

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in any doubt about the action to be taken, you should immediately consult your stockbroker, solicitor, accountant or other independent adviser authorised under the Financial Services and Markets Act 2000 if you are taking advice in the United Kingdom, or from another appropriately authorised independent financial adviser if you are taking advice in a territory outside the United Kingdom.**

If you have sold or transferred all your Ordinary Shares in Marshalls plc, please pass this document (but not the personalised Form of Proxy) to the purchaser or transferee or to the agent through whom you made the sale of those shares for transmission to the purchaser or transferee.



**Notice of Annual General Meeting**

This Circular contains the Notice of Annual General Meeting to be held on Wednesday 13 May 2020 at 11.00 am at Landscape House, Premier Way, Lowfields Business Park, Elland, West Yorkshire HX5 9HT, and electronically, and the explanatory notes for the business to be carried out at the Meeting.

A Form of Proxy for use at the Annual General Meeting is enclosed. To be valid, the Form of Proxy should be completed, signed and returned in accordance with the instructions printed on it to the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, as soon as possible, but in any event so as to arrive not later than 11.00 am on Monday 11 May 2020. Shareholders can vote and/or appoint a proxy online by registering at [www.eproxyappointment.com](http://www.eproxyappointment.com). Shareholders may also attend the Meeting electronically, access the online voting facility and cast their vote via smartphone. Any votes cast online must be cast and any proxy appointment must be filed in each case no later than 11.00 am on Monday 11 May 2020.

# Letter from the Chair of the Board

## MARSHALLS PLC

Registered Office: Landscape House, Premier Way, Lowfields Business Park, Elland HX5 9HT

(Registered in England: No. 5100353)

7 April 2020

To: Ordinary Shareholders

Dear Shareholder

### Notice of Annual General Meeting

I am writing to give you notice of the arrangements for our 2020 Annual General Meeting, which we intend to hold on Wednesday 13 May 2020 at our offices at Landscape House, Premier Way, Lowfields Business Park, Elland, West Yorkshire HX5 9HT. In view of the impact of COVID-19, we will keep this under review. In the circumstances, we have made arrangements for the Meeting to be a "hybrid" meeting, allowing shareholders to participate electronically. The quorum for the Annual General Meeting is any two shareholders or their proxies / corporate representatives. We are therefore making arrangements for the quorum to be satisfied by the presence of two employee shareholders present in person, by proxy or as corporate representatives. In view of the restrictions on travel and public gatherings in place at the date of writing we do not intend to admit any other shareholders in person to the meeting venue. Proceedings will be as brief as possible, and we will not be offering refreshments.

Shareholders can participate electronically, by either downloading the dedicated "Lumi AGM" app or by accessing the AGM website <http://web.lumiagm.com>. Further details and instructions for access are set out in Appendix 2 of this document.

The formal Notice of Annual General Meeting can be found on page 5 of this document.

Shareholders are encouraged to appoint a proxy even if they intend to attend the Meeting electronically.

All the Resolutions will be put to a poll. The outcome of the poll vote for each Resolution will be published following the Meeting on the Company's website and by RIS announcement.

### The Annual Report and Accounts (Resolution 1)

Ordinary Shareholders will be asked to receive the Report of the Directors and the Accounts for the year ended 31 December 2019 together with the Auditor's Report.

### Reappointment and remuneration of auditor (Resolutions 2 and 3)

The Company is required to appoint an auditor at each Annual General Meeting at which accounts are presented to hold office until the next Annual General Meeting. Resolution 2 therefore proposes that Deloitte LLP be reappointed as auditor to the Company and Resolution 3 authorises the Directors to determine its remuneration.

### Appointment and reappointment of Directors (Resolutions 4–10)

The Company's Articles of Association provide for Directors to retire by rotation every 3 years, and for new Directors to be subject to election at the Annual General Meeting following their appointment. The UK Corporate Governance Code recommends that all Directors stand for re-election annually. The Company supports the principles of good governance set out in the Code and, accordingly, Vanda Murray, Janet Ashdown, Jack Clarke, Martyn Coffey and Graham Prothero will retire by rotation and will offer themselves for re-election as Directors. Angela Bromfield was appointed as a Non-Executive Director on 1 October 2019 and accordingly will stand for election for the first time as a Director. In these exceptional times, there is great value in having a knowledgeable and experienced Board. Tim Pile's term of office was extended last year with a view to his retiring from the Board after the 2020 AGM, at which point he will have served for over 9 years. The Board has asked him to extend his term of office for up to a further year, in order to continue to benefit from his valuable skills and experience during what will undoubtedly be a challenging period. The Board continues to regard Tim Pile as independent in thought and judgement, whilst noting that, even if he were not regarded as independent, there would still be a majority of independent non-executive directors on the Board. Accordingly, Tim Pile will stand for re-election at the 2020 AGM.

The Nomination Committee of the Board was responsible for the appointment of the Directors and has appraised the performance of each of the individual Directors to be re-elected. The Committee concluded that each of the Directors fulfils their role very effectively and has demonstrated a high degree of commitment. In decision making, the Non-Executive Directors have contributed relevant skills and knowledge particularly in strategic thinking and planning, financial matters, innovation, health and safety, engagement with stakeholders and culture change. The performance of the Chair has been appraised by the Senior Independent Director in consultation with the remaining Non-Executive Directors. Each of the Non-Executive Directors standing for re-election satisfies the Code as regards their independence.

Biographical details of the Directors are on pages 42 and 43 of the Annual Report.

### Directors' 2020 Remuneration Policy, Directors' Remuneration Report 2019 and 2020 Management Incentive Plan (Resolutions 11, 12 and 13)

The Directors' Remuneration Policy approved by shareholders at the 2017 Annual General Meeting is to be replaced by an updated Remuneration Policy, which, subject to shareholder approval at the 2020 AGM, would take effect immediately after the end of the AGM and is expected to apply for the next 3 years unless amended earlier by shareholder approval in a general meeting. The full Policy is set out in the Directors' Remuneration Report on pages 67 to 76. The remainder of the Directors' Remuneration Report for 2019 explains how the 2017 Remuneration Policy was implemented in 2019 and how the 2020 Remuneration Policy is expected to be implemented. The Directors' Remuneration Report is submitted to an advisory vote, which means that payments already made or promised to Directors will not have to be repaid in the event that the Resolution to approve the Report is not passed.

