

FRASERS GROUP

# NOTICE OF ANNUAL GENERAL MEETING

**WEDNESDAY 29TH SEPTEMBER 2021 - 9.00am**

**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 2021 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 29th September 2021 at 9.00am to consider the following resolutions. Resolutions 13, 17, 18 and 20 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 25 April 2021 be received.

## **RESOLUTION 2:**

That the Directors' Remuneration Report (including the statement by the Chair of the Remuneration Committee), for the financial year ended 25 April 2021 be received and approved.

## **RESOLUTION 3:**

That the Directors' Remuneration Policy set out within the Directors' Remuneration Report for the financial year ended 25 April 2021, be approved and take effect from the date of the approval of this resolution.

## **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 re-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:**

(to be proposed as a Special Resolution)

To resolve that, with effect from the conclusion of the AGM, the amended Articles of Association of the Company, produced to the Meeting and initialed by the Chairman of the Meeting for the purposes of identification, be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

**RESOLUTION 14:**

That the rules of the proposed Executive Share Scheme (the "Scheme"), 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, initialed 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 Scheme; and
- b. establish further plans based on the Scheme but modified to take account of local tax, exchange of 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 Scheme.

**RESOLUTION 15:**

That 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 with an aggregate nominal value of up to £17,068,843 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:**

That, in addition to resolution 15, 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 £34,137,686 (including within such limit any shares issued under resolution 15) 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 17:**

(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 15 and 16 (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 16, 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 15, to the allotment (otherwise than under 17(a) above) of equity securities with an aggregate nominal value of up to £2,560,326; 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**

(to be proposed as a Special Resolution)

That subject to the passing of resolutions 15, 16 and 17, and in addition to the power given to it pursuant to resolution 17, 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 15 and 16 (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 £2,560,326 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 19:**

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 76,758,587 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 20:**

(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 21:**

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.

**RESOLUTION 22:**

That:

- a. the rules of the Frasers All-Employee Omnibus Plan (known as the 'Fearless 1000' plan) (the "Plan"), a copy of which is produced to the meeting and, for the purposes of identification, initialled by the Chair, be and are hereby amended; and
- b. the Directors are hereby authorised to do whatever may be necessary or expedient to implement the amended Plan including making such changes as may be necessary or desirable, from time to time, to amend or operate the Plan.

The amendments are set out in the Plan rules and explained in the explanatory notes to this Notice.

By Order of the Board

Tom Piper

**Company Secretary**

26 August 2021

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 25 April 2021

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 25 April 2021. These are contained in the Company's Annual Report and Accounts 2021 (the "Annual Report").

## RESOLUTION 2 AND 3:

### To approve the Directors' Remuneration Report and the Directors' Remuneration Policy

These resolutions seek approval for the Directors' Remuneration Policy, the Annual Report on Remuneration and the Annual Statement by the Chair of the Remuneration Committee, which together form the Directors' Remuneration Report for the financial year ended 25 April 2021. The Directors' Remuneration Report is set out on pages 51 to 61 of the Annual Report and Accounts. The Directors' Remuneration Policy is subject to a binding shareholder vote at least every three years. The Annual Report on Remuneration and Statement of the Chair of the Remuneration Committee are subject to a separate annual advisory vote.

Resolution 2 approves the Directors' Remuneration Report, other than the part containing the Directors' Remuneration Policy, for the financial year ended 25 April 2021. This vote is advisory and will not affect the way in which the pay policy has been implemented.

Resolution 3 approves the Directors' Remuneration Policy which appears on pages 52 to 57 of the Annual Report and Accounts. The policy is subject to a binding vote and, after the policy takes effect, the Company will not be able to make a remuneration payment to a current or future

Director or a payment for loss of office to a current or past Director unless that payment is consistent with the approved policy or has been approved by a resolution of the shareholders of the Company. If resolution 3 is passed, the Directors' Remuneration Policy will take effect from the date of its adoption. A directors' remuneration policy will be put to shareholders again no later than the Annual General Meeting in 2024.

