

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take you are recommended to seek your own financial advice from your stockbroker, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your holding of ordinary shares in Drax Group plc please forward this document and the accompanying documents (but not the personalised Form of Proxy or Form of Direction), as soon as possible, to the purchaser or the transferee or to the person through whom the sale or transfer was effected for transmission to the purchaser or the transferee.



## DRAX GROUP PLC NOTICE OF THE ANNUAL GENERAL MEETING (AGM)

TO BE HELD AT 11.30AM ON WEDNESDAY 17 APRIL 2019  
AT GROCERS' HALL, PRINCES STREET, LONDON EC2R 8AD

For shareholders, a Form of Proxy is enclosed with this document. Whether or not you propose to attend the AGM, you are requested to complete and submit a Form of Proxy to the Company's Registrars, Equiniti Limited, Proxy Department, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA to arrive by no later than 11.30am on 15 April 2019.

If you hold shares in CREST you may appoint a proxy by completing and transmitting a CREST proxy instruction to Equiniti Limited (CREST participant ID RA19) so that it is received by no later than 11.30am on 15 April 2019.

The return of a completed Form of Proxy or CREST proxy instruction will not prevent you from attending the AGM and voting in person if you wish to do so.

For Share Incentive Plan (SIP) participants, a Form of Direction is enclosed with this document and, if used, should be sent to the Trustee, Equiniti Share Plan Trustees Limited, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA to arrive by no later than 11.30am on 12 April 2019. As a participant in the SIP you are unable to attend the meeting unless you hold shares registered in your own name.

# CONTENTS AND EXPECTED TIMETABLE OF PRINCIPAL EVENTS 2019

## CONTENTS

	Page
This document contains:	
Part A Letter from the Chair	1
Part B Notice of the AGM	3
Part C Explanatory notes to the Notice of the AGM	6
Part D Administrative notes relating to the AGM	10
Part E Definitions	13
Part F Directors' biographies	14

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS 2019

Latest time for receipt of Forms of Direction from SIP participants to be valid at the AGM	11.30am on 12 April
Latest time for receipt of Forms of Proxy and CREST proxy instructions to be valid at the AGM	11.30am on 15 April
AGM	11.30am on 17 April
Ordinary shares marked ex-final dividend	18 April
Record date for entitlement to the final dividend	23 April
Dispatch of the final dividend warrants and tax vouchers	9 May
Payment date for the final dividend	10 May

## PART A

### LETTER FROM THE CHAIR



Registered Office:  
Drax Power Station  
Selby  
North Yorkshire  
YO8 8PH

Registered in England and Wales  
Number 5562053

#### DIRECTORS

Philip Cox CBE (Chair)  
Will Gardiner (Group Chief Executive Officer)  
Tim Cobbold  
Nicola Hodson  
Andy Koss  
David Lindsell  
David Nussbaum  
Vanessa Simms  
Andy Skelton  
Tony Thorne

11 March 2019

#### TO: SHAREHOLDERS AND PARTICIPANTS IN THE DRAX GROUP PLC APPROVED SHARE INCENTIVE PLAN

Dear Shareholder,

#### Annual General Meeting ("AGM") and Annual Report and Accounts

I am pleased to enclose the Notice of the AGM of Drax Group plc (the Company or Drax). A copy of the Company's Annual report and accounts for the year ended 31 December 2018 is enclosed, if you have requested to receive it, and is also available on the Company's website at [www.drax.com](http://www.drax.com). The AGM will be held at 11.30am on Wednesday 17 April 2018 at Grocers' Hall, Princes Street, London EC2R 8AD

#### NOTICE OF THE AGM

The Notice of the AGM is set out in Part B of this document on pages 3 to 5.

#### EXPLANATORY NOTES

The explanatory notes to the Resolutions set out in the Notice of the AGM are in Part C on pages 6 to 8 of this document. There will also be an opportunity for shareholders to ask questions at the meeting, appropriate to the business of the AGM.

#### FINAL DIVIDEND

An item of business for consideration at the meeting pertains to the Board's proposal to pay a final dividend of 8.5 pence per ordinary share to shareholders who are on the register at 23 April 2019.



## LETTER FROM THE CHAIR Continued

### ACTION TO BE TAKEN

#### Ordinary shareholders

Whether or not you propose to attend the AGM, you are requested to:

- (a) complete and sign the enclosed Form of Proxy in accordance with the instructions printed thereon. Completed Forms of Proxy should be returned to Equiniti Limited, Proxy Department, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA as soon as possible and in any event so as to be received by Equiniti Limited no later than 11.30am on 15 April 2019; or
- (b) register the appointment of your proxy electronically via the internet at [www.sharevote.co.uk](http://www.sharevote.co.uk), where full instructions are given. Please note that the personalised numbers printed at the top of the Form of Proxy will be required and instructions must be received by no later than 11.30am on 15 April 2019.

If you hold shares in CREST you may appoint a proxy by completing and transmitting a CREST proxy instruction to Equiniti Limited (CREST participant ID RA19) so that it is received by no later than 11.30am on 15 April 2019.

The return of a completed Form of Proxy or CREST proxy instruction will not prevent you from attending the AGM and voting in person if you wish to do so.

#### SIP participants

You are unable to attend the meeting unless you hold shares registered in your own name.