In addition, it is proposed to replace the Management Incentive Plan approved by shareholders in 2014 with a similar plan, the Marshalls plc 2020 Management Incentive Plan (the "2020 MIP"), a summary of the principal terms of which is contained in Appendix 1 of this document. There are no changes to the structure or operation of the MIP on renewal except to enhance the malus and clawback triggers to align with best practice. Subject to shareholder approval at the 2020 AGM, the first awards under the 2020 MIP would be measured against performance in the 2020 financial year. Under the Plan Rules, no awards may be made after the fifth anniversary of approval.

In developing and finalising the 2020 Remuneration Policy and 2020 MIP, the Remuneration Committee of the Board has consulted extensively with its top 20 shareholders and other relevant stakeholders, and has considered feedback from employees through the Marshalls "Employee Voice Group" in relation to pay and benefits structure elsewhere in the Group. Their comments and views are reflected in the proposals submitted to the 2020 AGM for approval.

#### **Authority to allot equity securities (Resolution 14)**

The authority given to the Directors at the Annual General Meeting on 15 May 2019 to allot (or issue) shares pursuant to Section 551 of the Companies Act 2006 expires at the conclusion of this year's Annual General Meeting. Resolution 14 seeks renewal of this authority, to expire at the conclusion of the 2021 Annual General Meeting (or, if earlier, at the close of business on 12 August 2021).

In line with guidelines issued by the Investment Association (the "IA") to the effect that IA members will permit and treat as routine resolutions seeking authority to allot shares representing up to two-thirds of the Company's issued share capital in certain circumstances, the Board considers it appropriate to seek a resolution to grant authority to the Directors to allot shares in the capital of the Company up to a maximum nominal amount of £33,342,026, representing approximately two-thirds (or 66 per cent) of the current issued share capital of the Company (excluding treasury shares) as at 2 April 2020 (the latest practicable date before publication of this letter). Of this amount, £16,671,013, representing approximately one-third (or approximately 33 per cent) of the current issued share capital of the Company, can only be allotted pursuant to a rights issue.

Part (a) of Resolution 14 renews the Directors' general authority to issue shares up to an aggregate nominal amount of £16,671,013, representing approximately one-third of the current issued share capital of the Company (excluding treasury shares).

Part (b) of Resolution 14 extends this authority to a further aggregate nominal amount of £16,671,013, representing approximately one-third of the current issued share capital of the Company (excluding treasury shares) which can only be exercised pursuant to a fully pre-emptive rights issue.

The Directors have no present intention of exercising this authority.

Resolutions 1–14 inclusive are proposed as Ordinary Resolutions at the Annual General Meeting.

#### **Pre-emptive allotment of equity securities (Resolutions 15 and 16)**

The Companies Act 2006 provides that any allotment of new shares for cash must be made pro rata to individual shareholders' holdings, unless such provisions are disapplied under Section 570 of the Companies Act 2006. The authority given to the Directors at the last Annual General Meeting to allot shares for cash pursuant to Section 570 of the Companies Act 2006 expires at the conclusion of this year's Annual General Meeting.

Resolution 15 will be proposed as a Special Resolution for the renewal of the Directors' authority to allot equity securities for cash without first offering them to shareholders pro rata to their holdings. This authority facilitates certain issues of shares to shareholders in respect of: (i) rights issues and similar offerings, where difficulties arise in offering shares to certain overseas shareholders, and in relation to fractional entitlements and certain other technical matters; and (ii) other allotments of up to a maximum aggregate nominal amount of £2,500,652, representing approximately 5 per cent of the current issued Ordinary Share capital of the Company as at 2 April 2020 (the latest practicable date prior to publication of this letter). This authority also allows the Directors, within the same aggregate limit, to sell for cash shares that may be held by the Company in treasury.

In accordance with the Pre-Emption Group's Statement of Principles, the Directors are also seeking authority to issue a further 5 per cent of shares on a non-pre-emptive basis for acquisition or specified capital investment purposes at this Annual General Meeting. The Directors are seeking this additional authority to allow flexibility to fund any future acquisitions (whether wholly or partially) without relying entirely on increasing debt.

Resolution 16 will be proposed as a Special Resolution to allow the Directors to allot equity securities for cash without first offering them to shareholders pro rata to their holdings in connection with an acquisition or capital investment of the kind contemplated by the Pre-Emption Group's Statement of Principles up to an additional maximum aggregate nominal amount of £2,500,652, representing approximately 5 per cent of the current issued Ordinary Share capital of the Company as at 2 April 2020 (the latest practicable date prior to publication of this letter).

In seeking this authority, the Directors confirm that they will only use this authority to allot shares where the allotment is in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment or sale or which has taken place in the preceding 6-month period and is disclosed in the announcement of the allotment or sale.

In connection with both Resolutions 14 and 15, the Directors also confirm, in accordance with the Pre-Emption Group's Statement of Principles, that they have no intention of issuing more than 7.5 per cent of the issued share capital for cash on a non-pre-emptive basis in any rolling 3-year period without prior shareholder consultation except in connection with an acquisition or specified capital investment.

The Directors have no present intention of exercising the authorities granted by Resolutions 15 and 16.

The authorities granted under Resolutions 15 and 16 will expire at the conclusion of the 2021 Annual General Meeting (or, if earlier, at the close of business on 12 August 2021).

# Letter from the Chair of the Board *continued*

## Notice of Annual General Meeting *continued*

### Authority to purchase Ordinary Shares (Resolution 17)

Resolution 17 will be proposed as a Special Resolution for the renewal of the Company's authority to purchase its own shares in the market during the period until the next Annual General Meeting of the Company (or, if earlier, until the close of business on 12 August 2021) for up to 29,987,818 shares, representing approximately 14.99 per cent of the issued Ordinary Share capital of the Company (excluding treasury shares) as at 2 April 2020 (the latest practicable date prior to the printing of this document). The price payable shall not be more than the higher of: (a) 5 per cent above the average price of the middle market quotation as derived from the London Stock Exchange Daily Official List for the Ordinary Shares for the 5 business days before the purchase is made; and (b) an amount equal to the higher of the price of the last independent trade and the highest current independent bid for an Ordinary Share in the Company as derived from the London Stock Exchange Trading System (in each case exclusive of any expenses) and, in any event, not less than 25 pence per share, being the nominal value of the shares.