## 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, Chris Wootton and Nicola Frampton are standing for re-election. 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 23 August 2021 (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 29 September 2021). 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 48 to 49 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 listed company 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 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 running of a retail outlet and applies this to her directorship. Cally is committed to ensuring full transparency across the Group and has 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. Alongside our colleague development team, Cally has been committed to ensuring the wellbeing of all Frasers Group colleagues is paramount during these unprecedented times. Through our relationship with the Retail Trust, Cally has presented company-wide webinars with trained Mental Health advisors, to offer support and guidance to our colleagues. When restrictions have permitted her to do so, Cally also sits with Senior Management at our Shirebrook HO twice weekly, ensuring that she is continuously involved in the running of Frasers Group. Cally has become both the voice and face of our people, representing all of our colleagues and providing a collective voice for all.

## RESOLUTION 9:

### **That Nicola Frampton be re-elected as a Director**

Nicola Frampton was appointed to the Board on 1 October 2018. Nicola has spent most of her recent career in senior executive management roles and has recently been appointed to a new position with Domino's Pizza Group, where she is Chief Operations Officer. Nicola has extensive experience in risk management, assurance and corporate governance across a wide range of industries. The Board also benefits from Nicola's current and previous retail experience running 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. After joining the Group, he quickly understood the business and progressed rapidly within the Finance team. He has helped the Group on its elevation path and significantly improved the Finance team's skills, experience and capabilities. Chris is a key driver of the Group's accounting principles, namely being conservative, consistent and simple. Chris has had to play a key role as part of the Leadership team in the Group's response to the Covid-19 pandemic, including stakeholder management, and cashflow management and forecasting.

## 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

(to be proposed as a Special Resolution)

### Adoption of new Articles of Association.

The Company is proposing to adopt new Articles of Association (the New Articles) in order to update the Company's current Articles of Association (the Current Articles). The resolution adopting the New Articles will only become effective from the conclusion of the AGM.

The principal changes of which are set out below:

- a. removal of obsolete articles referencing redeemable preference shares, which no longer form part of the Company's share capital.
- b. Inclusion of provisions to allow the holding of hybrid meetings. This change will provide greater flexibility to align with best practice. Except in exceptional circumstances, members of the Board intend to continue the practice of attending general meetings of the Company in person.
- c. Addition of requirement for all directors to retire annually, rather than by rotation, in compliance with the UK Corporate Governance Code.
- d. Increase in the aggregate cap on non-executive directors' pay from £500,000 to £1,000,000. The increase in the cap will ensure that we have sufficient headroom to appoint additional non-executive directors and/or gradually increase non-executive director pay if appropriate. This is simply a cap and is not indicative of any aspiration regarding non-executive director pay.

- e. Arrangements for sending notices to members when they have become uncontactable have been added.
- f. Provisions on untraced shareholders have been updated.

## RESOLUTION 14:

### Approval of the Executive Share Scheme (the "Scheme")

Resolution 14 seeks authority from shareholders to adopt and operate an Executive Share Scheme. The Scheme is a discretionary incentive arrangement intended to reward senior executives and applies many of the principles of the Fearless 1000 (being the employee plan approved by shareholders at the 2020 AGM).

The Scheme is intended to provide a significant one-off reward if a stretching share price target is achieved within a four year period.

It is intended that a small number of senior executives will initially be granted awards following the 2021 AGM, including Chris Wootton (Chief Financial Officer), Sean Nevitt (Chief Commercial Officer) and David Al-Mudallal (Chief Operating Officer). The target share price required for vesting of these initial awards will be £12 per share.

An award, subject to a £15 share price target, is also proposed to be made to Michael Murray when, as anticipated, he joins the Board. Further details regarding how this award will align with, and support, our growth and elevation strategy is set out in the Directors' Remuneration Report for the financial year ended 25 April 2021.

