP as Auditor of the Group.

Resolution 12 – Directors' Remuneration Policy

Resolution 12 seeks the shareholder approval of the Directors' Remuneration Policy. The Company is required to put its policy for remunerating Executive Directors, the Chairman and Non-Executive Directors to shareholders for consideration and approval every three years (or earlier if a change is proposed). The current Directors' Remuneration Policy was approved by shareholders at the Company's AGM which took place on 9 January 2018. At that meeting, 99.7% of shareholder proxy votes were cast in favour of the policy (being 48,274,62 votes), with 0.2% against (138,890) and 0.1% of votes withheld (74,059).

The Directors' Remuneration Policy being proposed at the AGM on 12 January 2021 is based upon the previously approved policy but contains certain changes which ensure that the policy remains aligned with best practice, and which are introduced following consultation with certain major shareholders. Such changes include:

1. A requirement that Executive Directors retain all shares which vest under the Company's Long Term Incentive Plan (LTIP), up to a value equal to 200% of their basic annual salary, for a period of two years following the cessation of their employment with the Company for any reason. This requirement will apply to all shares which vest after the Policy takes effect, regardless of when awards were made under the Company's LTIP.
2. A firm commitment that all Executive Directors – both current and future appointments – receive an employer pension contribution (or cash in lieu where appropriate) at a rate that does not exceed the employer contribution rate available to the majority of the Group's UK workforce (currently 4% of basic salary per annum). Such alignment of pension contributions will be achieved by no later than the end of the Company's current financial year ending August 2021.

The shareholder vote on the proposed Directors' remuneration policy will be binding in that, 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 that payment is consistent with the policy or has been specifically approved by a resolution of the Company's shareholders. If the proposed resolution to approve the policy is not passed, then the Directors' Remuneration Policy approved at the 2018 annual general meeting will continue in effect.

Resolution 13 – Directors' Remuneration Report

Resolution 13 asks Shareholders to receive and approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy). The Directors' Remuneration Report is set out on pages 53 to 66 of the Annual Report and Accounts 2020. The Board considers that appropriate executive remuneration plays a vital part in helping to achieve the Company's overall objectives. This Resolution is an advisory vote, as permitted by law, and no entitlement to remuneration is conditional upon this Resolution being passed.

Resolution 14 – Authority to allot shares

Under the Companies Act 2006 ("the Act"), the Directors of a public company are unable to allot shares without the authority of the Shareholders in a general meeting. Resolution 14 authorises the Directors to allot shares in the Company up to an aggregate nominal amount of £762,843.10. This represents 30,513,724 Ordinary Shares of 2.5p each in the capital of the Company, which is approximately 33% of the Company's issued share capital as at 23 November 2020 (being the last practicable date before the printing of this document).

As at 23 November 2020, no shares in the Company were held in treasury.

This authority will last until the end of the next Annual General Meeting of the Company or 28 February 2022, if earlier. The Directors do not have any present intention of exercising this authority except in connection with the issue of Ordinary Shares in respect of the Company's share option plans.

This Resolution complies with guidelines issued by investor bodies and, in accordance with normal practice, the Directors will seek annual renewal of this authority.

The Investment Association's guidance on the approval of allotments of shares states that, in addition to a request for authorisation to allot new shares in an amount up to one-third of the existing issued share capital of a company, it would regard as routine requests to authorise the allotment of a further one-third in connection with a rights issue. Resolution 14 is the usual general authority to allot shares up to approximately 33% of the Company's issued share capital (which, as in previous years, is accompanied by a disapplication of Shareholders' pre-emption rights in Resolutions 15 and 16).

Resolution 15 – Disapplication of pre-emption rights in certain circumstances

If shares are to be allotted for cash, the Companies Act 2006 requires that those shares and treasury shares are offered first to existing Shareholders on a pro-rata basis, i.e. in proportion to the number of shares they each hold at that time. There may be circumstances, however, when it is in the interests of the Company to be able to allot shares for cash and to sell treasury shares for cash without first offering them to existing Shareholders. Resolution 15 gives the Directors power to allot shares for cash (pursuant to the authority obtained in Resolution 13) and to sell treasury shares for cash as if the pre-emption provisions of section 561(1) of the Act do not apply.