The Directors have no current intention of exercising the authority to purchase the Company's own Ordinary Shares. In considering whether or not to purchase Ordinary Shares under the market purchase authority, the Directors will take into account cash resources, the effect on gearing and other investment opportunities before exercising the authority. In addition, the Company will only exercise the authority to make such a purchase in the market when the Directors consider it is in the best interests of shareholders generally to do so and it would result in an increase in earnings per Ordinary Share. Any purchases of Ordinary Shares would be by means of market purchases through the London Stock Exchange. As at 2 April 2020 (being the latest practicable date prior to the printing of this document) there were options outstanding over 2,128,280 Ordinary Shares representing 1.06 per cent of the issued Ordinary Share capital of the Company (excluding treasury shares). If the authority given by this Resolution 17 were to be fully used, the options currently in issue would then represent 1.25 per cent of the issued Ordinary Share capital of the Company (excluding treasury shares).

Listed companies purchasing their own shares may hold them in treasury as an alternative to cancelling them. Treasury shares may be cancelled, sold for cash or used for the purpose of employee share schemes. The authority to be sought by this Resolution is intended to apply equally to shares to be held by the Company as treasury shares. No dividends will be paid on shares which are held as treasury shares and no voting rights will be attached to them. Shares held as treasury shares will be treated as if cancelled. Any shares which are repurchased will be cancelled or held in treasury.

If Resolution 17 is passed at the Annual General Meeting, it is the Company's current intention to hold in treasury all of the shares it may purchase pursuant to the authority granted to it. However, in order to respond properly to the Company's capital requirements and prevailing market conditions, the Directors will need to reassess at the time of any and each actual purchase whether to hold the shares in treasury or cancel them, provided it is permitted to do so. In line with guidelines issued by the IA, the Company is only proposing to hold a maximum of up to 10 per cent of its issued share capital in treasury. The Company does not currently hold any shares in treasury.

### Notice of general meetings (Resolution 18)

Resolution 18 allows the Company to hold general meetings (other than the Annual General Meeting) on 14 clear days' notice. This is in order to avoid the effect of Section 307A of the Companies Act 2006 which, without such a resolution, would have the effect of requiring the Company to give not less than 21 clear days' notice of general meetings. A similar resolution was approved at the Company's Annual General Meeting in 2019. This Resolution 18, proposed as a Special Resolution, seeks renewal of the approval until the close of the 2021 Annual General Meeting, when it is intended that the approval be renewed. The 14-day notice period will only be relied upon by the Directors in circumstances where the proposals to be tabled are time sensitive and where short notice is considered by the Board to be to the advantage of shareholders.

Resolutions 15–18 inclusive are proposed as Special Resolutions at the Annual General Meeting.

### Recommendation and action to be taken

The Board believes that in the current circumstances it is important to preserve the Group's strong financial position, and consequently that it is not appropriate to pay a final dividend. As announced on 27 March 2020, the Board has therefore withdrawn its recommendation for a final dividend and for a supplementary dividend previously announced with the Groups preliminary results for the full year 2019 on 12 March 2020. The Board is mindful of its obligation to ensure the long-term sustainable success of the Company in taking this decision.

The Board believes that all the proposed Resolutions to be considered at the Annual General Meeting are likely to promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. The Board recommends that you vote in favour of the proposed Resolutions. The Directors will be voting in favour of the proposed Resolutions in respect of their own shareholdings in the Company which as at 2 April 2020 amounted in aggregate to 516,058 shares representing approximately 0.26 per cent of the existing issued Ordinary Share capital of the Company.

Shareholders have the right to ask questions of the Directors in relation to any of the business to be put to the Annual General Meeting. Under Section 319A of the Companies Act 2006, the Company must answer any question asked by a shareholder relating to such business unless answering the question would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information, the answer has already been given on a website in the form of an answer to a question, or it is not in the interests of the Company or the good order of the Meeting that the question be answered. Shareholders are invited to send any questions to the Company Secretary at the Company's Registered Office in advance of the Meeting and the Company will do its best to respond.

Shareholders should complete and return the enclosed Form of Proxy so as to reach the Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, not less than 48 hours before the time appointed for the holding of the Meeting. Alternatively, a shareholder can vote online or appoint a proxy online by registering at [www.eproxyappointment.com](http://www.eproxyappointment.com) no later than 11.00 am on Monday 11 May 2020. Details about how to use this facility are set out in the enclosed Form of Proxy. Completion and return of a Form of Proxy will not prevent you from attending and voting electronically at the Meeting if you so wish. Members can access information relating to the Annual General Meeting, including the information required by Section 311A of the Companies Act 2006, on the Company's website ([www.marshalls.co.uk](http://www.marshalls.co.uk)).

Yours faithfully

**Vanda Murray OBE**  
Chair of the Board

## MARSHALLS PLC

Registered Office: Landscape House, Premier Way, Lowfields Business Park, Elland HX5 9HT

(Registered in England: No. 5100353)

### NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of Marshalls plc will be held on Wednesday 13 May 2020 at 11.00 am at Landscape House, Premier Way, Lowfields Business Park, Elland, West Yorkshire HX5 9HT, and electronically, to consider and, if thought fit, pass the following Resolutions which are to be proposed, in the case of Resolutions 1 to 14, as Ordinary Resolutions and, in the case of Resolutions 15 to 18, as Special Resolutions of the Company:

1. That the Report of the Directors and the Accounts for the year ended 31 December 2019 together with the Auditor's Report be received;
2. That Deloitte LLP be reappointed as the auditor to the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the members;
3. That the Directors be authorised to determine the remuneration of the auditor of the Company;
4. That Vanda Murray, having retired by rotation and being eligible, be re-elected as a Director;
5. That Janet Ashdown, having retired by rotation and being eligible, be re-elected as a Director;
6. That Jack Clarke, having retired by rotation and being eligible, be re-elected as a Director;
7. That Martyn Coffey, having retired by rotation and being eligible, be re-elected as a Director;
8. That Graham Prothero, having retired by rotation and being eligible, be re-elected as a Director;
9. That Tim Pile, having retired by rotation and being eligible, be re-elected as a Director;
10. That Angela Bromfield be elected as a Director;
11. That the Directors' Remuneration Policy set out on pages 67 to 76 of the Directors' Remuneration Report be approved;
12. That the Directors' Remuneration Report, excluding the Directors' Remuneration Policy set out on pages 67 to 76 of the Directors' Remuneration Report, for the year ended 31 December 2019 be approved;
13. That the Marshalls plc 2020 Management Incentive Plan (the "2020 MIP"), the draft Rules of which have been produced to the Meeting and signed for identification by the Chair of the Board and a summary of the principal terms of which is contained in Appendix 1, be established and approved; and that the Directors be and are authorised to do all such acts and things as may be considered necessary or appropriate in connection with the implementation of the 2020 MIP and the grant of awards including making any amendments that may be necessary or appropriate to take account of any relevant statutory or regulatory requirements provided that no such amendment shall be made if in the opinion of the Directors it would conflict in any material way with the summary of the 2020 MIP;
14. That the Directors be and are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 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 ("Rights"):
  - (a) up to an aggregate nominal amount of £16,671,013, representing approximately one-third of the current issued share capital of the Company; and
  - (b) up to a further aggregate nominal amount of £16,671,013, representing approximately one-third of the current issued share capital of the Company provided that:
    - (i) they are equity securities (within the meaning of Section 560(1) of the Companies Act 2006); and
    - (ii) they are offered by way of a rights issue to holders of Ordinary Shares on the Register of Members at such record date as the Directors may determine, where the equity securities respectively attributable to the interests of the Ordinary Shareholders are proportionate (as nearly as may be practicable) to the respective numbers of Ordinary Shares held, or deemed held, by them on such record date, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory authority or stock exchange or by virtue of shares being represented by depositary receipts or any other matter,