The share price targets for Scheme awards (being either £12 or £15) are considered stretching, being considerably above the target for the Fearless 1000 employee plan launched last year and will therefore reward sustained performance over the long-term.

A summary of the principal terms of the Scheme is set out in Appendix A to this Notice. The full text of the Scheme rules is available for inspection, as noted in "Documents Available for Inspection" below.

## **RESOLUTION 15:**

### **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 £17,068,843 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 16:**

### **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 15) provided it is only applied on the basis of a rights issue.

The Board has no present intention to exercise the authorities sought under Resolutions 15 and 16.

## **RESOLUTIONS 17 AND 18:**

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

(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 17 and 18 are each proposed as a special resolution and ask the shareholders to grant this limited disapplication.

Resolution 17 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 £2,560,326 (approximately 5% of the issued ordinary share capital of the Company (excluding treasury shares) on the Printing Date).

The disapplication granted by resolution 18 is in addition to the two-part disapplication granted by resolution 17. It is limited to the allotment of shares for cash up to an aggregate nominal amount of £2,560,326 (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 17:

- 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 19:**

### **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 19. 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 9th August 2021. The Company continued to conduct its Share Buyback Programme during the period, pursuant to the authority granted at the 2020 AGM. During the period to 25 April 2021 Company did not purchase any shares under the Share buyback programme. Purchases made since 25th April are detailed below:

<b>Dates</b>	<b>No. of Ordinary Shares</b>	<b>Cost *</b>	<b>% of issued share capital</b>
4 May to 20 June 2021	3,895,835	£22,429,985	0.61%
21st June to 5th August 2021	2,024,127	£11,937,385	0.32%
9th August to Printing Date	1,356,940	£8,477,471	0.21%

\* Excluding purchasing costs

No shares have been disposed of from treasury by the Company during the period to 25 April 2021 or since this date up to the Printing 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 22,407 shares. The number of options and share awards outstanding represents 0.004% 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 0.005% of the issued share capital (excluding treasury shares) as at the Printing Date

**RESOLUTION 20:**

(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 20 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 21:****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.

**RESOLUTION 22:****To approve amendments to the Frasers All-Employee Omnibus Plan**

This resolution approves a change to the rules of the Frasers All-Employee Omnibus Plan (the "Plan"). The Plan was first approved by shareholders at the 2020 AGM. It is proposed that the Plan rules are amended to allow the Remuneration Committee, at its discretion, to permit vesting of awards before the end of the performance period if a £15 share price target has been achieved.

The amendment has been proposed to ensure that the Plan operates on a consistent basis with the Executive Share Scheme (see resolution 14) which includes a similar provision. This will allow participants in each plan to benefit at the same time.

Please note that all awards granted under the Plan are subject to a £10 share price target which will be unaffected by this proposed amendment.

The full text of the Plan rules, showing the proposed amendment, is available for inspection, as noted in "Documents Available for Inspection" below.

**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 27th September 2021. 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](http://www.eproxyappointment.com) not later than 9.00am on 27th September 2021 (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](http://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](http://www.proxymity.io). Your proxy must be lodged by 9.00 am on 27th September 2021 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 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 128,537,077 ordinary shares in treasury, corresponding to 20.07% 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 512,065,292.

## 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 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 8.30am on 29th September 2021 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 Executive Share Scheme;
- d. the rules of the Frasers All-Employee Omnibus Plan;
- e. a copy of the existing Articles of Association of the Company, marked to show the changes proposed by resolution 13, together with a copy of the proposed New Articles;
- f. the annual report and audited financial statements of the Group in respect of the period ended 25 April 2021; and
- g. biographical details of the Directors which are shown on pages 37 to 39 of the Annual Report and Accounts 2021.

