

FRASERS GROUP

NOTICE OF ANNUAL GENERAL MEETING

WEDNESDAY 7TH OCTOBER 2020 - 11.00am

FRASERS GROUP PLC

INCORPORATED AND REGISTERED IN ENGLAND AND WALES UNDER NUMBER 06035106

THIS DOCUMENT IS IMPORTANT

and requires your immediate attention. If you are in any doubt as to what action to take in relation to the AGM, you should consult your stockbroker, bank, solicitor, accountant, fund manager or other independent financial advisor authorised under the Financial Services and Markets Act 2000, if you are resident in the UK or, if you reside elsewhere, another appropriately authorised financial advisor. If you have sold or otherwise transferred all of your shares in Frasers Group plc, you should immediately send this document together with the accompanying form of proxy to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2020 Annual General Meeting (the "AGM") of Frasers Group plc (the "Company") will be held in the Auditorium, Unit D, Brook Park East, Shirebrook, NG20 8RY on 7th October 2020 at 11.00am to consider the following resolutions. Resolutions 16, 17 and 19 will be proposed as special resolutions, requiring not less than 75% of the votes cast to be in favour to be passed. All other resolutions will be proposed as ordinary resolutions, requiring more than 50% of the votes cast to be in favour to be passed. Voting on all of the proposed resolutions at the AGM will be conducted on a poll rather than on a show of hands.

RESOLUTION 1:

That the audited accounts and the reports of the Directors and of the auditors for the financial year ended 26 April 2020 be received.

RESOLUTION 2:

That the Directors' Remuneration Report (including the statement by the Chair of the Remuneration Committee), for the financial year ended 26 April 2020 be received and approved.

RESOLUTION 3:

To approve, for the purposes of section 226B(1)(b) of the Companies Act 2006 (the "Act"), an amendment to the Directors' Remuneration Policy to confirm that the Non-executive Workforce Director can participate in the Frasers All-Employee Omnibus Plan as described in the explanatory notes to this resolution and the Directors be authorised to do all acts and things which they may consider necessary or expedient in connection with the same.

RESOLUTION 4:

That David Daly be re-elected as a Director.

RESOLUTION 5:

That Mike Ashley be re-elected as a Director.

RESOLUTION 6:

That David Brayshaw be re-elected as a Director.

RESOLUTION 7:

That Richard Bottomley be re-elected as a Director.

RESOLUTION 8:

That Cally Price be re-elected as a Director.

RESOLUTION 9:

That Nicola Frampton be re-elected as a Director.

RESOLUTION 10:

That Chris Wootton be elected as a Director.

RESOLUTION 11:

That RSM UK AUDIT LLP be re-appointed as the Company's auditors, to hold office until the conclusion of the next AGM of the Company.

RESOLUTION 12:

That the Directors be authorised to determine the remuneration of the auditors.

RESOLUTION 13:

That the rules of the Frasers All-Employee Omnibus Plan (including the Fearless 1,000 plan) (the "Plan"), produced in draft to this meeting (the terms of which are summarised in Appendix A to this Notice of Meeting and which are subject to further legal review) and, for the purposes of identification, initialled by the Chair, be and are hereby approved and the directors be authorised to:

- a. do all acts and things which they may consider necessary or expedient for the purposes of implementing and giving effect to the Plan; and
- b. establish further plans based on the Plan but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further plans are treated as counting against the limits on individual or overall participation in the Plan.

RESOLUTION 14:

That the Board be and hereby is generally and unconditionally authorised, pursuant to section 551 of the the Act, 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 with an aggregate nominal value of up to £17,311,406 and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter, provided that this authority shall expire at the close of the next AGM of the Company, save that the Company may before such expiry make offers and enter into agreements which would, or might, require shares in the Company to be allotted or rights to subscribe for or convert any security into shares to be granted after this authority expires and the Board may allot shares in

the Company and grant rights under any such offer or agreement as if this authority had not expired.

RESOLUTION 15:

That, in addition to resolution 14, the Board be and hereby is generally and unconditionally authorised, pursuant to section 551 of the Act, 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 comprising equity securities, as defined in the Act, with an aggregate nominal value of up to £34,622,812 (including within such limit any shares issued under resolution 14) in connection with an offer by way of a rights issue:

- a. to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
- b. to people who are holders of other equity securities if this is required by the rights of those securities or, if the Board considers it necessary, as permitted by the rights of those securities,

and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter, provided that this authority shall expire at the close of the next AGM of the Company, save that the Company may before such expiry make offers and enter into agreements which would, or might, require shares in the Company to be allotted or rights to subscribe for or convert any security into shares to be granted after this authority expires and the Board may allot shares in the Company and grant rights under any such offer or agreement as if this authority had not expired.

RESOLUTION 16:

(to be proposed as a Special Resolution)

That the Board be and hereby is empowered pursuant to section 570 and 573 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority given by resolutions 14 and 15 (as applicable) and/or where the allotment constitutes an allotment of equity securities by virtue of section 560(2) of the Act as if section 561(1) of the Act did not apply to such allotment provided that this power shall be limited:

- a. to the allotment of equity securities in connection with an offer of equity securities (but in the case of the authority granted under resolution 15, by way of a rights issue only):
 - i. to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - ii. to people who are holders of other equity securities, if this is required by the rights of those or if the Board considers it necessary, as permitted by the rights of those securities, and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and
- b. in the case of the authority granted under resolution 14, to the allotment (otherwise than under 16(a) above) of equity securities with an aggregate nominal value of up to £2,596,711; and provided further that this power shall expire at the close of the next AGM of the Company, save that the Company may before such expiry make offers and enter into agreements which would, or might, require equity securities to be allotted after this power expires and the Board

may allot equity securities under any such offer or agreement as if this power had not expired.

RESOLUTION 17:

(to be proposed as a Special Resolution)

That subject to the passing of resolutions 14, 15 and 16, and in addition to the power given to it pursuant to resolution 16, the Board be generally empowered pursuant to section 570 and section 573 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash, pursuant to the authority conferred by resolutions 14 and 15 (as applicable) as if section 561(1) of the Act did not apply to such allotment provided that this power shall be limited to the allotment of equity securities for cash up to an aggregate nominal amount of £2,596,711 and provided that the allotment is for the purposes of financing (or refinancing, if the power is used within six months of the original transaction) a transaction which the Board determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-emption Rights most recently published by the Pre-emption Group prior to the date of this Notice, and provided further that this power shall expire at the close of the next AGM of the Company, save that the Company may before such expiry make offers and enter into agreements which would, or might, require equity securities to be allotted after this power expires and the Board may allot equity securities under any such offer or agreement as if this power had not expired.