Other than in connection with a rights issue or other similar issue, the power contained in this Resolution will be limited to an aggregate nominal amount of £115,582.25. This represents 4,623,290 Ordinary Shares of 2.5p each in the capital of the Company, which is approximately 5% of the Company's issued share capital as at 23 November 2020 (being the latest practicable date before the printing of this document). This power will last until the end of the next Annual General Meeting of the Company or 28 February 2022 if earlier.

The authority being sought under this resolution is in line with the Pre-Emption Group's Statement of Principles 2015 (the "Statement of Principles"). Annual renewal of this authority is sought in accordance with best practice and in line with the Statement of Principles. Save as may be required in order to properly administer employee share schemes, there are no current plans to allot shares pursuant to the authority under this resolution, however, your Directors wish to ensure that the Company has maximum flexibility in managing the Group's capital resources. The authority sought, and the limits set by this resolution will also apply to any sale or transfer of treasury shares.

The Company intends to comply with the principle on disapplying pre-emption rights set out by the Pre-Emption Group that (in the absence of suitable advance consultation and explanation or the matter having been specifically highlighted at the time at which the request for disapplication was made) a company should not issue more than 7.5% of its ordinary share capital for cash other than to existing Shareholders in any rolling three year period.

Resolution 16 – Disapplication of pre-emption rights for acquisitions and other capital investment

This resolution would give the Directors authority to allot additional shares for cash and/or sell treasury shares up to a nominal value of £115,592.25, which is approximately 5% of the Company's issued share capital as at 23 November 2020 (being the latest practicable date before the printing of this document) without having to offer such shares to existing shareholders, in connection with an acquisition or capital investment: (i) which is announced contemporaneously with the issue; or (ii) which has taken place in the preceding six month period and is disclosed in the announcement of the issue.

This additional disapplication authority is being sought in line with the Pre-Emption Group's Statement of Principles 2015. The authority sought and the limits set by this resolution will also apply to any sale or transfer of treasury shares. The Directors consider it prudent to have the flexibility to buy back shares into treasury and subsequently to sell or to transfer them, if appropriate. This will enable them to act on short notice in appropriate circumstances if that is in the best interests of the Company.

Together with resolution 15 (if passed) this would give the Directors the authority to allot shares for cash and/or sell treasury shares of up to 10% of the issued share capital of the Company, on a non pre-emptive basis. There are no current plans to allot shares pursuant to the authority under this resolution 16, however, your Directors wish to ensure that the Company has maximum flexibility in managing the Group's capital resources. This authority will expire at the conclusion of the annual general meeting of the Company in 2022 or 28 February 2022 if sooner. The Directors intend to seek renewal of the authority and powers set out in resolutions 14, 15 and 16 at each annual general meeting of the Company.

Annual General Meeting continued

Following the financial year ended 29 August 2020

Resolution 17 – Authority to buy own ordinary shares

Resolution 16 authorises the Company to buy its own shares in the market. This authority allows the Company to purchase a maximum of 9,246,582 shares (which is approximately 10% of the Company's issued share capital as at 23 November 2020 (being the latest practicable date before the printing of this document)).

The price to be paid for any share must not be less than 2.5p, being the nominal value of a share, and must not exceed an amount equal to the higher of 105% of the average of the middle market quotations for an share of the Company as derived from the Daily Official List of London Stock Exchange plc for the 5 business days immediately preceding the day on which the shares are contracted to be purchased and the value of an share, being the higher of the price of the last independent trade in such a share on the trading venue where the purchase is carried out and the highest current independent bid for such a share on such trading venue.

This authority will expire on the earlier of the date which is 12 months after the passing of the Resolution or the conclusion of the next Annual General Meeting to be held after the date of this Annual General Meeting.

As at 23 November 2020 (the latest practicable date before the printing of this document) options over 3,780,730 shares in the Company were outstanding under the Company's employee share schemes, representing 4.09% of the Company's issued share capital at that date. If the existing authority to purchase shares granted at the Company's last Annual General Meeting and the proposed authority now being sought were to be exercised in full, such options would represent 5.11% of the Company's issued share capital at 23 November 2020.

