

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or otherwise transferred all of your shares in Mears Group PLC, please pass this document, together with the accompanying documents, as soon as possible to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.



Notice of Annual General Meeting and Explanatory Circular to Shareholders 2018

Mears Group PLC

(incorporated and registered in England and Wales under number 3232863)

to be held at Carpenters' Hall,
Throgmorton Avenue, London EC2N 2JJ
on Thursday 7 June 2018 at 9:30am.

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of Mears Group PLC set out on page 2 of this document which contains the recommendation by the Directors of the Company to shareholders to vote in favour of the resolutions to be proposed at the Annual General Meeting (AGM).

Notice of the Annual General Meeting of Mears Group PLC to be held at the Carpenters' Hall, Throgmorton Avenue, London EC2N 2JJ on Thursday 7 June 2018 at 9:30am is set out at the end of this document. Shareholders will also find enclosed with this document a Form of Proxy for use in connection with the Annual General Meeting.

Whether or not you propose to attend the Annual General Meeting, please complete and submit the Form of Proxy in accordance with the instructions printed on the enclosed form. The Form of Proxy must be received by Neville Registrars Limited no later than 9:30am on Tuesday 5 June 2018. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) thereof by using the procedures described in the CREST Manual.

Letter from the Chairman of Mears Group PLC

(incorporated and registered in England and Wales under number 3232863)

Dear Shareholder

I am pleased to invite you to the Company's Annual General Meeting which will be held at the Carpenters' Hall, Throgmorton Avenue, London EC2N 2JJ on Thursday 7 June 2018 at 9:30am.

The notice of Annual General Meeting is set out on pages 3 to 4 of this document. A copy of the Annual Report and Accounts for the year ended 31 December 2017 (the '2017 Annual Report') is available at www.mearsgroup.co.uk and a Form of Proxy is enclosed to enable you to exercise your voting rights.

The purpose of the Annual General Meeting is to seek shareholders' approval for the resolutions. It is also an opportunity for shareholders to express their views and to ask questions of the Directors of the Company (the 'Board'). We, as your Board, are committed to open dialogue with our shareholders and our Annual General Meeting is an excellent means to engage with you directly.

If you cannot attend, you have the right to appoint a proxy to vote at the Annual General Meeting on your behalf. To appoint a proxy, please complete the enclosed Form of Proxy and send it to our registrar, Neville Registrars Limited. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) thereof by using the procedures described in the CREST Manual.

Proxy appointments must be received by Neville Registrars Limited no later than 9:30am on Tuesday 5 June 2018.

Auditor

The Audit Committee undertook a competitive tender process in 2018 with a view to appointing an external auditor for the Company for the financial year ending 31 December 2018. Following the completion of this process and evaluation, the Board agreed with the Audit Committee's recommendation and selected Grant Thornton UK LLP as the Company's auditor for the financial year ending 31 December 2018.

Directors

I am excited at the forthcoming appointment of an Employee Director to the Board. Mears will be one of the first listed companies to take this bold step. The Board firmly believes that better employee representation can improve the quality of decision making. The benefits of listening to employees and engaging them in both consultation and decision making are already widely recognised. This role will ensure that the Board receives full, open and honest insight and views from its workforce on how strategic initiatives are being implemented and will provide the wider workforce with a better understanding of how the Board operates. The appointment followed a rigorous process with applications open to all employees and the Board is delighted to propose Amanda Hillerby for election to the Board. The Employee Director role will be restricted to a two-year term.

Biographical details and membership of the principal Board committees of the Directors seeking election and re-election are detailed in full in the 2017 Annual Report on pages 50 and 51. A biography for Amanda Hillerby is set out on page 5 of this document. Information on remuneration is set out in the Directors' Remuneration Report for the financial year ended 31 December 2017 (which is contained in pages 73 to 79 of the 2017 Annual Report).

Recommendation

In the opinion of the Directors, each of the resolutions to be proposed at the Annual General Meeting is in the best interests of the Company and shareholders as a whole. Accordingly, the Directors recommend that shareholders vote in favour of the resolutions at the Annual General Meeting, as the Directors intend to do in respect of their own beneficial holdings of ordinary shares, which amount to approximately 0.4% of the issued ordinary shares of the Company.