RESOLUTION 18

That the Company be and hereby is generally and unconditionally authorised, in accordance with section 701 of the Act, to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 10p each in the Company subject to the following conditions:

- a. the maximum aggregate number of ordinary shares authorised to be purchased is 77,849,395 representing approximately 14.99% of the Company's issued ordinary share capital (excluding shares held in treasury);
- b. the minimum price (exclusive of expenses) which may be paid for an ordinary share is 10p (being the nominal value of an ordinary share);
- c. the maximum price (exclusive of expenses) which may be paid for each ordinary share is the higher of:
 - i. an amount equal to 105% of the average of the middle market quotations for the ordinary shares in the Company as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day 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 of an ordinary share; and the highest current independent bid for an ordinary share in the Company on the trading venue where the purchase is carried out;
- d. unless previously renewed, varied or revoked, this authority shall expire at the close of the next AGM of the Company; and
- e. a contract to purchase shares under this authority may be made prior to the expiry of this authority, and concluded in whole or in part after the expiry of this authority.

RESOLUTION 19:

(to be proposed as a Special Resolution)

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

RESOLUTION 20:

That the Company and any company which is a subsidiary of the Company at the time this resolution is passed or becomes a subsidiary of the Company at any time during the period for which this resolution has effect be and hereby is generally and unconditionally authorised for the purposes of section 366 of the Act:

- a. to make donations to EU political organisations (as defined in section 364 of the Act) not exceeding £50,000 in total; and
- b. to incur EU political expenditure (as defined in section 365 of the Act) not exceeding £50,000 in total,

provided that the total amount of all such donations and expenditure made by all companies to which this authority relates shall not exceed £100,000 for the period expiring at the conclusion of the next AGM of the Company.

By Order of the Board

Tom Piper

Company Secretary

7 September 2020

Frasers Group plc

Registered office:
Unit A
Brook Park East
Shirebrook
NG20 8RY

Registered in England and Wales under company no: 06035106

EXPLANATORY NOTES

RESOLUTION 1:

To receive the Annual Report and Accounts for the financial year ended 26 April 2020

The Directors are required to present to the AGM the audited accounts, and the reports of the Directors and auditors, for the financial year ended 26 April 2020. These are contained in the Company's Annual Report and Accounts 2020 (the "Annual Report").

RESOLUTION 2:

To approve the Directors' Remuneration Report

Resolution 2 approves the Directors' Remuneration Report for the financial year ended 26 April 2020. This vote is advisory and will not affect the way in which the Directors' Remuneration Policy has been implemented or the future remuneration of any Director. If resolution 2 in respect of the Directors' Remuneration Report is not passed, the Directors' Remuneration Policy will be presented to shareholders for approval at the next AGM.

RESOLUTION 3:

Approval of an amendment to the Directors' Remuneration Policy

Our Non-executive Workforce Director is both an employee of the Group and a Non-executive Director. Our current Directors' Remuneration Policy (the "Policy") contains a statement that "*Non-executive Directors do not and are not entitled to participate in any bonus or Share Scheme.*" This means that although the Non-executive Workforce Director is an employee of the Group he/she would be unable to participate in, and potentially benefit from, the Frasers All-Employee Omnibus Plan (subject to approval of the Plan by the Company's shareholders under resolution 13).

It is therefore proposed that this statement be amended as follows: "*Non-executive Directors (other than the Non-executive Workforce Director) do not and are not entitled to participate in any bonus or Share Scheme. The Non-executive Workforce Director, from time to time, is entitled to participate in employee bonus and Share Schemes for eligible and qualifying employees including the Frasers All-Employee Omnibus Plan.*"

If this amendment to the Policy is approved by the Company's shareholders it will allow the Non-executive Workforce Director (including a former Non-executive Workforce Director) to be eligible to participate in the Frasers All-Employee Omnibus Plan (including the Fearless 1,000 plan). A summary of the principal terms of the Plan, including the maximum amounts that a participant may become entitled to, is set out in Appendix A to this Notice.

Other than the amendment set out above, the remainder of the Policy will continue to apply on the same basis as was approved by shareholders of the Company at the 2018 AGM.

In accordance with the Act: (1) a copy of this notice of AGM (the provisions of which relating to resolution 3 comprise the memorandum in respect of the amendment to the Policy which is required to be made available in accordance with section 226D of the Act) will be available on the Company's website from the date of this Notice until the conclusion of the Company's next AGM, and (2) an amended version of the Policy incorporating this change will be available on the Company's website from the passing of this resolution.

RESOLUTIONS 4 TO 10:

Election and re-election of Directors

In accordance with the provisions of the 2018 UK Corporate Governance Code, all Directors will retire at each AGM. This year David Daly, Mike Ashley, David Brayshaw, Cally Price, Richard Bottomley and Nicola Frampton are standing for re-election. Chris Wootton will put himself forward for election by shareholders for the first time, having been appointed on 12 September 2019. The Board believes that the Directors continue to demonstrate commitment to their role, are effective members of the Board, and contribute to the required balance of skills, knowledge and experience identified by the Board.

In compliance with the UKLA Listing Rules relating to controlling shareholders, the re-election of our Independent Non-executive Directors must be approved by a majority of both:

- a. the shareholders of the Company; and
- b. the independent shareholders of the Company (that is the shareholders other than Mike Ashley and his concert parties).

For the purposes of the UKLA Listing Rules, Mike Ashley is a controlling shareholder as a result of him holding 330,000,000 shares in the Company on 7 September 2020 (the last available day before printing of this Notice) (the "Printing Date").

Resolutions 6, 7 and 9, are proposed as ordinary resolutions and can be voted on by all shareholders of the Company. However, in addition to this, the votes cast by independent shareholders will be counted separately in order to assess whether the second tier of the test is satisfied.