Shares will only be repurchased if the Directors consider such purchases to be in the best interests of Shareholders generally and that they can be expected to result in an increase in earnings per share. The authority will only be used after careful consideration, taking into account market conditions prevailing at the time, other investment opportunities, appropriate gearing levels and the overall financial position of the Company. Shares held as treasury shares will not automatically be cancelled and will not be taken into account in future calculations of earnings per share (unless they are subsequently resold or transferred out of treasury).

Resolution 18 – Notice of general meetings

Under the Act the notice period required for general meetings of the Company is 21 clear days unless Shareholders approve a shorter notice period, which cannot however be less than 14 clear days. (Annual General Meetings will continue to be held on at least 21 clear days' notice). In order to call general meetings on less than 21 clear days' notice, the Company must make a means of electronic voting available to all Shareholders for that meeting. This requirement will be satisfied if the Company offers a facility allowing Shareholders to appoint a proxy by means of a website.

Notes

1. Only those shareholders registered in the Company's register of members at: 6.00 pm on Friday 8 January 2021; or, if this meeting is adjourned, at 6.00 pm on the day two days prior to the adjourned meeting (excluding non-working days), shall be entitled to vote at the meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to vote at the meeting.
2. Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, can be found at www.carrsgroup.com.
3. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournment thereof 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.
5. In order for a proxy appointment, or instruction, 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 relates to the appointment of a proxy or to 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 issuer's agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in the Notice of 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) of the Uncertificated Securities Regulations 2001. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy instructions. It is therefore 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.
6. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the Companies Act 2006 (nominated persons). Nominated persons may have a right under an agreement with the registered shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.
7. If you have been nominated to receive general shareholder communications directly from the Company, it is important to remember that your main contact in terms of your investment remains as it was (i.e. the registered shareholder, or perhaps custodian or broker, who administers the investment on your behalf). Therefore, any changes or queries relating to your personal details and holding (including any administration thereof) must continue to be directed to your existing contact at your investment manager or custodian. The Company cannot guarantee dealing with matters that are directed to it in error. The only exception to this is where the Company, in exercising one of its powers under the Companies Act 2006, writes to you directly for a response.
8. A corporation which is a shareholder can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.
9. As at 5.00 pm on 23 November 2020, the Company's issued share capital comprised 92,465,833 Ordinary Shares of 2.5 pence each. Each Ordinary Share carries the right to one vote at a general meeting of the Company. The Company holds no shares in treasury.
10. The website referred to in note 2 will include information on the number of shares and voting rights.
11. Any member has the right to ask questions. The Company will answer any question you ask relating to the business being dealt with at the meeting unless:
 - 11.1 answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
 - 11.2 the answer has already been given on a website in the form of an answer to a question; or
 - 11.3 it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

12. Under section 338 of the Companies Act 2006, a shareholder or shareholders meeting the qualification criteria set out at note 15 below, may, subject to conditions, require the Company to give to shareholders notice of a resolution which may properly be moved and is intended to be moved at that meeting.

12.1 The conditions are that:

12.1.1 The resolution must not, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise).

12.1.2 The resolution must not be defamatory of any person, frivolous or vexatious.

12.2 The request:

12.2.1 may be in hard copy form or in electronic form (see note 16);

12.2.2 must identify the resolution of which notice is to be given by either setting out the resolution in full or, if supporting a resolution sent by another shareholder, clearly identifying the resolution which is being supported;

12.2.3 must be authenticated by the person or persons making it (see notes 12.3 and 12.4); and

12.2.4 must be received by the Company at least 6 weeks before the meeting to which the request relates.

12.3 In the case of a request made in hard copy form, such request must be:

12.3.1 authenticated by being signed by the shareholder or shareholders making the request, who should also add their address; and

12.3.2 sent to Matthew Ratcliffe, Carr's Group plc, Old Croft, Stanwix, Carlisle, CA3 9BA.