Copies of the documents set out at c to d above and the other information required by section 311A of the Act can also be found at [www.frasers.group](http://www.frasers.group)

Copies of the documents set out at d and e above will also be available for inspection at the offices of Dentons UK and Middle East LLP, One Fleet Place, London, EC4M 7WS during the period set out above.

## **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**

If you are or your proxy are attending the AGM in person we request that you wear a face covering unless you are exempt. These will be available at the venue but please bring your own where possible.

# **APPENDIX A**

## SUMMARY OF THE PRINCIPAL TERMS OF THE FRASERS EXECUTIVE SHARE SCHEME

### Introduction

The remuneration committee of the Board of Directors of the Company ("Committee") will supervise the operation of the Frasers Executive Share Scheme (the "Scheme").

Scheme awards may be granted by the Committee in the form of: i) a conditional share award (a "Conditional Share Award"), where a participant will receive free Company ordinary shares ("Shares") on the vesting of his/her award; or ii) a conditional share option (a "Conditional Share Option"), where a participant will be entitled to acquire Shares (at a price per Share specified in the relevant award agreement, intended to usually be equal to nominal value – currently £0.10 per Share) on the vesting of his/her award.

Participants can benefit only under the Scheme if our share price achieves a sustained level, of £12 or £15 (as specified in the relevant award agreement or certificate) in the next 4 years, as explained below.

### Eligibility

Any employee (including an Executive Director) of the Company and its subsidiaries will be eligible to participate in the Scheme at the discretion of the Committee. It is intended that initial awards will be made to a small number of senior executives, including Conditional Share Awards (with a Share price performance condition of £12) to Chris Wootton (Chief Financial Officer), Sean Nevitt (Chief Commercial Officer) and David Al-Mudallal (Chief Operating Officer), and a Conditional Share Option (with a Share price performance condition of £15) to Michael Murray, subject to, and at such time as, him being appointed as an Executive Director and Chief Executive officer of the Company.

Mike Ashley will be excluded from participation in the Scheme.

### Grant of awards

The Committee may normally grant awards to acquire Shares within six weeks following: (i) the date on which the Scheme is approved by shareholders; (ii) the Company's announcement of its results for any period; or (iii) the lifting of restrictions on dealing in Shares that prevented grant of awards under (i) or (ii). The Committee may also grant awards when there are exceptional circumstances which the Committee considers justifies the granting of awards.

An award may not be granted under Scheme more than 5 years after approval of the Scheme by shareholders.

No payment is required for the grant of an award. Awards are not transferable, except on death. Awards are not pensionable.

### The Share Price Performance Condition

Employees can only benefit under the Scheme if the price of Shares reaches at least £12 or £15 per Share (as specified in the relevant award agreement or certificate) for a sustained period during a performance period of up to 4 years from 7th October 2021 ("Performance Period").

For the purpose of calculating the Share price performance condition, the Share price will be calculated using the closing price of a Share over any 30 consecutive dealing day period during the Performance Period.

The Committee may vary the Share price performance condition for the Scheme 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 participants for their work over the 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.

### **Performance conditions**

In addition to the Share price performance condition, the Committee may decide that further performance conditions will also apply to 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.

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

### **Individual limit**

The maximum number of Shares over which an Award may be granted to an individual participant is:

- i. in respect of awards where the Share price target is £12, 600,000 Shares per person; and
- ii. in respect of awards where the Share price target is £15, 6,711,409 Shares per person (being a number of Shares which at a price of £15 per Share, less the nominal exercise price, would have a market value of approximately £100m before tax).

An individual may only receive a single award under the Scheme.

### **Salary offset**

Notwithstanding the above, the Committee shall have the discretion to reduce the number of Shares subject to any outstanding award granted under the Scheme by a number of Shares which has a value (determined by the Company on such reasonable basis as it decides) equal to the aggregate gross salary received by the relevant participant during the Performance Period.

### **Overall Scheme limits**

The Scheme may operate over new issue Shares, treasury Shares or Shares purchased in the market.