SIP participants are therefore requested to:

- (a) complete and sign the enclosed Form of Direction in order to instruct Equiniti Share Plan Trustees Limited how you would like them to vote on your behalf. Completed Forms of Direction should be returned to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA as soon as possible and in any event so as to be received by Equiniti Limited no later than 11.30am on 12 April 2019; or
- (b) register your votes electronically via the internet at [www.sharevote.co.uk](http://www.sharevote.co.uk). Please note that the personalised numbers printed at the top of the Form of Direction will be required to register your vote online and instructions must be received by no later than 11.30am on 12 April 2019.

If you are a SIP participant and you also own shares in your own right, then you will need to complete both the Form of Direction and the Form of Proxy and submit them both, either online or by post, in order for your total holding to be registered for voting.

### VOTING ARRANGEMENTS

Voting on each of the Resolutions to be put to the AGM will be by poll, rather than on a show of hands, so that all votes are included whether or not the shareholder is able to attend the meeting.

The results of the voting at the meeting and the number of proxy votes cast for and against, and the number of votes recorded as withheld, in respect of each of the Resolutions proposed at the meeting will be announced to the London Stock Exchange as soon as practicable following the meeting and will also appear on the Company's website [www.drax.com](http://www.drax.com).

The Company has included on the Form of Proxy, and the Form of Direction, a 'Vote withheld' option in order for shareholders to abstain from voting on any particular Resolution. However, an abstention is not a vote in law and will not be counted in the calculation of the proportion of votes "For" or "Against" the relevant Resolution.

### RECOMMENDATION

The directors of the Company consider that the Resolutions to be put to shareholders at the AGM are in the best interests of the Company and its members as a whole.

Accordingly, the directors unanimously recommend that you vote in favour of all the proposed Resolutions as they intend to do so in respect of their own beneficial interests.

Yours sincerely

**Philip Cox CBE**

Chairman

11 March 2019

## PART B

### NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (AGM) of Drax Group plc (the Company) will be held at 11.30am on Wednesday 17 April 2019 at Grocers' Hall, Princes Street, London EC2R 8AD.

#### ORDINARY BUSINESS

To consider and, if thought fit, pass Resolutions 1 to 14 as ordinary resolutions.

1. To receive the Annual report and the audited accounts of the Company for the year ended 31 December 2018, including (i) the directors' report; (ii) the strategic report; and (iii) the report of the auditor of the Company on those audited accounts and the auditable part of the directors' remuneration report.
2. To approve the annual statement to shareholders by the Chair of the Remuneration Committee and the annual report on remuneration for the year ended 31 December 2018 set out on pages 75 to 81 and 91 to 100, respectively, of the Annual report and accounts.
3. To approve the final dividend of 8.5 pence per share for the year ended 31 December 2018.
4. To elect Vanessa Simms as a director of the Company.
5. To elect Andy Skelton as a director of the Company.
6. To re-elect Tim Cobbold as a director of the Company.
7. To re-elect Philip Cox as a director of the Company.
8. To re-elect Will Gardiner as a director of the Company.
9. To re-elect Nicola Hodson as a director of the Company.
10. To re-elect Andy Koss as a director of the Company.
11. To re-elect David Nussbaum as a director of the Company.
12. To re-elect Tony Thorne as a director of the Company.
13. To reappoint Deloitte LLP as auditor of the Company to hold office from the conclusion of the 2019 AGM until the conclusion of the next meeting at which accounts are laid before the Company.
14. To authorise the directors to determine the auditor's remuneration.

#### SPECIAL BUSINESS

To consider and, if thought fit, pass Resolutions 15 and 16 as ordinary resolutions and Resolutions 17 to 19 as special resolutions.

15. That in accordance with Sections 366 and 367 of the Companies Act 2006 (CA 2006), the Company and all of the companies that are or become subsidiaries of the Company from time to time during the period for which this Resolution is effective are authorised, in aggregate:
  - a. to make political donations to political parties and/or independent election candidates, as defined in Sections 363 and 364 CA 2006, not exceeding £100,000 in total; and/or
  - b. to make political donations to political organisations other than political parties, as defined in Sections 363 and 364 CA 2006, not exceeding £100,000 in total; and/or
  - c. to incur political expenditure, as defined in Section 365 CA 2006, not exceeding £100,000 in totalin each case during the period beginning with the date of the passing of this Resolution and ending at the conclusion of the next AGM of the Company or, if earlier, on 30 June 2020.



## NOTICE OF THE ANNUAL GENERAL MEETING continued

16. That in substitution for all subsisting authorities, to the extent unused, the directors be and they are hereby generally and unconditionally authorised in accordance with Section 551 CA 2006 to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company:

- up to an aggregate nominal amount of £15,707,211 (such amount to be reduced by the nominal amount of any equity securities (as defined in Section 560 CA 2006) allotted or granted under paragraph (b) of this Resolution in excess of £15,707,211); and
- comprising equity securities (within the meaning of Section 560 CA 2006) up to an aggregate nominal amount of £31,414,422 (such amount to be reduced by the aggregate nominal amount of any shares allotted or rights granted under paragraph (a) of this Resolution) in connection with an offer by way of a rights issue:
  - to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
  - to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary, and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements or securities represented by depositary receipts, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or the requirements of any regulatory body or stock exchange or any other matter.

The authorities conferred on the directors under paragraphs (a) and (b) above shall expire at the conclusion of the next AGM of the Company after the passing of this Resolution or 30 June 2020, whichever is the earlier, save that under each authority the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or rights to subscribe for, or to convert any security into, shares to be granted after such expiry and the directors may allot shares or grant rights to subscribe for, or to convert any security into, shares (as the case may be) in pursuance of such an offer or agreement as if the relevant authority conferred hereby had not expired.