12.4 In the case of a request made in electronic form, such request must be:

12.4.1 authenticated by stating on it the name of the shareholder sending the request and that shareholder's address; and

12.4.2 sent to agm@carrsgroup.com

13. Under section 338A of the Companies Act 2006, a shareholder or shareholders meeting the qualification criteria set out at note 15 below, may, subject to conditions, require the Company to include in the business to be dealt with at the meeting a matter (other than a proposed resolution) which may properly be included in the business (a matter of business).

13.1 The conditions are that the matter of business must not be defamatory of any person, frivolous or vexatious.

13.2 The request:

13.2.1 may be in hard copy form or in electronic form (see note 16);

13.2.2 must identify the matter of business by either setting it out in full or, if supporting a statement sent by another shareholder, clearly identify the matter of business which is being supported;

13.2.3 must be accompanied by a statement setting out the grounds for the request;

13.2.4 must be authenticated by the person or persons making it (see notes 12.3 and 12.4); and

13.2.5 must be received by the Company at least 6 weeks before the meeting to which the request relates.

14. Under section 527 of the Companies Act 2006, a shareholder or shareholders meeting the criteria set out at note 15 below, has/ have the right to request the Company to publish on its website a statement setting out any matter that such shareholders propose to raise at the meeting relating to the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the meeting.

14.1 Where the Company is required to publish such a statement on its website:

14.1.1 it may not require the shareholders making the request to pay any expenses incurred by the Company in complying with the request;

14.1.2 it must forward the statement to the Company's auditors no later than the time the statement is made available on the Company's website; and

14.1.3 the statement may be dealt with as part of the business of the meeting.

- 14.2 The request:
- 14.2.1 may be in hard copy form or in electronic form (see note 16);
 - 14.2.2 either set out the statement in full or, if supporting a statement sent by another shareholder, clearly identify the statement which is being supported;
 - 14.2.3 must be authenticated by the person or persons making it (see notes 12.3 and 12.4); and
 - 14.2.4 be received by the Company at least one week before the meeting.
15. In order to be able to exercise the shareholders' right to require:
- 15.1 circulation of a resolution to be proposed at the meeting (see note 12);
 - 15.2 a matter of business to be dealt with at the meeting (see note 13); or
 - 15.3 the Company to publish audit concerns (see note 14), the relevant request must be made by:
 - 15.4 a shareholder or shareholders having a right to vote at the meeting and holding at least 5% of total voting rights of the Company; or
 - 15.5 at least 100 shareholders having a right to vote at the meeting and holding, on average, at least £100 of paid up share capital.
 - 15.6 For information on voting rights, including the total number of voting rights, see note 9 and the website referred to in note 2.
16. Where a shareholder or shareholders wish to request the Company to:
- 16.1 circulate a resolution to be proposed at the meeting (see note 12);
 - 16.2 include a matter of business to be dealt with at the meeting (see note 13); or
 - 16.3 publish audit concerns (see note 14), such request must be made by either sending:
 - 16.4 a hard copy request which is signed by you, states your full name and address to Matthew Ratcliffe, Carr's Group plc, Old Croft, Stanwix, Carlisle, CA3 9BA.
 - 16.5 a request which states your full name and address and confirms that you are the sender to agm@carrsgroup.com. Please state "AGM" in the subject line of the e-mail.
17. Voting on all resolutions will be conducted by proxy on the basis of shareholder votes cast in advance of the meeting. As soon as practicable following the meeting, the results of the voting, including the proxy votes cast in advance of the meeting, will be announced via a regulatory information service and also placed on the Company's website.
18. Copies of the service contracts of the Executive Directors and the Non-Executive Directors' contracts for services are available for inspection at the Company's registered office during normal business hours by appointment.
19. Except as provided above, shareholders who have general queries about the meeting should call 01228 554600.
20. You may not use any electronic address provided either:
- 20.1 in this notice of Annual General Meeting; or
 - 20.2 any related documents (including the Chairman's letter and proxy form), to communicate with the Company for any purposes other than those expressly stated.

Carr's Group plc

Old Croft
Stanwix
Carlisle CA3 9BA
United Kingdom