Yours faithfully

R Holt
Chairman
4 May 2018

Notice of Annual General Meeting 2018

Mears Group PLC

Notice is hereby given that the Annual General Meeting (AGM) of Mears Group PLC (the 'Company') will be held at the Carpenters' Hall, Throgmorton Avenue, London EC2N 2JJ on Thursday 7 June 2018 at 9:30am to consider and, if thought fit, pass the following:

- Resolution 1. THAT the audited accounts for the year ended 31 December 2017, together with the Directors' and Auditor's Reports thereon, be received and adopted.
- Resolution 2. THAT the annual report on remuneration, contained on pages 73 to 79 of the Annual Report and Accounts for the financial year ended 31 December 2017, be approved.
- Resolution 3. THAT Grant Thornton UK LLP be re-appointed as auditor of the Company.
- Resolution 4. THAT the Directors be authorised to fix the remuneration of the auditor.
- Resolution 5. THAT a final dividend of 8.55p per ordinary share for the year ended 31 December 2017 be declared payable on 5 July 2018 to all members whose names appear on the Company's register of members as at 15 June 2018.
- Resolution 6. THAT Bob Holt be re-elected as a Director.
- Resolution 7. THAT David Miles be re-elected as a Director.
- Resolution 8. THAT Andrew Smith be re-elected as a Director.
- Resolution 9. THAT Alan Long be re-elected as a Director.
- Resolution 10. THAT Geraint Davies be re-elected as a Director.
- Resolution 11. THAT Julia Unwin be re-elected as a Director.
- Resolution 12. THAT Roy Irwin be re-elected as a Director.
- Resolution 13. THAT Jason Burt be re-elected as a Director.
- Resolution 14. THAT Elizabeth Corrado be elected as a Director.
- Resolution 15. THAT Amanda Hillerby be elected as a Director.
- Resolution 16. THAT the Board be and is hereby generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 (the 'Act') to exercise all the powers of the Company to allot shares in the Company and to grant such subscription and conversion rights as are contemplated by Sections 551(a) and (b) of the Act respectively ('Rights'):
 - (a) up to an initial aggregate nominal amount of £345,405; and
 - (b) up to a further aggregate nominal amount of £345,405 but only in connection with a rights issue in favour of the holders of equity securities and any other persons entitled to participate in such issue where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as may be) to the respective numbers of equity securities held by them,

provided that this authority shall expire on the date of the next AGM of the Company, or, if earlier, at 6:00pm on 1 September 2019, after the passing of this resolution, save that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted or Rights to be granted after such expiry and the Board may allot shares or grant Rights in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

(Resolutions 1 to 16 will be proposed as ordinary resolutions.)

Notice of Annual General Meeting 2018 continued

Mears Group PLC

Resolution 17. THAT, subject to the passing of Resolution 16, the Board be and is hereby authorised, pursuant to Section 570 of the Act, to allot equity securities (within the meaning of Section 560 of the Act) for cash under the authority given by Resolution 16 as if sub-section (1) of Section 561 of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

- (a) in connection with a rights issue, open offer or other offer of securities in favour of the holders of ordinary shares on the register on a fixed record date in proportion (as nearly as may be) to their respective holdings of such securities or in accordance with the rights attached thereto subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory or any other matter whatever; and

- (b) (otherwise than pursuant to sub-paragraph (a) above) up to an aggregate nominal amount of £51,810,

such authority to expire on the date of the next AGM of the Company, or, if earlier, 6:00pm on 1 September 2019, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Board may allot equity securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

Resolution 18. THAT, subject to the passing of Resolution 16, the Board be and is hereby authorised, pursuant to Section 570 of the Act and in addition to any authority granted under Resolution 17, to allot equity securities (within the meaning of Section 560 of the Act) for cash under the authority given by Resolution 16 as if sub-section (1) of Section 561 of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

- (a) up to an aggregate nominal amount of £51,810; and
- (b) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after 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,

such authority to expire on the date of the next AGM of the Company, or, if earlier, 6:00pm on 1 September 2019, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Board may allot equity securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

Resolution 19. THAT the Company be and is hereby generally and unconditionally authorised to hold general meetings (other than the AGM) on 14 clear days' notice from the date of the passing of this resolution, such authority expiring at the conclusion of the next AGM of the Company.

(Resolutions 17 to 19 inclusive will be proposed as special resolutions.)