17. That subject to the passing of Resolution 16 above and in substitution for all subsisting authorities, to the extent unused, the directors be and they are hereby empowered pursuant to Section 570 and Section 573 CA 2006 to allot equity securities (within the meaning of Section 560 CA 2006) for cash either pursuant to the authority conferred by Resolution 16 or by way of a sale of treasury shares, as if Section 561(1) CA 2006 did not apply to any such allotment, provided that this power:

- shall be limited to the allotment of equity securities in connection with an offer of equity securities (but in the case of the authority granted under paragraph (b) of Resolution 16, by way of a rights issue only):
  - to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
  - to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary, and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with any treasury shares, fractional entitlements or securities represented by depositary receipts, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or the requirements of any regulatory body or stock exchange or any other matter; and
- in the case of the authority granted under paragraph (a) of Resolution 16 and/or in the case of any sale or transfer of treasury shares which is treated as an allotment of equity securities under Section 560(3) CA 2006, shall be limited to the allotment (otherwise than under paragraph (a) of this Resolution 17) of equity securities up to an aggregate nominal amount of £2,356,082.

The powers conferred under paragraphs (a) and (b) above shall expire at the conclusion of the next AGM of the Company after the passing of this Resolution or 30 June 2020, whichever is the earlier, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.



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18. That the Company be and is hereby generally and unconditionally authorised for the purposes of Section 701 CA 2006, to make market purchases (within the meaning of Section 693(4) CA 2006) of ordinary shares with nominal value of 11 16/29 pence each in the capital of the Company (ordinary shares) on such terms and in such manner as the directors of the Company shall from time to time determine, provided that:

- a. the maximum aggregate number of ordinary shares hereby authorised to be purchased is 40,791,946;
- b. the minimum price (exclusive of expenses) which may be paid for an ordinary share is its nominal value;
- c. the maximum price (exclusive of expenses) which may be paid for an ordinary share is not more than the higher of:
  - i. an amount equal to 105% of the average of the middle market quotations of an ordinary share (as derived from the London Stock Exchange Daily Official List) for the five business days immediately preceding the date on which that ordinary share is contracted to be purchased; and
  - ii. the amount stipulated by Article 5(6) of the Market Abuse Regulation (EU) No 596/2014.
- d. the authority hereby conferred shall expire on 30 June 2020 or, if earlier, at the conclusion of the next AGM of the Company following the passing of this Resolution, unless previously revoked, varied or renewed by the Company in general meeting; and
- e. the Company may at any time prior to the expiry of such authority enter into a contract or contracts under which a purchase of ordinary shares under such authority will or might be completed or executed wholly or partly after the expiration of such authority and the Company may purchase ordinary shares in pursuance of any such contract or contracts as if the authority conferred hereby had not expired.

19. That a general meeting of the Company, other than an AGM, may be called on not less than 14 clear days' notice.

By order of the Board

**Brett Gladden**  
Group Company Secretary  
Drax Group plc, Drax Power Station, Selby, North Yorkshire YO8 8PH

11 March 2019

## PART C

### EXPLANATORY NOTES TO THE NOTICE OF THE AGM

#### RESOLUTION 1

##### To receive and adopt the Company's Annual report and accounts

The directors are required to present to the meeting the Annual report and accounts for the financial year ended 31 December 2018. This includes (i) the audited accounts; (ii) the directors' report; (iii) the strategic report; and (iv) the report of the auditor of the Company on the audited accounts and the auditable part of the directors' remuneration report. Resolution 1 seeks shareholder approval to receive and adopt the Company's Annual report and accounts. A separate resolution seeks approval by the shareholders of the Directors' Remuneration Report, which vote is advisory in nature.

#### RESOLUTION 2

##### Directors' remuneration report

Resolution 2 seeks shareholder approval for the annual statement to shareholders by the Chair of the Remuneration Committee and the annual report on remuneration which can be found on pages 75 to 100 of the Annual report and accounts. The annual report on remuneration gives details of the implementation of the Company's existing directors' remuneration policy in terms of the payments and share awards made to the directors in connection with their performance and that of the Company during the year ended 31 December 2018. This vote is advisory and will not affect the way in which the directors' remuneration policy has been implemented.

The Company's auditor during the year, Deloitte LLP, has audited those parts of the directors' remuneration report that are required to be audited and their report may be found on pages 106 to 113 of the Annual report and accounts.

#### RESOLUTION 3

##### To approve the final dividend

Resolution 3 seeks shareholder approval to pay the final dividend of 8.5 pence per ordinary share, which is recommended by the directors for payment to those shareholders who are on the register of members of the Company at 4.30pm on 23 April 2019. If approved by shareholders at the AGM, the final dividend will be paid on 10 May 2019.

#### RESOLUTIONS 4 TO 12

##### To elect and re-elect the directors

The Company's Articles of Association require that all directors retire at least every three years and that all newly-appointed directors, who took office since the last AGM of the Company, retire at the first AGM following their appointment. However, and in accordance with the recommendations of the UK Corporate Governance Code, the directors have resolved that they will all retire and that those wishing to serve again shall submit themselves for election or re-election by the shareholders. Biographies for each of the directors are set out in Part F of this Notice (and on pages 52 to 53 of the annual report and accounts).