In accordance with the UKLA Listing Rules, if any of resolutions, 6, 7 and 9 are not approved by a majority of both shareholders of the Company and independent shareholders of the Company, the failed resolution may be put to shareholders of the Company, at a general meeting, which

must be held between 90 and 120 days from the date of the original vote (being 7 October 2020). In such circumstances, any Non-executive Director(s) whose appointment has not been approved by both shareholders of the Company and independent shareholders of the Company will be treated as having been re-elected from the date of the original vote until either the date when they are re-elected, being the date of the subsequent general meeting, or the date of any announcement by the Board that the Independent Non-executive Director(s) does not intend to stand for re-election. If a subsequent general meeting does not take place, the appointment will be treated as ceasing 120 days from the date of the original vote. If a subsequent general meeting does take place and the further resolution is approved, the Non-executive Director(s) will be treated as having been re-elected until the following AGM of the Company. However, if at a subsequent general meeting the further resolution fails, the Non-executive Director(s) appointment will cease on that date.

Information about the Directors is set out below.

The UKLA Listing Rules require companies with a controlling shareholder to make the following additional disclosures about each independent Director's relationships, independence, effectiveness and appointments:

Relationships and transactions:

The Company has received confirmation from each of the independent Directors that, other than their respective letters of appointment as a Director by the Company, there are no existing or previous relationships transactions or arrangements between any of the independent Directors and the Company, its Directors, Mike Ashley or any associate of Mike Ashley.

Effectiveness:

The Board believes that each of the independent Directors continues to demonstrate commitment to his or her role and is an effective member of the Board.

Independence:

Each year the Board performance evaluations consider the independence of each member of the Board. The Board believes that each independent Director remains independent in character and judgement, and that there are no relationships or circumstances that are likely to affect, or appear to affect, his or her judgement.

Selection:

As disclosed in the report of the Nomination Committee on pages 52 to 53 of the Annual Report, the Nomination Committee aims to ensure that the Board remains balanced, knowledgeable and diverse in order to meet the needs of the Company. The Nomination Committee draws candidates from its internal and external network, taking into account, where appropriate, recommendations from shareholders and external recruitment consultants. The Nomination Committee has identified that the Board may benefit from the appointment of a Non-executive Director with top four accounting experience and/or regulatory experience and has met with an agency that specialises in recruiting diverse talent for boards.

RESOLUTION 4:**That David Daly be re-elected as a Director**

David Daly is the Chair of the Board and Chair of the Nomination Committee. David was appointed to the Board on 2 October 2017. David has held a number of positions during a 30 year international career with Nike, focusing on the football industry. He started in a sales role in 1986 and retired in 2015 as a Senior Director for Nike's Club and Federation business, responsible for

the global merchandising business for all of Nike's leading Soccer Clubs. David is a Non-executive Director of Fulham Football Club. He has worked in senior roles in sales, marketing, product development and general management which has given him a thorough understanding of consumer trends and behaviour. He spent 18 years working outside the UK and this international experience have proven crucial to the Board. David joined the Group as a board member in October 2017, gaining a much needed understanding of the business, before being appointed as Chair in October 2018. His focus has been on improving best practices, corporate governance, promoting diversity and driving the elevation strategy. He ensures the board functions effectively by facilitating an open and productive debate and providing constructive challenge.

RESOLUTION 5:**That Mike Ashley be re-elected as a Director**

Mike Ashley established the business of the Group upon leaving school in 1982 and was the sole owner of the business until the Company's listing in March 2007. Mike is the Chief Executive and is responsible for formulating the vision and strategy of the Group. With over 30 years in the sports retail business, he is invaluable to the Group. Mike's knowledge and experience in all areas of retailing, buying, warehousing and logistics ensures that he is crucial to the effective and efficient running of operations. During the Covid-19 crisis his decisive leadership has meant the Group has managed come out of this crisis in good health and will be able to take advantage of future opportunities.

RESOLUTION 6:**That David Brayshaw be re-elected as a Director**

David Brayshaw was appointed to the Board on 8 December 2016. He is the Chair of the Remuneration Committee. David is a very experienced senior investment and commercial banker. He has over 30 years' experience in the field of corporate financing with a number of major financial institutions including Barclays Capital, HSBC and Citigroup. He also completed time as the Group Treasurer of Pilkington plc. He has funded countless public company acquisitions and still remains involved in an advisory role with several corporates and banks in a private capacity. He has a proven track record in the finance and acquisitions sector, providing sound advice in line with the Group elevation strategy.

RESOLUTION 7:**That Richard Bottomley be re-elected as a Director**

Richard Bottomley was appointed to the Board on 1 October 2018. He is the Senior Independent Director and Chair of the Audit Committee. Richard has over 25 years' experience working with listed companies during his time as a senior partner at KPMG, and continues to be a member of the Audit Committee Institute. Richard is also Chair of Trustees of the Greggs plc 1978 Retirement and Death Benefits Scheme. Richard has strong experience in corporate governance, corporate finance and strategy. Richard's experience in the audit sector has proven beneficial particularly following the resignation of the previous auditors and in assigning a new audit partner. Richard has been influential in the recruitment and appointment of a Head of Internal Audit, ensuring that risks are properly assessed and mitigated.

RESOLUTION 8:**That Cally Price be re-elected as a Director**

Cally Price was appointed as a Director on 1 January 2019 and is the Group's Non-executive Workforce Director and Workers' Representative. With over 12 years' experience with the Frasers Group, commencing on the shop floor working under a zero hours contract, Cally is ideally placed to help ensure that the voice of the workforce is at the forefront of the Board's discussions and decision-making. She has current knowledge of every aspect of the day-to-day measures involved in running a retail outlet, and applies this to every aspect of her directorship. Cally has proven committed to ensuring full transparency across the Group. She has full control of the workforce Company app and confidential hotline – taking on the responsibility of answering every colleague personally. Cally reports to the Board with worker issues raised, and consistently challenges them from her unique perspective. During Covid-19 Cally has played a pivotal role: she has worked tirelessly to ensure that the workforce have had no financial burden; regularly and comprehensively updated the workforce via emails and social media; and has been key in implementing safety measures and PPE during the unprecedented times. She is currently the Store Manager of our Cardiff Bay store and the elected Workers' Representative.