By order of the Board

B R Westran

Secretary

4 May 2018

1390 Montpellier Court
Gloucester Business Park
Brockworth
Gloucester GL3 4AH

Explanatory notes to the resolutions

Resolution 1

The Directors are required by law to present to the meeting the audited accounts and the Directors' and the Auditor's Reports for the year ended 31 December 2017.

Resolution 2

In accordance with Section 439 of the Companies Act 2006 (the "Act"), the Company is required to seek the approval of shareholders for its annual report on remuneration. This report gives details of the Directors' remuneration for the financial year ended 31 December 2017 and is set out in full on pages 73 to 79 of the Annual Report and Accounts for the financial year ended 31 December 2017. The vote on the annual report on remuneration is advisory in nature.

The Directors' Remuneration Policy was approved by shareholders at the 2017 AGM and is set out on pages 66 to 72 of the Annual Report and Accounts for the financial year ended 31 December 2017.

Resolution 3 and 4

The auditor is required to be re-appointed at each AGM at which accounts are presented. The Directors, on the recommendation of the Audit Committee (which has evaluated the effectiveness and independence of the external auditor), are proposing the re-appointment of Grant Thornton UK LLP.

The Company undertook a competitive tender process in 2018 with a view to appointing an external auditor for the Company for the financial year ending 31 December 2018. Following the completion of this process and evaluation, which was led by the Audit Committee, the Board agreed with the Audit Committee's recommendation and selected Grant Thornton UK LLP as the Company's auditor for the financial year ending 31 December 2018.

It is normal practice for a company's directors to be authorised to agree how much the auditor should be paid, and Resolution 4 grants this authority to the Directors.

Resolution 5

Final dividends must be approved by shareholders but must not exceed the amount recommended by Directors. If the meeting approves Resolution 5, the final dividend in respect of 2017 of 8.55p per share will be paid on 5 July 2018 to ordinary shareholders who are on the register of members on 15 June 2018 in respect of each ordinary share.

Resolutions 6 to 15

In accordance with the UK Corporate Governance Code (the 'Code'), all of the Directors other than Peter Dicks will seek re-election at the AGM. Peter is standing down from the Board at the conclusion of the AGM and is not standing for re-election. Elizabeth Corrado was appointed to the Board in September 2017 and seeks election at the AGM. Amanda Hillerby seeks election to the Board at this AGM.

Company law requires that each Director is voted on separately and, accordingly, each Director will be proposed for election or re-election by a separate resolution. Biographies of the Directors seeking re-appointment and those seeking appointment are set out on pages 50 and 51 of the Annual Report and Accounts for the financial year ended 31 December 2017. A biography for Amanda Hillerby is set out below.

Amanda has worked for Mears Group since 2011, commencing her career on the Group's graduate management programme. After successful completion of the programme, Amanda worked across all areas of the Group including Care, Housing and Central Support. Amanda worked in the Marketing Department providing maternity cover and despite being offered a permanent role, decided to pursue her career in Care, providing a nationwide support as a Quality Manager.

All of the Directors offering themselves for appointment or re-appointment have wide business knowledge and bring valuable skills and experience to the Board. The Board is satisfied that all of the Non-Executive Directors are independent in character and there are no relationships or circumstances that are likely to affect their independence. The performance of the Board as a whole, as well as the contribution made by individual Directors, has been reviewed during the course of the year. After considering this evaluation, the Chairman has confirmed that the performance of every Executive and Non-Executive Director continues to be effective, that they continue to demonstrate commitment to their respective roles, and that their respective skills complement one another to enhance the overall operation of the Board.

Notice of Annual General Meeting 2018 continued

Mears Group PLC

Resolution 16

The authority sought by this resolution is for the Directors to be authorised to allot ordinary shares comprising up to a total aggregate nominal amount of £690,810. This represents approximately two thirds of the issued share capital. This is within the guidelines issued by the Investment Association in that it is considered routine and standard practice for a listed company to seek authorisation to allot up to two thirds of its existing issued share capital. However, the additional one third may only be applied to fully pre-emptive rights issues and the authorisation must only be valid until the next AGM. The Directors will therefore be seeking annual renewal of this authority in accordance with best practice and to ensure the Company has maximum flexibility in managing its capital resources. This authority will expire at the next AGM, or, if earlier, at 6.00pm on 1 September 2019.