and provided that such authority shall expire at the conclusion of the 2021 Annual General Meeting (or, if earlier, at the close of business on 12 August 2021), save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted after such expiry, and the Directors may allot shares and grant Rights in pursuance of such offer or agreement as if the authority conferred by this Resolution had not expired;

# Notice of Annual General Meeting

## Marshall's plc

15. That, subject to the passing of Resolution 14, the Directors be and are hereby empowered pursuant to Section 570 and Section 573 of the Companies Act 2006 to allot equity securities (as defined in Section 560 of the Companies Act 2006) for cash pursuant to the general authority conferred by Resolution 14 or by way of a sale of treasury shares as if Section 561(1) of the Companies Act 2006 did not apply to such allotment or sale, provided that this power shall be limited to:
- (a) the allotment of equity securities and the sale of treasury shares in connection with an offer of equity securities (but in the case of the authority granted under paragraph (b) of Resolution 14 by way of rights issue only) in favour of the holders of Ordinary Shares on the Register of Members at such record date(s) as the Directors may determine where the equity securities respectively attributable to the interests of the Ordinary Shareholders are proportionate (as nearly as may be practicable) to the respective numbers of Ordinary Shares held or deemed to be held by them on any such record date(s), subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange or by virtue of shares being represented by depositary receipts or any other matter; and
  - (b) (otherwise than pursuant to paragraph (a) of this Resolution 15) to any person or persons up to an aggregate nominal amount of £2,500,652 (representing no more than 5 per cent of issued Ordinary Share capital at the date of this Notice of Annual General Meeting),
- and such power shall expire at the conclusion of the 2021 Annual General Meeting of the Company (or, if earlier, at the close of business on 12 August 2021), but so that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted or treasury shares to be sold after such expiry, and the Directors may allot equity securities or sell treasury shares in pursuance of such offer or agreement as if the power conferred by this Resolution had not expired;
16. That, subject to the passing of Resolution 14, the Directors be authorised in addition to any authority granted under subparagraph (b) of Resolution 15 to allot equity securities for cash pursuant to the general authority conferred by Resolution 14 or by way of a sale of treasury shares as if Section 561(1) of the Companies Act 2006 did not apply to such allotment or sale, provided that this power shall be:
- (a) limited to the allotment of equity securities and the sale of treasury shares up to an aggregate nominal amount of £2,500,652 (representing no more than 5 per cent of issued Ordinary Share capital at the date of this Notice of Annual General Meeting); and
  - (b) used only for the purposes of financing (or refinancing, if the authority is used within 6 months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Pre-Emption Group's Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice,
- and such power shall expire at the conclusion of the 2021 Annual General Meeting of the Company (or, if earlier, at the close of business on 12 August 2021), but so that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted or treasury shares to be sold after such expiry, and the Directors may allot equity securities or sell treasury shares in pursuance of such offer or agreement as if the power conferred by this Resolution had not expired;
17. That the Company be generally and unconditionally authorised, and in accordance with Section 701 of the Companies Act 2006, to make market purchases (as defined in Section 693(4) of the Companies Act 2006) on the London Stock Exchange of up to 29,987,818 Ordinary Shares of 25 pence each in the capital of the Company (being approximately 14.99 per cent of the current issued Ordinary Share capital of the Company) on such terms and in such manner as the Directors of the Company may from time to time determine, provided that:
- (a) the amount paid for each share (exclusive of expenses) shall not be more than the higher of: (i) 5 per cent above the average of the middle market quotation for Ordinary Shares in the Company as derived from the London Stock Exchange Daily Official List for the 5 business days before the date on which the share is contracted to be purchased; and (ii) an amount equal to the higher of the price of the last independent trade and the highest current independent bid for an Ordinary Share in the Company as derived from the London Stock Exchange Trading System;
  - (b) the minimum price which may be paid for an Ordinary Share (exclusive of expenses) is 25 pence per Ordinary Share; and
  - (c) the authority herein contained shall expire at the conclusion of the 2021 Annual General Meeting of the Company (or, if earlier, at the close of business on 12 August 2021), provided that the Company may, before such expiry, make a contract to purchase its own Ordinary Shares which would or might be executed wholly or partly after such expiry, and the Company may make a purchase of its own Ordinary Shares in pursuance of such contract as if the authority hereby conferred had not expired; and
18. 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