With the exception of Vanessa Simms and Andy Skelton (who were appointed to the Board since the last AGM), and David Lindsell, a non-executive director who, as previously announced, is standing down from the Board on conclusion of the AGM, each of the directors detailed in the annual report being eligible offer themselves for re-election. Attention is drawn to the fact that as previously announced, each of Tim Cobbold and Tony Thorne will during 2019 have completed nine years' service as non-executive directors. Accordingly, each will be retiring from the Board during the year, Tony Thorne in June 2019 and Tim Cobbold in September 2019. Vanessa Sims joined the board on 19 June 2018 and Andy Skelton joined the board on 2 January 2019 and, being eligible, both offer themselves for election.

The Board has determined that, in its judgement, all of the non-executive directors being proposed for election or re-election meet the independence criteria prescribed in the UK Corporate Governance Code as all are independent in character and judgement and there are no relationships or circumstances which are likely to affect, or could appear to affect, their judgement.

During the year, the Board completed an annual evaluation of its performance and that of its Committees and individual directors. Following that evaluation, the Chair is satisfied that the performance of each director standing for election or re-election continues to be effective and that each director continues to demonstrate commitment to the role. A separate assessment of the performance of the Chair was conducted led by the Senior Independent Director and which concluded that the performance of the Chair continues to be effective, notwithstanding his role as interim Executive Chair at Kier Group plc from January 2019, and the Chair continues to demonstrate commitment to the role and has the time required to devote to the performance of the function of Chair. More information about these matters can be found on page 65 of the Annual report and accounts.

#### RESOLUTIONS 13 AND 14

##### Reappointment of auditor and determination of their remuneration

The Company must appoint or re-appoint an auditor at every general meeting at which accounts are presented and it is normal practice for the Company's directors, acting through the Audit Committee, to be authorised to determine the auditor's remuneration. Deloitte LLP has advised its willingness to continue in office as auditor of the Company.

#### RESOLUTION 15

##### To give authority to make certain expenditure in accordance with the Political Parties, Elections and Referendums Act 2000

The Political Parties, Elections and Referendums Act 2000 (the "2000 Act") imposed restrictions on companies making donations to EU political organisations or incurring EU political expenditure without shareholders' consent. It is not the policy of the Company to make donations to political parties and the directors have no intention of changing that policy.

However, it is possible that normal business activities and certain types of expenditure, which might not be thought to be political expenditure in the usual sense, could require shareholders' consent under the 2000 Act. For example, activities such as communicating with government and political parties at local, national and European level, expenditure on organisations concerned with policy review, law reform and representation of the business community and making provisions for employees to take time off work to campaign for and hold public office could fall within the wide definition of EU political expenditure.

Drax engages with a wide range of stakeholders in the conduct of our business, and we explain our stakeholders engagement on pages 32 to 33 of the 2018 annual report and accounts. As part of such discussions in explaining our business, and listening to the views and experiences of others, during 2018 Drax met with politicians and political parties. Drax sponsored an evening reception for the 1922 Committee, held at Westminster, hosted receptions at the party conferences of both the Labour and the Conservative parties and attended the Liberal Democrat and Scottish National Party Conferences. During 2018 Drax spent in the aggregate £38,600 on such activities. As we continue to grow, and our geographic footprint in the UK increases, Drax expects to extend its engagement with third parties as part of explaining what we do and better understanding the views of others, including political organisations. Drax does not support a political party and does not provide financial support to further the political aims of any particular group or party.

In view of the broad wording adopted in the 2000 Act, and the Board's wish to avoid any inadvertent infringement of it, it is seeking shareholders' consent for the Company, and any wholly owned subsidiary company, to incur total annual expenditure for such purposes of not more than £300,000 in the 12-month period ending on the anniversary of the conclusion of the AGM. This authority will not be used to make political donations as they are normally understood, including contributions towards any general political party expenses or in connection with general election campaigns.

It is the intention that the Company will seek to renew this authority, if appropriate, at each subsequent AGM.

## **RESOLUTION 16**

### **Authority of directors to allot shares**

The authority given to the directors to allot further shares in the capital of the Company requires the prior authorisation of the shareholders in general meeting under Section 551 CA2006. Upon the passing of Resolution 16 the directors will have authority (pursuant to paragraph (a) of the Resolution) to allot shares up to an aggregate nominal value of £15,707,211, which is approximately one-third of the issued ordinary share capital as at 11 March 2019 (being the latest practicable date before the publication of this Notice). This authority will expire immediately following the AGM in 2020 or on 30 June 2020, whichever is the earlier.

In addition, in accordance with the Investment Association Share Capital Management Guidelines (which set out the expectations of institutional investors in relation to, among other things, the authority of directors to allot shares), upon the passing of Resolution 16, the directors will have authority (pursuant to paragraph (b) of the Resolution) to allot ordinary shares in connection with a rights issue in favour of ordinary shareholders up to a maximum nominal value of £31,414,422, as reduced by the nominal amount of any shares issued under paragraph (a) of Resolution 16.

This amount (before any reduction) represents approximately two-thirds of the Company's issued ordinary share capital as at 11 March 2019 (being the latest practicable date before the publication of this Notice). This authority will also expire immediately following the next AGM or on 30 June 2020, whichever is the earlier. As a result, if Resolution 16 is passed, the directors could allot shares representing up to two-thirds of its current issued share capital pursuant to a rights issue.

The directors will continue to seek to renew these authorities at each AGM, in accordance with current best practice from time to time. The directors have no current plans to exercise this authority except in connection with employee share plans.

As at 11 March 2019, being the latest practicable date before publication of this Notice, the Company held 13,841,295 equity securities in treasury.