In any ten year period the Company may not issue (or have the possibility to issue) more than:

- a. 10% of the issued ordinary share capital of the Company in respect of awards made in that period under the Scheme and any other employees' share scheme adopted by the Company; and
- b. 5% of the issued ordinary share capital of the Company in respect of awards made in that period under the Scheme and any other discretionary executive share plan adopted by the Company.

However, the intention is for awards subject to a £12 Share price target to be satisfied entirely using shares already held with the Company's employees' share trust. This means that those awards are not expected to dilute the Company's shareholders. Although a final decision has not been made, it is anticipated that awards subject to a £15 Share price target will be satisfied using either new issue or treasury Shares.

Treasury Shares will count as new issue Shares for the purposes of these limits, but they will also cease to count towards these limits if institutional investor bodies decide

that they need not count.

These limits do not include any rights to Shares which have been released or lapsed.

### **Release of Shares**

Awards will normally vest following the end of the Performance Period, to the extent that:

- the Share price performance condition and any other performance condition (see above) applicable to the relevant award have been satisfied; and
- provided the participant is still employed in the Company's group.

After the determination of awards following the Performance Period, the Shares subject to vested Conditional Share Awards will be released (and/or Conditional Share Options would become capable of exercise) in two equal tranches, with the first tranche released / becoming capable of exercise shortly after vesting (following the end of the Performance Period) and the second tranche released / becoming capable of exercise one year later.

For awards subject to either the £12 or £15 Share price target, the Committee may at its discretion allow awards to be released earlier than the above if the £15 Share price target has been achieved before the end of the Performance Period. Any such early release would be subject to satisfaction of any other conditions applicable to the award and the rules of the Scheme. For the avoidance of doubt, any awards that vest early in this way will still be released or capable of exercise in two tranches, with the first tranche released on/shortly following the £15 condition being achieved, and the second tranche one year following that.

Release of any Shares or exercise of any Conditional Share Option 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 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 (unless such power is disapplied in the relevant award certificate).

For the avoidance of any doubt, no Conditional Share Option shall be capable of exercise more than 10 years following the date of its grant, and to the extent not already exercised or lapsed any Conditional Share Option shall lapse immediately prior to the tenth anniversary of the date of its grant.

### **Leaving employment**

As a general rule, an individual's participation under the Scheme will cease and any unvested awards 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 his/her personal representatives) may be permitted to retain his/her rights under the Scheme as if he/she had not ceased such employment or office (subject to the performance conditions and rules of the Scheme). If considered appropriate, the Committee may reduce the benefits which the participant would receive on a time pro-rata basis.

Where an individual holding a vested Conditional Share Option leaves the Company's employment, the individual will normally be able to exercise that vested Conditional Share Option within 12 months of the date of cessation of employment, unless the reason for such cessation is the individual's misconduct in which case the award will lapse.

### **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 Scheme to vest early. The Committee will determine the extent to which benefits may vest by reference to the progress towards satisfaction of any applicable performance conditions prior to the relevant corporate event. The Committee may decide that any benefits under the Scheme 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.

Awards may also vest on the same basis set out above if a demerger, special dividend or other similar event is proposed which, in the opinion of the Committee, would affect the market price of the Shares to a material extent.

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

#### **Malus and clawback**

The Committee retains a power to reduce the potential vesting of all benefits under the Scheme (including to zero) (often referred to as 'malus') or to recoup the value of previously vested benefits from an individual up to 3 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 in the following circumstances:

- 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;
- 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.

#### **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).

#### **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 awards.

**Alterations to the Scheme**

The Committee may, at any time, amend the Scheme 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 Scheme, 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 Scheme 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 Scheme, 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.

**Overseas plans**

The shareholder resolution to approve the Scheme will allow the Committee to establish further plans for overseas territories, any such plan to be similar to the Scheme, 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 Scheme.