Dated: 7 April 2020

**C.E. Baxandall**  
Company Secretary

**Registered Office:**  
Landscape House  
Premier Way  
Lowfields Business Park  
Elland  
HX5 9HT

## Notes:

1. Any member entitled to attend and vote at the Annual General Meeting is entitled to appoint 1 or more proxies (who need not be a member of the Company) to attend, speak and vote instead of the member. A member can appoint more than 1 proxy in relation to the Meeting provided that each proxy is appointed to exercise the rights attaching to different shares held by the appointing member. Completion and return of a Form of Proxy will not preclude a member from attending and voting at the Meeting themselves, should they subsequently decide to do so.
2. A proxy form which may be used to make this appointment and give proxy instructions accompanies this Notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY. As an alternative to completing a hard copy proxy form, proxies may be appointed electronically as set out on the form.
3. Your proxy could be the Chair of the Meeting or another person who has agreed to attend to represent you. Your proxy will vote as you instruct and must attend the Meeting for your vote to be counted. Details of how to appoint the Chair of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. Appointing a proxy does not preclude you from attending the Meeting and voting yourself: in these circumstances, your proxy appointment will automatically be terminated. A proxy appointed by more than 1 member has 1 vote for and 1 against the Resolution if at least 1 member who appointed the proxy has voted for the Resolution and at least 1 against.
4. Any member wishing to vote electronically in advance of the Annual General Meeting should visit [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy) where there are full instructions on how to do this. Votes submitted electronically in advance should be cast by no later than 11.00 am on Monday 11 May 2020. If you return paper and electronic instructions, those received last by the Registrar before the deadline will take precedence. Electronic communication facilities are available to all shareholders and those using them will not be disadvantaged.
5. A copy of this Notice has been sent for information only to persons who have been nominated by a member to enjoy information rights under Section 146 of the Companies Act 2006 (a "Nominated Person"). The right to appoint a proxy cannot be exercised by a Nominated Person; it can only be exercised by the member. However, a Nominated Person may have a right under an agreement between them and the member by whom they were nominated to be appointed as a proxy for the Meeting or to have someone else so appointed. If a Nominated Person does not have such a right or does not wish to exercise it, they may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.
6. In order to be valid, any Form of Proxy and power of attorney or other authority under which it is signed, or a notarially certified or duly certified copy of such power or authority, must reach the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, not less than 48 hours before the time of the Meeting or of any adjournment of the Meeting or, in the case of a poll taken subsequently to the date of the Meeting or adjournment of the Meeting, 24 hours before the poll is taken at which the proxy form is to be used. Forms of Proxy may be returned by post or internet as set out on the forms. The Company may require reasonable evidence of the identity of the member and the proxy, the member's instructions (if any) as to how the proxy will vote, and where the proxy is appointed by a person acting on behalf of a member, the authority of that person to make the appointment.
7. To change your proxy instructions you may return a new proxy appointment using the methods set out above. Where you have appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY. The deadline for receipt of proxy appointments (see above) also applies in relation to amended instructions. Any attempt to terminate or amend a proxy appointment received after the relevant deadline will be disregarded. Where 2 or more valid separate appointments of proxy are received in respect of the same share in respect of the same meeting, the one which is last sent shall be treated as replacing and revoking the other or others.
8. In the case of joint holders, where more than 1 of the joint holders completes a proxy appointment, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).
9. Only persons entered on the Company's Share Register at 11.00 am on Monday 11 May 2020, being the date which is 2 days prior to the Meeting, or 48 hours before the time fixed for any adjourned meeting, shall be entitled to attend and vote at the Meeting or adjourned meeting. Changes to entries on the Register after this time shall be disregarded in determining the rights of persons to attend or vote (and the number of votes they may cast) at the Meeting or adjourned meeting.
10. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual on the Euroclear website ([www.euroclear.com/CREST](http://www.euroclear.com/CREST)). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's 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 (ID number 3RA50) by the latest time(s) for receipt of proxy appointments specified in this Notice. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
11. Please note that the Company takes all reasonable precautions to ensure no viruses are present in any electronic communication it sends out but the Company cannot accept responsibility for loss or damage arising from the opening or use of any email or attachments from the Company and recommends that shareholders subject all messages to virus checking procedures prior to use. Any electronic communication received by the Company, including the lodgement of an electronic proxy form, that is found to contain any virus will not be accepted.

# Notice of Annual General Meeting *continued*

## Marshalls plc

### Notes *continued*:

12. A member of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the Annual General Meeting. In accordance with the provisions of the Companies Act 2006, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares. It is no longer necessary to nominate a designated corporate representative.
13. As at 2 April 2020 (being the latest practicable business day prior to the publication of this Notice), the Company's issued share capital consists of 200,052,157 Ordinary Shares, carrying 1 vote each.
14. Copies of: (a) the service contracts of the Executive Directors; (b) the letters of appointment of the Non-Executive Directors; (c) the 2020 MIP Rules; and (d) the Register of Interests in shares of the Company kept pursuant to Section 809 of the Companies Act 2006 will each be available for inspection at the Registered Office of the Company during usual business hours on any weekday (public holidays excluded) from the date of this Notice until the date of the Annual General Meeting and from at least 15 minutes prior to, and until the conclusion of, the Annual General Meeting. The 2020 MIP Rules will also be available for inspection for the same period at the offices of PwC, One Embankment Place, London WC2N 6RH.
15. Biographical details of each Director who is being proposed for re-election or election (as appropriate) by shareholders, including their membership of Board Committees, are set out in the Annual Report.
16. A copy of this Notice, and other information required by Section 311A of the Companies Act 2006, can be found on the Company's website ([www.marshalls.co.uk](http://www.marshalls.co.uk)).
17. Any member attending the Annual General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the Meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is not in the interests of the Company or the good order of the Meeting that the question be answered.
18. Under Section 527 of the Companies Act 2006 members reaching 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: (a) 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 Annual General Meeting; or (b) any circumstance connected with an auditor of the Company ceasing to hold office since the previous Annual General Meeting. Compliance with this Section is at the Company's cost. Any such statement must also be forwarded to the Company's auditor not later than the time it is made available on the website. The business that may be dealt with at the Annual General Meeting includes any statement that the Company has been required to publish on the Company's website under Section 527 of the Companies Act 2006.
19. You may not use any electronic address provided in this Notice to communicate with the Company for any purposes other than those expressly stated.

# Appendix 1

This Appendix 1 sets out the key terms of the 2020 MIP summarised in the Directors' Remuneration Report 2019.