RESOLUTION 9:**That Nicola Frampton be re-elected as a Director**

Nicola Frampton was appointed to the Board on 1 October 2018. She is a senior executive at William Hill, where she is Managing Director of the UK Retail division. She has been with William Hill since April 2010, joining as Director of Corporate Risk working closely with their Board, Exco and operational management. Nicola was appointed to her current role in June 2014 during which time she has led and

implemented a number of major innovation and transformation projects. Nicola is also the executive sponsor of their 30% club initiative to increase the number of women in senior leadership positions throughout the business. Nicola has extensive experience in risk management, assurance and corporate governance across a wide range of industries, having previously specialised in these areas of corporate activity at both William Hill and prior to that whilst at Deloitte. The Board benefits from Nicola's current retail experience as the serving MD of a large non-competing retail business. Nicola serves as a trustee board member on a number of charities and brings an informed perspective on corporate responsibility to the Board.

RESOLUTION 10:**That Chris Wootton be elected as a Director**

Chris Wootton was appointed to the Board on 12 September 2019. He is a Chartered Accountant and has quickly understood the business and helped it on its elevation path, progressing rapidly within the finance team. He has also significantly improved the skills, experience and capabilities of the Frasers Group Finance Team in the time he has been here. The Belgian Tax enquiry on historical VAT matters and pre-enforcement action for €674m cast a shadow over the Group during much of FY20, but we were always insistent that the size of any risk was immaterial. Through the skillful coordination of both internal and external teams investigating the matters raised, and meetings with relevant experts and the Belgian Tax Authorities themselves on a number of occasions, Chris played a key role in bringing this issue to a commercial conclusion for an immaterial amount. A far greater threat to the Group was faced with the outbreak of the Covid-19 crisis. Cash management and stakeholder engagement, particularly with our banking Group, were key components in the Group's continuity processes and going concern assessments. Chris played a leading role together with other members of the senior

management team in ensuring the Group was resilient through the crisis and is robust as we come out of it.

RESOLUTION 11:**To re-appoint the auditors**

The auditors of a company must be re-appointed at each general meeting at which accounts are laid. This resolution proposes the re-appointment of the Company's existing auditors, RSM UK AUDIT LLP, until the conclusion of the next AGM of the Company.

RESOLUTION 12:**To authorise the Directors to determine the remuneration of the auditors**

This resolution authorises the Directors to determine the auditors' remuneration.

RESOLUTION 13

Approval of the Frasers All-Employee Omnibus Plan ("Plan")

Resolution 13 seeks authority from shareholders to adopt and operate the Frasers All-Employee Omnibus Plan from the 2020 AGM. The Plan is intended to provide a significant one-off reward for eligible and qualifying employees (as defined in the Rules of the Plan) if a stretching share price growth target is achieved within a four year period. There are two related but distinct parts to the Plan. The first part of the Plan will ensure that eligible and qualifying employees share in our collective success and will reward the loyalty of our hard-working staff. The second part of the Plan also aims to also incentivise exceptional performance for those individuals that demonstrate commitment to our values.

A summary of the principal terms of the Plan is set out in Appendix A to this Notice.

Frasers Group also retains discretion to put in place a cash-based scheme for our agency workers in recognition of their loyalty and hard-work during the next four years. Any such scheme would be subject to the same share price growth target as the proposed employee Plan and would be a separate cash-based arrangement which does not form part of the main Plan for employees.

RESOLUTION 14:

To grant authority for the Directors to allot shares

Under section 549 of the Act, the Board may allot shares only if authorised to do so. This resolution gives the Board authority to allot new shares up to a nominal value of £17,311,406 being approximately one third of the issued share capital of the Company (excluding treasury shares) on the Printing Date. There are currently no plans to allot any new shares in the capital of the Company except in connection with the Company's Share Scheme (to which section 549 of the Act does not apply).

RESOLUTION 15:

To grant additional authority for the Directors to allot shares in connection with a rights issue

In line with guidance issued by the Association of British Insurers, resolution 15 is proposed to give authority to the Directors to issue up to a further third of the issued share capital (excluding treasury shares) (over and above the authority granted under resolution 14) provided it is only applied on the basis of a rights issue.

RESOLUTIONS 16 AND 17:

(each to be proposed as a Special Resolution)

To disapply pre-emption rights

Section 561(1) of the Act requires that if shares are to be issued for cash then, except to the extent disapplied by shareholders, those shares be offered first to existing shareholders in proportion to their existing holding. However, it may sometimes be in the interests of the Company for Directors to have greater flexibility.

Resolutions 16 and 17 are each proposed as a special resolution and ask the shareholders to grant this limited disapplication.

Resolution 16 contains a two-part disapplication of pre-emption rights. The first is limited to the allotment of shares for cash in connection with a rights issue to allow the Directors to make appropriate exclusions and other arrangements to resolve legal or practical problems which, for example, might arise in relation to overseas shareholders. The second is limited to the allotment of shares for cash up to an aggregate nominal value of £2,596,711 (approximately 5% of the issued ordinary share capital of the Company (excluding treasury shares) on the Printing Date).

The disapplication granted by resolution 17 is in addition to the two-part disapplication granted by resolution 16. It is limited to the allotment of shares for cash up to an

aggregate nominal amount of £2,596,711 (approximately 5% of the issued ordinary share capital of the Company (excluding treasury shares) on the Printing Date). This further waiver may only be used for an allotment of shares for cash for the purposes of financing (or refinancing, if the waiver is used within six months of 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 March 2015 Statement of Principles.

The Board has no current intention to exercise these authorities and, in accordance with the guidelines issued by the Pre-emption Group (as updated in March 2015) does not currently expect to allot shares for cash on a non pre-emptive basis pursuant to resolution 16:

- a. in excess of an amount equal to 5% of the issued share capital of the Company; or
- b. in excess of an amount equal to 7.5% of the issued share capital of the Company within a rolling three-year period, without prior consultation with the Company's shareholders.

If the resolutions are passed, the disapplications will expire at the conclusion of the next AGM of the Company.

RESOLUTION 18:

To authorise the Company to purchase its own shares

In this resolution, shareholders are being asked to renew, until the next AGM, the Board's authority to buy the Company's own shares subject to the constraints set out in resolution 18. The Board will only use this authority after taking account of the market conditions prevailing at the time, the needs of the Company, its opportunities for expansion and its overall financial position. The Board will exercise this power only if satisfied that it was in the interest of the shareholders as a whole to do so and that it

was likely to result in an increase in earnings per share. Furthermore, any Director with a conflict of interest in respect of a particular exercise of the Company's power to purchase its own shares will not be involved in the decision to so exercise such power. Any shares purchased under this authority may either be cancelled or held as treasury shares. Treasury shares may subsequently be cancelled, sold for cash or used to satisfy options issued to employees pursuant to the employees' share schemes.