## **RESOLUTION 17**

### **Disapplication of pre-emption rights**

If the directors wish to exercise the authority under Resolution 16 and offer shares (or sell any shares which the Company may purchase and elect to hold as treasury shares) for cash, the CA 2006 requires that, unless shareholders have given specific authority for the waiver of their statutory pre-emption rights, the new shares must be offered first to existing shareholders in proportion to their existing shareholdings. In certain circumstances, it may be in the best interests of the Company to allot new shares (or to grant rights over shares) for cash without first offering them to existing shareholders in proportion to their holdings.

Resolution 17 would authorise the directors to do this by allowing the directors to allot shares for cash (i) by way of a rights issue (subject to certain exclusions), (ii) by way of an open offer or other offer of securities (not being a rights issue) in favour of existing shareholders in proportion (as nearly as may be) to their shareholdings (subject to certain exclusions) and (iii) otherwise than under (i) or (ii), up to an aggregate nominal value of £2,356,082 which is equivalent to approximately 5% of the issued ordinary share capital of the Company on 11 March 2019 (being the latest practicable date prior to the publication of this Notice). The Resolution also applies to the sale and re-issue of ordinary shares held as treasury shares by the Company.

## EXPLANATORY NOTES TO THE NOTICE OF THE AGM continued

If approved by the shareholders, the authority contained in Resolution 17 will expire on the earlier of the conclusion of the next AGM or on 30 June 2020, whichever is the earlier. The directors intend to renew such power at successive AGMs in accordance with current best practice.

The directors have no current plans to exercise this authority except in connection with employee share plans (but they consider its approval to be appropriate in order to preserve maximum flexibility for the future).

In addition, and in line with best practice, the Company has not issued more than 7.5% of its issued share capital on a non-pre-emptive basis over the last three years. In accordance with the Pre-Emption Group's Statement of Principles regarding cumulative usage of authorities, the directors do not intend to issue more than 7.5% of the issued ordinary share capital of the Company (excluding treasury shares) for cash on a non-preemptive basis in any rolling three-year period without prior consultation with shareholders.

As at 11 March 2019, being the latest practicable date before the publication of this Notice, the Company held 13,841,295 equity securities in treasury.

### RESOLUTION 18

#### To authorise the Company to purchase its own shares

Resolution 18 is to authorise the Company to buy back up to 40,791,946 ordinary shares. The authority would expire at the conclusion of the 2020 AGM or, if earlier, on 30 June 2020. The authority given by shareholders at the 2018 AGM was used by the Company to purchase 13,841,295 ordinary shares under the Company's £50 million share buy-back programme, which took place between 20 April 2018 and 21 January 2019. The directors intend to seek renewal of this power at subsequent AGMs in accordance with current best practice.

Resolution 18 specifies the maximum number of ordinary shares which may be purchased (representing 10% of the Company's issued ordinary share capital as at 11 March 2019) and the maximum and minimum prices at which they may be bought, exclusive of expenses, reflecting the requirements of the CA 2006 and the Listing Rules.

The directors have no present intention of exercising this authority other than with a view for use in relation to the Company's share plans or where it is required to conduct buy backs to return value to shareholders. The granting of this authority should not be taken to imply that any ordinary shares will be purchased, other than in relation to the above. Except in relation to the above, no purchase of ordinary shares will be made unless it is expected that the effect will be to increase earnings per share and the directors consider it to be in the best interests of shareholders.

Under the CA 2006, the Company is allowed to hold its own shares in treasury following a buy back, instead of having to cancel them. This gives the Company the ability to re-issue treasury shares quickly and cost-effectively (including pursuant to the authority under Resolution 16 above) and provides the Company with additional flexibility in the management of its capital base.

Such shares may be re-sold for cash but all rights attaching to them, including voting rights and any right to receive dividends, are suspended whilst they are held in treasury. If the directors exercise the authority conferred by Resolution 18, the Company will have the option of either holding in treasury or of cancelling any of its own shares purchased pursuant to this authority and will decide at the time of purchase which option to pursue.

The total number of options to subscribe for, and awards over, shares, outstanding at 11 March 2019, being the last practicable date before the publication of this Notice was 7,434,014. This represents approximately 1.82% of the issued share capital at that date. If the Company was to buy back the maximum number of ordinary shares permitted pursuant to this Resolution then the total number of options to subscribe for ordinary shares, outstanding at 11 March 2019, would represent approximately 2.02% of the reduced share capital.

### RESOLUTION 19

#### To allow general meetings to be held on 14 clear days' notice in certain circumstances

Resolution 19 is a resolution to allow the Company to hold general meetings (other than AGMs) on 14 clear days' notice. The Shareholders' Rights Regulations state that the notice period required for general meetings of the Company is 21 days, unless shareholders approve a shorter notice period, which cannot, however, be less than 14 clear days. AGMs will continue to be held on at least 21 clear days' notice.

In order to preserve the Company's ability to call general meetings (other than an AGM) on 14 clear days' notice, Resolution 19 seeks such approval. The shorter notice period would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole.

The CA 2006 requires that, in order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting. The Company provides this facility (see paragraph 11 of Part D on page 10 of this document for the Company's arrangements for electronic proxy appointments).