## Definitions

|                                                 |                                                                                                                                  |
|-------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| "AGM"                                           | the Annual General Meeting of shareholders to be held on 13 May 2020 convened by the attached Notice of AGM                      |
| "Board"                                         | the Board of Directors of the Company                                                                                            |
| "Close Period"                                  | a period when the Board of the Company is prohibited from dealing in Shares under the Listing Rules of the London Stock Exchange |
| "Remuneration Committee" or "Committee"         | a Committee of the Board of the Company                                                                                          |
| "Element A"                                     | Element A of the MIP as defined in the Directors' Remuneration Report 2019                                                       |
| "Element B"                                     | Element B of the MIP as defined in the Directors' Remuneration Report 2019                                                       |
| "EPS"                                           | the Company's earnings per share                                                                                                 |
| "Employee Trust" or "EBT"                       | the Marshalls Employee Benefit Trust or any successor trust set up in connection with the Company's employee share schemes       |
| "Group"                                         | the Company and all of its direct and indirect subsidiaries                                                                      |
| "LTIP"                                          | Long Term Incentive Plan                                                                                                         |
| "Marshalls" or the "Company"                    | Marshalls plc                                                                                                                    |
| "MIP" or "Plan"                                 | the Marshalls plc 2020 Management Incentive Plan                                                                                 |
| "Participant" or "Participants"                 | individuals employed by the Group intended to participate in the MIP                                                             |
| "Participant's Plan Account"                    | the virtual account held for each Participant into which Company Contributions earned under the MIP are transferred              |
| "Performance Condition" or "Performance Target" | as defined in the Directors' Remuneration Report 2019                                                                            |
| "Sale Restrictions"                             | restrictions on Participants selling Shares under vested Element B awards                                                        |
| "Shareholders"                                  | holders of the Shares                                                                                                            |
| "Shares"                                        | the Company's Ordinary Shares                                                                                                    |

Capitalised terms (not otherwise defined) have the meanings set out in the 2020 MIP.

Appendix 1 *continued*

| Element A               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                       | Element B                                                                                                                                                                       |                             | Total                                                 |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-------------------------------------------------------|
| Participants            | Executive Directors and Senior Management.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                       | Executive Directors and Senior Management.                                                                                                                                      |                             |                                                       |
|                         | Level (expected number of Participants)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Element A award % of salary                           | Level (expected number of Participants)                                                                                                                                         | Element B award % of salary | Total under Element A and B                           |
|                         | Executive Director (2)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 150%                                                  | Executive Director (2)                                                                                                                                                          | 100%                        | 250%                                                  |
|                         | Senior Management (16)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 45% to 80%                                            | Senior Management (16)                                                                                                                                                          | 30% to 80%                  | 75% to 160%                                           |
| Performance conditions  | <p>The Primary Performance Conditions will be based on a set of key performance indicators for the relevant Plan Year as follows:</p> <ul style="list-style-type: none"><li>• 75% earnings per share (EPS); and</li><li>• 25% operating cash flow to EBITDA ratio.</li></ul> <p>In addition, there will be non-financial performance conditions relating to:</p> <ul style="list-style-type: none"><li>• customer service (at or above 95%); and</li><li>• health and safety (target reduction against previous year(s) of 10%).</li></ul> <p>Failure to satisfy either of the non-financial Performance Conditions results in a 10% reduction in the Company Contribution earned (so potentially up to 20% aggregated reduction to the award).</p> <p>The Committee will also set an underpin threshold for both Element A and Element B Awards at the date of grant which, if not satisfied, will result in: (i) 50% of the carried forward balance under Element A being forfeited, and (ii) 50% of the Shares in an Element B Award being forfeited at the end of the 3-year vesting period. This threshold will be disclosed at the same time as the Performance Targets set for the relevant Plan Year.</p> |                                                       |                                                                                                                                                                                 |                             |                                                       |
|                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                       |                                                                                                                                                                                 |                             |                                                       |
| Element A               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                       | Element B                                                                                                                                                                       |                             |                                                       |
| Cessation of employment | <p>All unpaid balances in a Participant's Plan Account will be paid if they are a good leaver. Carried forward balances lapse if a Participant is a bad leaver.</p> <p>A Participant who is a good leaver would receive an immediate award in cash for the Plan Year during which cessation of employment occurs, pro-rated to the date of cessation, and based on the level of satisfaction of the Performance Conditions measured at the normal measurement date. A Participant who is a bad leaver would have no entitlement to an award for the Plan Year in which cessation occurs. A Participant will be considered a good leaver if their employment with the Company ceases for 1 of the following reasons:</p> <ul style="list-style-type: none"><li>• death, injury or disability, retirement, redundancy; or</li><li>• otherwise at the discretion of the Remuneration Committee (if exercised a full explanation will be provided to Shareholders).</li></ul>                                                                                                                                                                                                                                         |                                                       | <b>Good leaver</b>                                                                                                                                                              |                             |                                                       |
|                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                       | <b>Unvested Shares</b>                                                                                                                                                          |                             | <b>Vested Shares</b>                                  |
|                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                       | Pro-rated to the amount of the 3-year vesting period completed on the date of cessation and subject to the proportionate satisfaction of the EPS underpin on 50% of the Shares. |                             | Sale Restrictions continue to apply post-termination. |
|                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                       | <b>Bad leaver</b>                                                                                                                                                               |                             |                                                       |
| <b>Unvested Shares</b>  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>Vested Shares</b>                                  |                                                                                                                                                                                 |                             |                                                       |
| Lapse.                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Sale Restrictions continue to apply post-termination. |                                                                                                                                                                                 |                             |                                                       |
| Change of control       | <p>The Participant would receive an award in cash immediately prior to the date of the change of control (and conditional on the change of control actually occurring) based on the level of satisfaction of the Performance Conditions at this date pro-rated to the amount of the Plan Year completed on the change of control, subject to the Remuneration Committee's discretion to waive or partially waive pro-rating. All balances in Participants' Plan Accounts would vest in full on a change of control.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                       | <b>Change of control</b>                                                                                                                                                        |                             |                                                       |
|                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                       | <b>Unvested Shares</b>                                                                                                                                                          |                             | <b>Vested Shares</b>                                  |
|                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                       | Shares will vest on the date of the change of control subject to the proportionate satisfaction of the underpin on 50% of the Shares.                                           |                             | Sale Restrictions removed.                            |
| Dilution                | The Plan will operate standard Investment Association dilution limits.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                       |                                                                                                                                                                                 |                             |                                                       |