The Company intends to continue its Share Buyback Programme as most recently updated on 23 March 2020. The Company continued to conduct its Share Buyback Programme during the period, pursuant to the authority granted at the 2019 AGM. During the period to 26 April 2020 the Company has purchased 17,065,981 ordinary shares at a cost of £43,892,288 (excluding purchasing costs) and representing 2.66% of the issued share capital. From the end of that period to the Printing Date the Company has purchased no further shares. No shares have been disposed of from treasury by Company to this date.

The total number of options to subscribe for ordinary shares and share awards under the 2011 Share Scheme and Executive Share Scheme giving an eligibility to receive shares subject to the satisfaction of performance conditions outstanding as at the Printing Date was 1,177,977 shares. The number of options and share awards outstanding represents approximately 0.23% of the issued share capital (excluding treasury shares) at the Printing Date. If this authority to purchase shares was exercised in full and the shares so purchased held in treasury, the options and share awards would represent approximately 0.27% of the issued share capital (excluding treasury shares) as at the Printing Date.

RESOLUTION 19:

(to be proposed as a Special Resolution)

To reduce the notice period for all general meetings other than AGMs

Changes made to the Act by the Companies (Shareholder Rights) Regulations 2009 (the "Shareholders' Rights Regulations") increase the notice period required for general meetings of companies to 21 days unless a company offers shareholders an electronic voting facility, and shareholders approve a shorter notice period, which cannot however be less than 14 clear days.

Prior to the Shareholders' Rights Regulations which came into force on 3 August 2009, the Company was able to call general meetings, other than its AGM, on 14 clear days' notice without obtaining shareholder approval. In order to preserve this ability, resolution 19 seeks approval for a notice period of 14 clear days to apply to general meetings. The shorter notice period will not be used as a matter of routine but only where flexibility is merited by the business of the meeting, and is thought to be to the advantage of shareholders as a whole. The approval will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed. AGMs will continue to be held on at least 21 clear days' notice.

RESOLUTION 20:**To authorise the making of political donations**

The Act prohibits companies from making any political donations to EU political organisations, independent candidates or incurring EU political expenditure unless authorised by shareholders in advance. The Company does not make and does not intend to make donations to EU political organisations or independent election candidates, nor does it incur any EU political expenditure. However, the definitions of political donations, political organisations and political expenditure used in the Act are very wide. As a result

this can cover activities such as sponsorship, subscriptions, payment of expenses, paid leave for employees fulfilling certain public duties, and support for bodies representing the business community in policy review or reform. Shareholder approval is being sought on a precautionary basis only, to allow the Company to continue to support the community and put forward its views to wider business and Government interests, without running the risk of being in breach of the legislation.

RECOMMENDATION

Your Board believes that all of the resolutions to be proposed at the meeting are in the best interests of the Company and its shareholders as a whole and, accordingly, unanimously recommends that shareholders vote in favour of all the resolutions, as the Directors intend to do in respect of their own beneficial shareholdings in the Company.

NOTES

ELIGIBILITY TO ATTEND AND VOTE/APPOINTING A PROXY

The rights of members to attend and vote at the meeting will be determined by reference to entries on the register of members as at 6pm on 5th October 2020. Only holders of ordinary shares on the register at that time shall be entitled to attend and/or vote at the meeting (or, in the event of any adjournment of the date which is two working days before the time of the adjourned meeting). Such shareholders may vote in respect of the number of shares registered in their names at that time, but any subsequent changes to the register of members shall be disregarded in determining rights to attend and vote.

A member entitled to attend and vote may appoint one or more proxies (who need not be members of the Company) to attend, speak and vote instead of him or her provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A form of proxy is enclosed, which members are invited to complete and return. Lodging a form of proxy will not preclude the member from attending the meeting and voting in person should he or she decide to do so. To be valid, the form of proxy (together with any power of attorney or other authority under which it is signed) must reach the Company's registrar Computershare Investor Services by post, by courier or by hand to Computershare Investor Services, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY or electronically via www.eproxyappointment.com not later than 11.00am on 5th October 2020 (two working days before the AGM).

Please indicate with an "X" in the boxes provided on the Form of Proxy how you wish your proxy to vote on the resolutions. The "Vote Withheld" option on the form is provided to enable you to abstain on any particular resolution. However a "Vote

"Withheld" is not a vote in law and will not be counted in the calculation of the proportion of votes "For" and "Against" a resolution. If the Form of Proxy is returned without an indication as to how the proxy shall vote on any particular matter, the proxy will be permitted to exercise his discretion as to whether, and if so how, he votes and the Company shall consider the vote valid as if it had been made by the member.

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the AGM by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members who have appointed a voting service provider, 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 (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, must be transmitted so as to be received by the Issuer's agent (ID number 3RA50) not later than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Ltd does not make available special procedures in CREST for any particular message. Normal systems timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time.

In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitation of the CREST systems and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Security Regulations 2001.

If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 11.00 am on 5th October 2020 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

MULTIPLE PROXY VOTING INSTRUCTIONS

The following principles shall apply in relation to the appointment of multiple proxies:

- a. The Company will give effect to the intentions of members and include votes wherever and to the fullest extent possible.
- b. Where a proxy does not state the number of shares to which it applies (a blank proxy) then, subject to the following principles where more than one proxy is appointed, that proxy is deemed to have been appointed in relation to the total number of shares registered in the name of the appointing member (the member's entire holding). In the event of a conflict between a blank proxy and a proxy which does state the number of shares to which it applies (a specific proxy), the specific proxy shall be counted first, regardless of the time it was sent or received (on the basis that as far as possible, the conflicting forms of proxy should be judged to be in respect of different shares) and remaining shares will be apportioned to the blank proxy (pro rata if there is more than one).
- c. Where there is more than one proxy appointed and the total number of shares in respect of which proxies are appointed is no greater than the member's entire holding, it is assumed that proxies are appointed in relation to different shares, rather than that conflicting appointments have been made in relation to the same shares. That is, there is only assumed to be a conflict where the aggregate number of shares in respect of which proxies have been appointed exceeds the member's entire holding.