# ADMINISTRATIVE NOTES RELATING TO THE AGM

## ENTITLEMENT TO ATTEND AND VOTE

1. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001 (as amended) and for the purposes of Section 360B CA 2006, the Company specifies that only those shareholders registered on the Register at 6.30pm on the day two business days before the date of the meeting (the Specified Time) (or if the meeting is adjourned to a time more than 48 hours after the Specified Time, by 6.30pm on the day which is two business days prior to the time of the adjourned meeting) shall be entitled to attend and vote thereat in respect of the number of shares registered in their name at that time. If the meeting is adjourned to a time not more than 48 hours after the Specified Time, that time will also apply for the purposes of determining the entitlement of members to attend and vote (and for the purposes of determining the number of votes they may cast) at the adjourned meeting. Changes to the Register after the relevant deadline shall be disregarded in determining rights to attend and vote.
2. If you have sold or transferred all your shares, this booklet and any accompanying documents (but not the personalised Form of Proxy or Form of Direction) should be passed to the person through whom the sale or transfer was made for transmission to the purchaser or transferee.

## APPOINTMENT OF PROXIES

3. If you are a member of the Company, at the time set out in note 1 above, you are entitled to appoint one or more proxies to exercise all or any of your rights to attend, speak and vote at the meeting. Completion and return of a Form of Proxy will not prevent a member from attending in person and voting at the meeting. If a member appoints more than one proxy to attend the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by that member.

If a member wishes to appoint more than one proxy and so requires additional proxy forms, the member should contact the Company's Registrars, Equiniti Limited, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA or by using their telephone helpline service on 0371 384 2030 from within the UK or +44 121 415 7047 from outside the UK. Lines are open from 8.30am to 5.30pm, Monday to Friday – excluding public holidays in England and Wales.

4. A proxy does not need to be a shareholder of the Company but must attend the meeting for the member's vote to be counted. Your proxy could be the Chair, another director of the Company or another person who has agreed to attend to represent you. Details of how to appoint the Chair or another person (or persons) as your proxy using the Form of Proxy are set out in the notes to the Form of Proxy. Appointing a proxy does not preclude you from attending the meeting and voting in person.
5. You can only appoint a proxy using the procedures set out in these notes and the notes on the Form of Proxy. A Form of Proxy is enclosed. To be effective, the Form of Proxy must be completed and signed and, together with the power of attorney or authority, if any, under which it is signed (or a duly certified copy of any such power or authority) must be lodged with the Company's Registrars not later than 48 hours, excluding non-business days, before the time of the meeting or must be lodged using the CREST proxy voting services (see note 7 below). Return of a completed Form of Proxy will not preclude a member from attending and voting personally at the meeting.
6. 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 Register in respect of the joint holding (the first-named being deemed the most senior).
7. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof utilising the procedures described in the CREST Manual (available via [www.euroclear.com](http://www.euroclear.com)). 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 or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's 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 the issuer's agent (Equiniti Limited CREST participant ID RA19) by the latest time(s) for receipt of proxy appointments specified in note 5 above. 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. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

## PART D

### ADMINISTRATIVE NOTES RELATING TO THE AGM continued

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited 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 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 [www.euroclear.com](http://www.euroclear.com).

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 (as amended).

8. 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 you either select the "discretionary" option or 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.
9. If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in this "Appointment of proxies" section. Please read the section "Nominated persons" below.

#### APPOINTMENT OF PROXY ELECTRONICALLY

10. Alternatively, members may register the appointment of a proxy for the meeting electronically by accessing the website [www.sharevote.co.uk](http://www.sharevote.co.uk) where full details of the procedure are given. This website is operated by the Company's Registrars.

The proxy appointment and any power of attorney or other authority under which the proxy appointment is made must be received by the Company's Registrars not less than 48 hours, excluding non-business days, before the time for holding the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used. Please note that any electronic communication sent to the Company or to the Company's Registrars that is found to contain a computer virus will not be accepted. The use of the internet service in connection with the AGM is governed by the Company's Registrars' conditions of use set out on the Sharevote website, [www.sharevote.co.uk](http://www.sharevote.co.uk), and may be read by logging on to that site. If you want to appoint more than one proxy electronically please contact the Company's Registrars on 0371 384 2030 from within the UK or +44 121 415 7047 from outside the UK. Lines are open from 8.30am to 5.30pm, Monday to Friday – excluding public holidays in England and Wales.

#### WEBSITE GIVING INFORMATION REGARDING THE MEETING

11. A copy of this Notice and other information required by Section 311A CA 2006 can be found on the Company's website [www.drax.com](http://www.drax.com).

#### CHANGING PROXY INSTRUCTIONS

12. To change your proxy instructions simply submit a new proxy appointment. You will need to request a new Form of Proxy from the Company's Registrars, Equiniti Limited, by contacting them at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA or by using their telephone helpline service on 0371 384 2030 from within the UK or +44 121 415 7047 from outside the UK. Lines are open from 8.30am to 5.30pm, Monday to Friday – excluding public holidays in England and Wales. Note that the cut-off time for receipt of Forms of Proxy (see note 5 above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded and you will be required to vote at the meeting, if you wish to change your vote.
13. If you submit more than one valid proxy appointment in respect of a single share, the appointment received last before the latest time for the receipt of proxies will take precedence.



## **NOMINATED PERSONS**

14. Any person receiving a copy of this Notice of Meeting as a person nominated by a member to enjoy information rights under Section 146 of the CA 2006 (CA 2006) (a Nominated Person) should note that the provisions in this Notice concerning the appointment of a proxy or proxies to attend the meeting in place of a member, do not apply to a Nominated Person as only shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated 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 or she may have a right under such an agreement to give instructions to the member as to the exercise of voting rights at the meeting. If you are a person who has been nominated under Section 146 of CA 2006 to enjoy information rights:

- you may have a right under an agreement between you and the member of the Company who has nominated you to have information rights (Relevant Member) to be appointed or to have someone else appointed as a proxy for the meeting; and
- if you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights. Nominated Persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy information rights (or, perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from a Nominated Person.