|                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                     |                                         |
|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------|
| <b>Shareholding requirement</b> | The minimum shareholding requirement is 200% of salary for Executive Directors. Executive Directors will not be expected to purchase Shares in the market to meet this requirement but must retain Shares earned under the Company's incentive arrangements until the minimum shareholding requirement is reached and thereafter must maintain the minimum shareholding requirement until the Sale Restrictions are released.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                     |                                         |
| <b>Operation of requirement</b> | <p>The following share interests will count towards the satisfaction of the shareholding requirement:</p> <ul style="list-style-type: none"> <li>the value of deferred share balances in the Plan Account under Element A of the MIP;</li> <li>the value of 50% of Element B Shares during the vesting period (100% of Element B Shares net of tax during the holding period); and</li> <li>Shares held by the Executive Director or their persons closely associated.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                     |                                         |
| <b>Clawback and malus</b>       | <p>Malus is the adjustment of Company Element A contributions or the balance in a Participant's Element A Plan Account or unvested Element B Awards because of the occurrence of 1 or more circumstances listed below. The adjustment may result in the value being reduced to nil.</p> <p>Clawback is the recovery of payments made under Element A of the MIP or vested Element B Awards as a result of the occurrence of 1 or more circumstances listed below. Clawback may apply to all or part of a Participant's payment under Element A of the MIP or an Element B Award and may be effected, among other means, by requiring the transfer of Shares, payment of cash or reduction of awards or bonuses.</p> <p>The circumstances in which malus and clawback could apply are as follows:</p> <ul style="list-style-type: none"> <li>discovery of a material misstatement resulting in an adjustment in the audited accounts of the Group or any Group company;</li> <li>if the assessment of any performance condition or condition in respect of a Company Element A contribution or Element B Award were based on error, or inaccurate or misleading information;</li> <li>the discovery that any information used to determine the Company Element A contribution or Element B Award was based on error, or inaccurate or misleading information;</li> <li>action or conduct of a Participant which amounts to fraud or gross misconduct;</li> <li>a material failure or risk management;</li> <li>corporate failure; or</li> <li>events or the behaviour of a Participant have led to the censure of a Group company by a regulatory authority or have had a significant detrimental impact on the reputation of any Group company provided that the Board is satisfied that the relevant Participant was responsible for the censure or reputational damage and that the censure or reputational damage is attributable to the Participant.</li> </ul> |                                                     |                                         |
|                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Element A</b>                                    | <b>Element B</b>                        |
|                                 | Malus                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Up to the date of a payment under the Plan          | To the end of the 3-year vesting period |
|                                 | Clawback                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 2 years post the date of any payment under the Plan | 2 years post vesting                    |
|                                 | The Committee believes that the rules of the Plan provide sufficient powers to enforce malus and clawback where required.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                     |                                         |
| <b>Sale Restrictions</b>        | Element B Awards made to Executive Directors will be subject to a 2-year holding period following vesting when the Shares vested cannot be sold. Post-vesting Sale Restrictions of up to 2 years may be applied for other Participants in the Plan.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                     |                                         |

## Appendix 1 *continued*

### Operation

The Remuneration Committee (the members of which are independent Non-Executive Directors) supervises the operation of the Plan in respect of the employees of the Company, including the Executive Directors. The Remuneration Committee has the discretion to make awards at any time where they consider the circumstances appropriate. No awards will be granted during a Close Period.

### Eligible employees

Any employee of the Group is eligible to participate in the Plan. Non-Executive Directors are not eligible to participate in the Plan.

### Taxation

The payment of a cash bonus and the vesting and exercise of awards are conditional upon the Participant paying any taxes due.

### Allotment and transfer of Shares

Shares allotted by the Company or transferred to Plan participants by the Trustee of the EBT will not rank for dividends payable if the record date for the dividend falls before the vesting date on which Shares are acquired by the Participant. To the extent that awards are satisfied by the issue of new Shares, an application will be made for the admission of the new Shares to be issued to the Official List of, and to trading on, the London Stock Exchange plc's Main Market for listed securities at the time the awards are exercised and vest.

### Variation of share capital

On a variation of the capital of the Company, the number of Shares subject to awards and their terms and conditions may be adjusted in such manner as the Remuneration Committee determines is appropriate.

### Duration

The MIP will operate for a period of 5 years from the date of approval by shareholders. The Remuneration Committee may not grant awards under the Plan after the fifth anniversary of approval.

### Amendments

Amendments to the rules of the Plan may be made at the discretion of the Remuneration Committee. However, the provisions governing eligibility requirements, equity dilution, share utilisation and the adjustments that may be made following a rights issue or any other variation of capital, together with the limitations on the number of Shares that may be issued, cannot be altered to the advantage of Participants without prior shareholder approval, except for minor amendments to benefit the administration of the Plan, to take account of a change in legislation, or to obtain or maintain favourable tax, exchange control or regulatory treatment for Participants or for the Group. An amendment may not adversely affect the rights of an existing Participant except with the written agreement of the Participant.

In addition, the Remuneration Committee may add to, vary, or amend the rules of the Plan by way of a separate schedule in order that the Plan operates in compliance with all requisite legislative and regulatory requirements as may apply to both Participants and/or the relevant Group company, provided that the parameters of these arrangements will provide no greater benefits than under the rules of the Plan as summarised above.

### General

Cash bonus, Shares acquired, and awards and any other rights granted pursuant to the Plan are non-pensionable.

### Non-transferability of awards

Awards are not transferable, except in the case of a Participant for whom a trustee is acting, in which case the trustee will be able to transfer the benefit to the Participant or by will or the laws of inheritance and distribution.

### Employee Trust

The Company may utilise the EBT in order to meet obligations due under the MIP. The Trustee of the EBT has full discretion with regard to the application of the trust fund (subject to recommendations from the Remuneration Committee). The Company will be able to fund the EBT to acquire Shares in the market and/or to subscribe for Shares at nominal value in order to satisfy awards granted under the Plan. Any Shares issued to the EBT in order to satisfy awards under the Plan will be treated as counting towards the dilution limits that apply to the Plan. For the avoidance of doubt, any Shares acquired by the EBT in the market will not count towards these limits. In addition, unless prior shareholder approval is obtained, the EBT will not hold more than 5 per cent of the issued share capital of the Company at any time (other than for the purposes of satisfying awards of Shares that it has granted).

Note: This Appendix 1 summarises the main features of the Plan, but does not form part of them, and should not be taken as affecting the interpretation of the detailed terms and conditions constituting the Plan Rules. Copies of the Plan Rules will be available for inspection at the Company's Registered Office at Landscape House, Premier Way, Lowfields Business Park, Elland, Halifax HX5 9HT, and at the offices of PwC, One Embankment Place, London WC2N 6RH, during usual office hours (Saturdays, Sundays and statutory holidays excepted) from the date of dispatch of the AGM Notice up to and including the date of the AGM and for at least 15 minutes before and after the AGM and during the AGM. The Directors reserve the right, up to the time of the AGM, to make such amendments and additions to the rules of the Plan as they consider necessary or desirable, provided that such amendments and additions do not conflict in any material respect with the summary set out in this Appendix 1.