- d. When considering conflicting proxies, later proxies will prevail over earlier proxies, and which proxy is later will be determined on the basis of which proxy is last sent (or, if the Company is unable to determine which is last sent, last received). Proxies in the same envelope will be treated as having been sent and received at the same time, to minimise the number of conflicting proxies.
- e. If conflicting proxies are sent or received at the same time in respect of (or deemed to be in respect of) an entire holding, none of them shall be treated as valid.
- f. Where the aggregate number of shares in respect of which proxies are appointed exceeds a member's entire holding and it is not possible to determine the order in which they were sent or received (or they were all sent or received at the same time), the number of votes attributed to each proxy will be reduced pro rata.
- g. Where the application of paragraph (f) above gives rise to fractions of shares, such fractions will be rounded down.
- h. If a member appoints a proxy or proxies and then decides to attend the AGM in person and vote, then the vote in person will override the proxy vote(s). If the vote in person is in respect of the member's entire holding, then all proxy votes will be disregarded. If, however, the member votes at the meeting in respect of less than the member's entire holding, then if the member indicates on his polling card that all proxies are to be disregarded, that shall be the case; but if the member does not specifically revoke proxies, then the vote in person will be treated in the same way as if it were the last received proxy and earlier proxies will only be disregarded to the extent that to count them would result in the number of votes being cast exceeding the member's entire holding.
- i. In relation to paragraph (h) above, in the event that a member does not specifically revoke proxies, it will not be possible for the Company to determine the intentions of the member in this regard. However, in light of the aim to include votes wherever and to the fullest extent possible, it will be assumed that earlier proxies should continue to apply to the fullest extent possible.

RIGHTS OF NOMINATED PERSONS

Any person to whom this Notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a "Nominated Person") may, under agreement with the shareholder by whom he was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

The statement of the rights of shareholders in relation to the appointment of proxies in the paragraph above entitled "Eligibility to attend and vote/Appointing a Proxy" does not apply to Nominated Persons. The rights described in that paragraph can only be exercised by shareholders of the Company.

CORPORATE REPRESENTATIVES

A member of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the AGM. In accordance with the provisions of the Act, 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 (as was previously recommended by the ICSA guidance published in relation to corporate representatives).

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

ISSUED SHARES AND TOTAL VOTING RIGHTS

As at the Printing Date, the Company's issued share capital comprised 640,602,369 ordinary shares of 10p each. Each ordinary share carries the right to one vote at a general meeting of the Company provided that it is not permitted to exercise the voting rights of shares held in treasury. The Company holds 121,260,175 ordinary shares in treasury, corresponding to 18.93% of the total ordinary share capital in issue, and accordingly the total number of voting rights in the Company as at the Printing Date was 519,342,194.

QUESTIONS AT THE AGM

Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such questions relating to the business being dealt with at the meeting but no such answer needs to 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 undesirable in the interests of the Company or the good order of the meeting that the question be answered.

WEBSITE PUBLICATION OF AUDIT CONCERNS

Pursuant to Chapter 5 of Part 16 of the Act (sections 527 to 531), where requested by a member or members meeting the qualification criteria set out below, the Company must publish on its website, a statement setting out any matter that such members propose to raise at the AGM relating to the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM or any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which Annual Report and Accounts were laid in accordance with section 437 of the the Act. Where the Company is required to publish such a statement on its website:

- a. it may not require the members making the request to pay any expenses incurred by the Company in complying with the request;
- b. it must forward the statement to the Company's auditors no later than the time the statement is made available on the Company's website; and
- c. the statement may be dealt with as part of the business of the meeting.

The request:

- a. may be in hard copy form or in electronic form (see "Submission of Requests and Authentication Requirements" below);
- b. either set out the statement in full or, if supporting a statement sent by another member, clearly identify the statement which is being supported;
- c. must be authenticated by the person or persons making it (see "Submission of Requests and Authentication Requirements" below); and
- d. be received by the Company at least one week before the meeting.

QUALIFICATION CRITERIA

In order to be able to exercise the members' right to require the Company to publish audit concerns (see "Website Publication of Audit Concerns" above) the relevant request must be made by:

- a. a member or members having a right to vote at the meeting and holding at least 5% of total voting rights of the Company; or
- b. at least 100 members have a right to vote at the meeting and holding, on average, at least £100 of paid up share capital.

For information on voting rights, including the total number of voting rights, see "Issued Shares and Total Voting Rights" above and the website referred to in "Documents Available for Inspection" below.

SUBMISSION OF REQUESTS AND AUTHENTICATION REQUIREMENTS

Where a member or members wish to request the Company to publish audit concerns (see "Website Publication of Audit Concerns" above) such request must be made in accordance with one of the following ways:

- a. a hard copy request which is signed by you, states your full name and address and is sent to the Company Secretary, Frasers Group plc, Unit A, Brook Park East, Shirebrook, NG20 8RY; or
- b. a request which is signed by you, states your full name and address and is sent to RSM UK AUDIT LLP, 6th Floor, 25 Farringdon Street, London, EC4A 4AB.

COMMUNICATION

Except as provided above, members who have general queries about the AGM should contact the Company Secretary at Frasers Group plc, Unit A, Brook Park East, Shirebrook, NG20 8RY or Computershare Investor Services, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY (no other methods of communication will be accepted).

You may not use any electronic address provided either in this Notice of AGM or any related documents to communicate with the Company for any purposes other than those expressly stated.

DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at Frasers Group plc, Unit A, Brook Park East, Shirebrook, NG20 8RY during normal business hours on any weekday (excluding weekends) from the date of this Notice until the date of the AGM and at the AGM venue from 10.30am on 7th October 2020 until the conclusion of the meeting:

- a. a register of interests of the Directors and their family in the shares of the Company;
- b. copies of all contracts of service under which Directors are employed by the Company;
- c. the rules of the Frasers All-Employee Omnibus Plan; and
- d. a copy of the Articles of Association of the Company;
- e. the annual report and audited financial statements of the Group in respect of the period ended 26 April 2020;
- f. biographical details of the Directors which are shown on pages 37 and 38 of the Annual Report and Accounts 2020;
- g. a copy of this Notice of AGM (the provisions of which relating to resolution 3 comprise the memorandum in respect of the amendment to the Directors' Remuneration Policy which is required to be made available in accordance with section 226D of the the Act).