## **VOTING**

15. Voting on each of the Resolutions to be put to the AGM will be by poll, rather than a show of hands, so that all shares voted are included, whether or not the shareholder is able to attend the meeting. The results of the voting at the meeting and the number of proxy votes cast for and against and the number of votes abstained in respect of each of the Resolutions proposed at the meeting will be announced to the London Stock Exchange as soon as practicable following the meeting and also will be published on the Company's website [www.drax.com](http://www.drax.com).

## **ISSUED SHARES AND TOTAL VOTING RIGHTS**

16. As at 11 March 2019, being the latest practicable date prior to the publication of this Notice, the Company's issued share capital comprised 407,919,462 ordinary shares of 11 16/29 pence each. Each ordinary share carries the right to one vote at a general meeting of the Company. The Company holds 13,841,295 shares in treasury, therefore the total number of voting rights in the Company is the 394,078,167.

17. This Notice, together with information about the total numbers of shares in the Company in respect of which members are entitled to exercise voting rights at the meeting as at 11 March 2019, being the latest practicable date prior to the publication of this Notice and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this Notice, will be available on the Company's website [www.drax.com](http://www.drax.com).

## **WEBSITE PUBLICATION OF AUDIT CONCERN**

18. Under Section 527 CA 2006, members meeting the threshold requirements set out in that Section have the right to require the Company to publish on a website a statement setting out any matter 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; or any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 CA 2006.

The Company may not require the members requesting any such website publication to pay its expenses in complying with Sections 527 or 528 CA 2006. Where the Company is required to place a statement on a website under Section 527 CA 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required under Section 527 CA 2006 to publish on a website.

## **CORPORATE REPRESENTATIVES**

19. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that it does not do so in relation to the same shares.



## ADMINISTRATIVE NOTES RELATING TO THE AGM continued

### QUESTIONS AT THE MEETING

20. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any question relating to the business being dealt with at the meeting put by a member attending the meeting. However, members should note that no answer need be given in the following circumstances:

- if to do so would interfere unduly with the preparation of the meeting or would involve a disclosure of confidential information;
- if the answer has already been given on a website in the form of an answer to a question; or
- if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

### ELECTRONIC ADDRESS

21. Any electronic address provided either in this Notice or in any related documents (including the Form of Proxy) may not be used to communicate with the Company for any purposes other than those expressly stated.

### MEETING ARRANGEMENTS

22. The doors of the AGM venue will open at 11.00am and the AGM will start promptly at 11.30am. Please bring the Attendance Card which is attached to the Form of Proxy with you if you attend the meeting. It will authenticate your right to attend, speak and vote and will speed up your admission to the meeting

23. You may be asked to provide proof of identity (such as a current driving licence or passport), as well as your attendance card from your Form of Proxy. If you do not have your attendance card, you may be asked to provide two forms of identity (which may require photo identity and verification of your address). If you have been appointed as proxy for a shareholder entitled to vote, please let the admission staff know. You should bring proof of identity with you and you will be asked to confirm the details of the shareholder you are representing.

### DOCUMENTS AVAILABLE FOR INSPECTION

24. A copy of each of the executive directors' service contracts and the non-executive directors' appointment letters and conditions of appointment will be available for inspection at the Company's registered office and at the AGM venue for at least 15 minutes before the AGM.

### GENERAL ENQUIRIES

25. If you have any queries about voting or about your shareholding you can contact Equiniti Limited, who maintain the Register as follows:

- by using their telephone helpline service:
- from within the UK on 0371 384 2030; or
- from outside the UK on +44 121 415 7047; or
- by writing to them at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.
- the helpline for SIP participants is: UK 0871 384 2040, Overseas +44 121 415 7161.

The telephone helpline service will be available between 8.30am and 5.30pm Monday to Friday – excluding public holidays in England and Wales.

The telephone helpline service will not be able to provide legal, financial or personal taxation advice. Calls may be recorded and randomly monitored for security and training purposes.

## PART E

### DEFINITIONS

The following definitions apply throughout this document and in the accompanying Form of Proxy (or in the case of SIP participants, the Form of Direction), unless the context requires otherwise:

"Annual General Meeting" or "AGM" or "meeting"	the Annual General Meeting of the Company to be held at 11.30am on 17 April 2019 (and any adjournment thereof)
"Articles of Association"	the current Articles of Association of the Company as at the date of this Notice
"Board" or "directors"	the directors of Drax Group plc
"CA 2006"	Companies Act 2006
"Company" "Drax Group" or "Drax"	Drax Group plc
"Company's Registrars"	Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA
"CREST"	the relevant systems (as defined in the CREST Regulations) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in such regulations)
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
"Form of Direction"	the form enclosed with this document specifically for SIP participants, who may then use it to instruct the Trustee how to vote on resolutions to be put to the AGM
"Form of Proxy"	the proxy form enclosed with this document for use by shareholders to vote on resolutions to be put to the AGM
"London Stock Exchange"	London Stock Exchange plc
"Official List"	the official list of the UK Listing Authority
"ordinary shares"	ordinary shares with nominal value of 11 16/29 pence each in the capital of the Company
"Register"	the register of members of the Company
"Resolutions"	the resolutions set out in the notice convening the AGM
"shareholders"	holders of ordinary shares
"SIP"	the Drax Group Approved Share Incentive Plan
"Trustee"	Equiniti Share Plan Trustees Limited as trustee of the SIP
"UK Listing Authority"	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
"UK"	the United Kingdom of Great Britain and Northern Ireland