## Appendix 2

### Electronic Meeting

For the 2020 AGM, Marshalls plc is for the first time enabling shareholders to attend and participate in the meeting electronically. This can be done by either downloading the dedicated "Lumi AGM" app or by accessing the AGM website, <http://web.lumiagm.com>

### Downloading the AGM App

To access the AGM you will need to download the latest version of the dedicated AGM App, called "Lumi AGM", onto your smartphone from the Google Play Store™ or the Apple® App Store. We recommend that you do this in advance of the meeting date. Please note that the app is not compatible with older devices operating Android 4.4 (and below) or iOS 9 (and below).

### Accessing the AGM Website

Lumi AGM can also be accessed online using most well-known internet browsers such as Internet Explorer (Not compatible with versions 10 and below), Chrome, Firefox and Safari on a PC, laptop or internet-enabled device such as a tablet or smartphone. If you wish to access the AGM using this method, please go to <https://web.lumiagm.com> on the day.

### Logging In

On accessing either the app or AGM website, you will be asked to enter a Meeting ID which is **169-064-712**. You will then be prompted to enter your unique SRN and PIN. These can be found printed on your form of proxy. Access to the meeting via the app or website will be available from 10.00am on 13th May 2020; however, please note that your ability to vote will not be enabled until the Chair formally opens the meeting at 11.00am.

### Audiocast

The electronic meeting will be broadcast in audio format with presentation slides. Once logged in, and at the commencement of the meeting, you will be able to listen to the proceedings of the meeting on your device, as well as being able to see the slides of the meeting which will include the resolutions to be put forward to the meeting; these slides will progress automatically as the meeting progresses.

### Voting

Once the Chair has formally opened the meeting, they will explain the voting procedure. Voting will be enabled on all resolutions at the start of the formal meeting on the Chair's instruction. This means shareholders may, at any time while the poll is open, vote electronically on any or all of the resolutions in the Notice of Meeting, resolutions will not be put forward separately.

Once the poll is open, the list of resolutions will appear along with the voting options available. Select the option that corresponds with how you wish to vote, "FOR", "AGAINST" or "WITHHELD". Once you have selected your choice, the option will change colour and a confirmation message will appear to indicate your vote has been cast and received – there is no submit button. If you make a mistake or wish to change your vote, simply select the correct choice: if you wish to "cancel" your vote, select the "cancel" button. You will be able to do this at any time whilst the poll remains open and before the Chair announces its closure at the end of the meeting.

### Questions

Questions can be put electronically, either before or during the meeting, on any resolution. This is done via the app or website by typing and submitting your question in writing – select the messaging icon from within the navigation bar and type your question at the bottom of the screen.

This functionality will be made available to shareholders, for them to submit questions ahead of the AGM any time from 20 April 2020. All questions submitted before the meeting in this way will be recorded. The Company will endeavour to respond at the meeting as if the shareholder was present.

### Requirements

An active internet connection is required at all times in order to allow you to cast your vote when the poll opens, submit questions and listen to the audiocast. It is the user's responsibility to ensure you remain connected for the duration of the meeting.

### Duly appointed proxies and corporate representatives

Please contact the Company's registrar before 10.00am on 6 May 2020 on 0370 707 1134 or +44 (0)370 707 1134 if you are calling from outside the UK for your unique username and password. Lines are open 8.30am to 5.30pm Monday to Friday (excluding public holidays in England & Wales).

For those shareholders that hold their shares with a nominee – please ensure that you have contacted your nominee provider to obtain a valid Letter of Representation BEFORE contacting the Company's registrar, as without a valid Letter of Representation, you will not be issued a username and password.

Shareholders should note that electronic entry to the AGM will open at 10.00am on 13 May 2020.

## Online Shareholders' Guide 2020

This year we will be conducting a hybrid AGM, giving you the opportunity to participate online, using your smartphone, tablet or computer. Shareholders will not be admitted in person to the meeting venue (except for those employee Shareholders necessary for a quorum) in accordance with government guidance at the time this Notice was issued.

If you choose to participate online you will be able to hear a live webcast of the meeting, ask the board questions and submit your votes in real time and you will need to either:

- Download the Lumi AGM app from the Apple App or Google Play Stores by searching for Lumi AGM.
- Visit <https://web.lumiagm.com> on your smartphone, tablet or computer. You will need the latest versions of Chrome, Safari, Internet Explorer 11, Edge and Firefox. Please ensure your browser is compatible.

## Meeting ID: 169-064-712

### To login you must have your SRN and PIN

#### Access

Once you have either downloaded the **Lumi AGM app** or entered **web.lumiagm.com** into your web browser, you'll be prompted to enter the Meeting ID as above.

You will then be required to click 'I have a login' and enter your:

- SRN; and
- Pin.

**You will be able to log into the site on 13 May 2020 at 10.00am.**

To enter as a shareholder, select **'I have a login'** and enter your SRN and PIN.

If you are a visitor, select **'I am a guest'**

As a guest, you will be prompted to complete all the relevant fields including: title, first name, last name and email address.

**Please note, visitors will not be able to ask questions or vote at the meeting.**

#### Audiocast

When successfully authenticated, the info screen  will be displayed. You can view company information, ask questions and listen to the audiocast.

If you would like to listen to the audiocast press the broadcast icon  at the bottom of the screen.

If viewing on a computer, the broadcast will appear at the side automatically once the meeting has started.



## Voting

The Chair will open voting on all resolutions at the start of the meeting. Once the voting has opened, the polling icon  will appear on the navigation bar at the bottom of the screen.

From here, the resolutions and voting choices will be displayed.

To vote, simply select your voting direction from the options shown on screen. A confirmation message will appear to show your vote has been received.

To change your vote, simply select another direction. If you wish to cancel your vote, please press Cancel

Once the Chair has opened voting, voting can be performed at any time during the meeting until the Chair closes the voting on the resolutions. At that point your last choice will be submitted.

You will still be able to send messages and view the webcast whilst the poll is open.



## Questions

Any shareholder or appointed proxy attending the meeting is eligible to ask questions.

If you would like to ask a question, select the messaging icon .

Messages can be submitted at any time during the Q&A session up until the Chair closes the session.

Type your message within the chat box at the bottom of the messaging screen.

Once you are happy with your message click the send button.

Questions sent via the Lumi AGM online platform will be moderated before being sent to the Chair. This is to avoid repetition.

## Downloads

Links are present on the info screen. When you click on a link, the selected document will open in your browser.

Data usage for streaming the annual shareholders' meeting or downloading documents via the AGM platform varies depending on individual use, the specific device being used for streaming or download (Android, iPhone, etc) and the network connection (3G, 4G).





# Marshalls

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