Copies of the documents set out at d to g above and the other information required by section 311A of the Act can also be found at www.frasers.group

HOW TO GET TO THE AGM

The AGM will be held in the Auditorium, Unit D, Brook Park East, Shirebrook, NG20 8RY. A map showing the location of the Company's site is printed on the reverse of the proxy card.

COVID-19

We will be observing Government guidelines on social distancing and face coverings. If you are or your proxy are attending the AGM in person please wear a face covering. These will be available at the venue but please bring your own where possible.

APPENDIX A

Summary of the principal terms of the Frasers All-Employee Omnibus Plan

1. INTRODUCTION

The remuneration committee of the Board of Directors of the Company ("Committee") will supervise the operation of the Frasers All-Employee Omnibus Plan (the "Plan").

The Plan will operate as two sub-plans which allow awards to be granted as follows:

- Cash bonuses to eligible and qualifying employees in the Company's group, to reward them for their loyalty and hard work (the "AEP"); and
- Share awards to those 1,000 eligible and qualifying employees in the business who most demonstrate outstanding service and performance consistent with the Company's values (not hesitating, thinking without limits and owning it) (the "Fearless 1,000")

Eligible and qualifying employees (as defined in the rules of the Plan) can benefit only under either the AEP or Fearless 1,000 if our share price achieves a sustained level of £10 within a four year period.

The only Director of Frasers Group plc capable of participating in the Plan will be the Non-executive Workforce Director from time to time. The Chief Executive Officer, Chief Financial Officer, Head of Commercial and any member of the Chief Executive Officer's family (including any children and siblings) will be excluded from participation in the Plan. The Plan is only available to eligible and qualifying Group employees and in no circumstances will a person providing consultancy services to a Group Company be able to participate in the Plan.

Any employee who benefits under the Fearless 1,000 will not also receive benefits under the main AEP.

Rewards under the main AEP will be delivered as cash benefits (with maximum benefits anticipated to be up to four weeks' salary in most cases). Rewards under the Fearless 1,000 will be delivered in Company ordinary shares ("Shares"), with up to ten individuals receiving Shares (50% at year four and 50% after a holding period to year five) that would be worth £1million at the £10 performance threshold. The total number of Shares to be made available for the Fearless 1,000 is 10 million Shares. All of these Shares will be sourced from Shares already held by the Company's employees' share trust following market purchases, so that there will be no dilutive impact from the Fearless 1,000.

An award may not be granted under the Plan more than five years after approval of the Plan by shareholders. Benefits under the AEP and the Fearless 1,000 are not pensionable.

2. THE SHARE PRICE PERFORMANCE CONDITION

(common to both the AEP and the Fearless 1,000)

Eligible and qualifying employees (as defined in the rules of the Plan) can only benefit under the AEP and the Fearless 1,000 if the price of Shares reaches at least £10 per Share for a sustained period during a performance period of four years from 7 October 2020 ("Performance Period"), the date of the Company's 2020 AGM. For these purposes the Share price will be calculated using the closing price of a Share, and the closing price must not, after reaching £10 per Share, subsequently fall below the £10 level during any period of 30 consecutive dealing days in the Performance Period.

The Committee may vary the Share price performance condition for the Plan if an event has occurred which causes the Committee to consider that it would be appropriate, provided the Committee considers the varied condition is fair and reasonable and not materially less difficult

to satisfy than the original condition would have been but for the event in question. The Committee may also extend the Performance Period if it considers it appropriate in order to ensure benefits are appropriately delivered to reward all staff for their work over the four year Performance Period; any extension of the Performance Period for this purpose would be disclosed appropriately to the Company's shareholders.

In determining the extent to which the Share price performance condition is met, the Committee may override any formulaic outcome, negatively, if it considers that this is appropriate having regard to such factors as it considers relevant, including the performance of the Company, any individual or business.

3. TERMS SPECIFIC TO THE MAIN AEP ONLY

a. Personal Performance requirement

In addition to the Share price performance condition, the Committee may decide that further performance conditions will also apply to AEP awards (which may include conditions linked to an employee's personal performance or wider commercial objectives). The terms of any performance conditions will be communicated to participating employees.

The potential value of an AEP Award based on a participant's service is illustrated below:

Number of complete years of service during the Performance Period	Value of AEP Award (by reference to participant's normal base salary)
4 years	4 x weeks
3 years	3 x weeks
2 years	2 x weeks
1 year	1 x weeks

The maximum value that a participant could receive in respect of an AEP Award will be an amount equivalent to four weeks' worth of the relevant participant's normal base salary at the end of the Performance Period.

In particular, it is intended that it will be a condition of an eligible and qualifying employee's participation in the main AEP that the employee has maintained satisfactory performance ratings during the Performance Period. An eligible and qualifying employee's participation will lapse if the individual's appraisal ratings fall below this minimum standard.

b. Method for determining value of main AEP Awards

An award under the main AEP may be in the form of a conditional right to receive a cash amount ("AEP Award").

The value of an AEP Award will be determined by reference to the service of the eligible and qualifying employee during the four-year Performance Period. For each complete year of service during the Performance Period the potential value of an AEP Award will increase by an amount equal to the relevant individual's weekly base salary (calculated at the end of the Performance Period).

4. TERMS SPECIFIC TO THE FEARLESS 1,000 ONLY

a. Source of Shares and Overall Limit on Shares

The Fearless 1,000 may only operate over Shares purchased in the market and held by the trustee of the Company's employees' share trust. No new issue or treasury Shares will be used for the Fearless 1,000. This means that the Fearless 1,000 will not dilute the Company's shareholders.

Initially, 10 million Shares which are already held with the Company's employees' share trust will be designated for the use of the Fearless 1,000. If the Share price performance condition is met (see above) this means that the aggregate value of Shares for the Fearless 1,000 at the time of meeting the Share price performance condition will be worth circa £100 million.

b. Proposed allocations under the Fearless 1,000

All eligible and qualifying employees (as defined in the rules of the Plan) will be included in the Fearless 1,000 from the commencement of the Performance Period and have the ability to receive Shares. Additional eligible and qualifying employees who join the Group will, subject to the rules of the Plan, be included throughout the Performance Period, provided that they will have completed one year's continuous service by the end of the Performance Period. The number of Shares within any individual's award (being a conditional right to receive Shares for nil consideration) ("Award") will be calculated pursuant to the award of units in the Performance Period, as described further below.