## PART F

### DIRECTORS' BIOGRAPHIES

#### WILL GARDINER

##### **Group Chief Executive Officer**

Will joined Drax in 2015 as CFO and was appointed as CEO in January 2018. He has a wealth of experience in finance and technology, having held CFO and divisional Finance Director roles at a number of major companies. Will has been a key architect of our flexible, low-carbon, customer-focused strategy, and is responsible for all aspects of the stewardship of Drax Group, including developing an appropriate business strategy for Board approval and securing its timely and effective implementation. He provides leadership to the executive team and takes responsibility for important external relationships and stakeholder management. Will is also a non-executive director of Qardio plc.

Appointment to the Board:  
November 2015.

#### ANDY SKELTON

##### **Chief Financial Officer**

Andy joined Drax as CFO in January 2019. He was previously CFO at Fidessa Group plc and has held a number of senior finance positions at CSR plc, Ericsson and Marconi, including two years as CFO of Ericsson Nikola Tesla. His strong finance and commercial skills, alongside substantial experience in the technology sector, will be a valuable addition to the Board. Andy is responsible for the Financial Control and Planning, Corporate Finance, Investor Relations, Group Risk and Internal Audit functions.

Appointment to the Board: January 2019.

#### ANDY KOSS

##### **Chief Executive, Drax Power**

Andy joined Drax in 2005 and has held a number of senior roles at Drax including Director of Strategy, Head of Investor Relations, Group Treasurer and Head of Risk. He has also held several senior treasury and investment banking roles with various major institutions. Andy is responsible for the safety, sustainability, operational excellence and expertise within Drax Power. Andy is also a board member of the Northern Powerhouse Partnership.

Appointment to the Board: January 2016.

#### PHILIP COX CBE

##### **Chair**

Philip has extensive experience in both executive and non-executive roles, and in the energy sector. He is interim Executive Chair of Kier Group plc and was previously CEO and formerly CFO of International Power plc. Prior to this he held a senior operational position at Invensys plc and was CFO at Siebe plc. As a non-executive he was previously the Senior Independent Director at Wm Morrison Supermarkets plc, Chairman of Global Power Generation and a member of the boards of Talen Energy Corporation, PPL, Meggitt plc and Wincanton plc. His responsibilities at Drax include Board composition and succession, Board governance and stakeholder engagement.

Appointment to the Board: January 2015.  
Appointment as Chair: April 2015.

#### TIM COBBOLD

##### **Independent non-executive director**

Tim has substantial experience in finance, engineering and executive leadership in different sectors, which means that he is well placed to contribute significantly to the Board and its committees. He is currently a non-executive director of Rotork plc. Tim was previously CEO of UBM plc, CEO of De La Rue plc, CEO of Chloride Group plc and, following Emerson Electric's takeover of Chloride, held a senior position in Emerson. Prior to that he held a number of senior positions in Smith Group plc. Tim will retire from the Board in September 2019.

Appointment to the Board:  
September 2010.

#### NICOLA HODSON

##### **Independent non-executive director**

Nicola brings valuable technology expertise as well as having extensive sales and IT experience. She is currently Vice-President, Global Sales and Marketing, Field Transformation at Microsoft, and was General Manager FS, PS, Manufacturing, Sales and Marketing Director at Siemens. Nicola was formerly a non-executive director at Ofgem, a Board member at the UK Council for Child Internet Safety and at the Child Exploitation and Online Protection group. Nicola will succeed Tony Thorne as the Remuneration Committee Chair in April 2019.

Appointment to the Board: January 2018.

#### DAVID NUSSBAUM

##### **Independent non-executive director**

David brings a wealth of experience in international development and environmental, community and charitable matters. David is CEO of The Elders, a group of independent global leaders working to promote peace and human rights, and Deputy Chair of the International Integrated Reporting Council. He was previously CEO of World Wide Fund for Nature UK, CEO of Transparency International, Finance Director and Deputy CEO of Oxfam and Finance Director of Field Group plc. In a non-executive capacity, David was Vice-Chair of Shared Interest Society, Chairman of Traidcraft plc and a non-executive director of Low Carbon Accelerator Limited. David will take on the role of Senior independent non-executive director in April 2019.

Appointment to the Board: August 2017.

#### VANESSA SIMMS

##### **Independent non-executive director**

Vanessa has extensive experience in senior finance roles across different industries, including real estate, telecommunications and medical devices. She is currently CFO of Grainger plc and has worked in finance for 20 years, holding a number of senior positions within Unite Group plc, including deputy chief financial officer. Prior to that Vanessa was UK finance director at SEGRO plc. Vanessa's current and relevant financial experience will be invaluable to the Board as she transitions to take over as Chair of the Audit Committee in April 2019.

Appointment to the Board: June 2018.

#### TONY THORNE

##### **Independent non-executive director**

Tony's broad experience of operating in leadership roles in different geographies is of great value to the Board as the Group's operations develop. During his executive career, Tony was CEO of DS Smith plc and President of SCA Packaging Limited. He worked throughout the world in senior management roles for Shell International. He was the non-executive Chairman of South East Coast Ambulance Service. Tony will retire from the Board in June 2019.

Appointment to the Board: June 2010.