The eligible and qualifying employees who receive Shares under the

Fearless 1,000 following the end of the Performance Period will, subject to the rules of the Plan, be the 1,000 employees who receive the highest level of nominations in recognition of performance consistent with the Company's values (not hesitating, thinking without limits and owning it) during the four year Performance Period. Following every trading quarter in the Performance Period, nominations will be collated and individuals will be allocated units ("Units").

At the end of the Performance Period, provided that the Share price performance condition (see above) has been achieved, then subject to the rules of the Plan, the 1,000 eligible and qualifying employees with the highest number of Units will have the number of Shares within their Awards determined from the designated number of Shares set aside in the Company's employees' share trust for the Fearless 1,000.

c. Individual participation levels

It is intended that the top 1,000 performers with the most Units at the end of the Performance Period will receive a proportion of the total Shares held for the Fearless 1,000, calculated by reference to their allocated Units (as illustrated below).

Tier of performer (based on allocated Units)	Indicative number of eligible and qualifying employees per Tier	Indicative value of Award Shares (at £10 per Share)
Tier 1	10	£1,000,000
Tier 2	30	£500,000
Tier 3	60	£250,000
Tier 4	200	£125,000
Tier 5	700	£50,000

As an individual limit, no participant will receive Shares which will be greater than 1% of the total number of Shares available for the Fearless 1,000 (which at the £10 per Share value would be worth £1 million).

The Committee may, at its discretion adjust the number of Units allocated to a participant to reflect changes in a participant's circumstances (such as unanticipated periods of absence, promotion, etc). The Committee retains an overriding power to adjust outcomes where it considers this appropriate at its discretion (including reducing allocated Units to zero).

d. Release of Shares

After the determination of Awards following the Performance Period, the Shares subject to vested Awards will be released in two equal tranches, with the first tranche released shortly after vesting (following the end of the Performance Period) and the second tranche released one year later. Release of any Shares will normally be conditional on the participant remaining employed in the Company's group (and not having given notice to leave) at that time (subject to the terms for "Leaving employment" – see below). The value of Shares at the times of their release will be their market value at that time.

The Committee may, in exceptional circumstances, decide to satisfy an Award with a cash payment equal to the market value of some or all of the Shares that the participant would have received had the Award been satisfied with Shares.

e. Malus and clawback

The Committee retains a power to reduce the potential vesting of all benefits under the Fearless 1,000 (including to zero) (often referred to as 'malus') or to recoup the value of previously vested benefits from an individual up to three years from the end of the Performance Period if it considers it appropriate to do so (often referred to as 'clawback').

The Committee may choose to exercise this power where it considers it appropriate to do so in its discretion in the circumstances of:

- gross misconduct on behalf of an individual;
- a material misstatement of the Company's financial statements;
- the Company becomes insolvent or otherwise suffers a corporate failure; or
- potential reputational damage to the Group (as determined by the Committee).

The Committee may require the satisfaction of the clawback in a number of ways, including by way of a reduction in the vesting, or size of, any other award or bonus (including future awards or bonus) and/or a requirement to make a cash payment.

f. Rights attaching to Shares

Any Shares transferred in respect of a vested Award will rank equally with Shares then in issue (except for rights arising by reference to a record date prior to their transfer).

g. Variation of capital

In the event of any variation of the Company's share capital or in the event of a demerger, payment of a special dividend or similar event which materially affects the market price of the Shares, the Committee may make such adjustment as it considers appropriate to the number of Shares subject to Fearless 1,000 Awards.

5. TERMS COMMON TO BOTH THE AEP AND THE FEARLESS 1,000

a. Leaving employment

As a general rule, an individual's participation under the Plan will cease and all entitlements to any rights to benefit under the Plan will lapse upon that individual giving notice to leave or ceasing to hold employment or be a director within the Company's group.

However, in the case of a participant's death or in other circumstances at the discretion of the Committee, the participant (or their personal representatives) may be permitted to retain their rights under the Plan as if they had not ceased such employment or office (subject to the performance conditions and rules of the Plan). If considered appropriate, the Committee

may reduce the benefits which the participant would receive on a time pro-rata basis (and would normally do so for a participant in the Fearless 1,000).

b. Corporate events

In the event of a takeover or winding up of the Company (not being an internal corporate reorganisation) the Committee may allow benefits under the Plan to vest early. The Committee will determine the extent to which benefits may vest by reference to the progress towards satisfaction of the Share price performance condition prior to the relevant corporate event. The Committee may decide that any benefits under the Plan are:

- (i) pro-rated to reflect the reduced period of time between the start of the Performance Period and vesting; and/or
- (ii) automatically surrendered (in part or in whole) in consideration for the grant of an equivalent award over a new incentive plan in the acquiring company.

In the event of an internal corporate reorganisation, Plan awards will normally be replaced by equivalent new awards over shares in a new holding company.

c. Alterations to the Plan

The Committee may, at any time, amend the Plan in any respect, provided that the prior approval of shareholders is obtained for any amendments that are to the advantage of participants in respect of the rules governing eligibility, limits on participation, the overall limits on the amount of Shares or other benefits subject to the Plan, the basis for determining a participant's entitlement to, and the terms of, the Shares or cash to be acquired and the adjustment of Awards under the Fearless 1,000 on a variation of capital.

If the proposed alterations are to the material disadvantage of participants the Committee must invite participants

to indicate if they approve the alterations and if so the alterations must be approved by a majority of the participants that respond.

The requirement to obtain the prior approval of shareholders will not, however, apply to any minor alteration made 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 any company in the Company's group. Shareholder approval will also not be required for any amendments to any performance condition or the Performance Period.

d. Overseas plans

The shareholder resolution to approve the Plan will allow the Committee to establish further plans for overseas territories, any such plan to be similar to the Plan, but modified to take account of local tax, exchange control or securities laws, provided that any Shares made available under such further plans are treated as counting against the limits on individual and overall participation in the Plan.