Other than in connection with the Company's share-based plans for senior management and employees, the Directors have no present intention of exercising this authority.

As at 27 April 2018 (being the latest practicable date prior to the posting of this Notice), no shares are held by the Company in treasury.

Resolutions 17 and 18

When shares are to be allotted for cash, Section 561 of the Act provides that existing shareholders have pre-emption rights and that any new shares are offered first to such shareholders in proportion to their existing shareholdings. There may be occasions, however, when the Board needs the flexibility to finance business opportunities by the issue of ordinary shares without a pre-emptive offer. Resolutions 17 and 18 would give the Directors that authority.

The authority under Resolution 17 would be limited to: (a) allotments or sales in connection with pre-emptive offers and offers to holders of other equity securities if required by the rights of those shares or as the Board considers necessary; and (b) allotments or sales (otherwise than pursuant to (a)) up to an aggregate nominal amount of £51,810, which represents approximately 5% of the Company's issued ordinary share capital as at 27 April 2018 (being the latest practicable date prior to the publication of this Notice).

Resolution 18 would give the Board authority to allot a further 5% of the issued ordinary share capital of the Company as at 27 April 2018 (being the latest practicable date prior to the publication of this Notice) for the purposes of financing a transaction which the Board determines to be an acquisition or other capital investment contemplated by the Pre-emption Group's Statement of Principles published in March 2015 (the 'Pre-emption Principles').

The disapplication authorities under Resolutions 17 and 18 are in line with the authority sought at the AGM last year and the guidance set out in the Pre-emption Principles. The Pre-emption Principles allow a board to allot shares for cash otherwise than in connection with a pre-emptive offer (i) up to 5% of a company's issued share capital for use on an unrestricted basis and (ii) up to a further 5% of a company's issued share capital for use in connection with an acquisition or specified capital investment announced either contemporaneously with the issue, or which has taken place in the preceding six month period and is disclosed in the announcement of the issue.

In accordance with the Pre-emption Principles, the Directors confirm that they do not intend to issue shares for cash representing more than 7.5% of the Company's issued ordinary share capital in any rolling three year period (save in accordance with Resolution 18) without prior consultation with shareholders.

The Directors have no present intention of exercising this authority.

The authorities contained in Resolutions 17 and 18 will expire at the next AGM, or, if earlier, at 6.00pm on 1 September 2019.

Resolution 19

Section 307A of the Act provides that listed companies must hold general meetings (other than AGMs) on 21 days' notice unless the members of that company pass a special resolution agreeing to a shorter notice period which cannot be any less than 14 clear days. It is therefore necessary for the Company to pass this resolution allowing the Company to continue to hold general meetings (other than the AGM) on not less than 14 clear days' notice.

The Directors confirm that the shorter notice period would not be used as a matter of routine, but only where flexibility is merited by the business of the meeting, the proposals are time-sensitive and it is thought to be to the advantage of shareholders as a whole. The approval will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed.

Notes

Proxy appointments

1. As a member of the Company, you are entitled to appoint one or more proxies to exercise all or any of your rights to attend, speak and vote at the AGM and you should have received a Form of Proxy with this Notice of AGM. You can only appoint a proxy using the procedures set out in these notes and the notes to the Form of Proxy. Appointment of a proxy does not preclude you from attending the AGM and voting in person. If you have appointed a proxy and attend the AGM in person, your proxy appointment will automatically be terminated.
2. A proxy does not need to be a member of the Company but must attend the AGM to represent you. If you wish your proxy to speak on your behalf at the AGM you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
3. To appoint a proxy using the Form of Proxy, the form must be: (i) completed and signed; (ii) sent or delivered to the Company's registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA; and (iii) received by the Company's registrars no later than 48 hours before the appointed time of the AGM.
4. Any power of attorney or any other authority under which the Form of Proxy is signed (or a duly certified copy of such power or authority) must be included with the Form of Proxy.
5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.
6. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, must contain the information required for such instructions, as described in the CREST Manual and must be transmitted so as to be received by the Company's agent, Neville Registrars Limited (ID: 7RA11), by 9.30am on 5 June 2018. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournments of it by using the procedures described in the CREST Manual (available from www.euroclear.com).

Entitlement to attend and vote

7. Pursuant to Regulation 41(1) of the Uncertificated Securities Regulations 2001 (2001 No. 3755), the Company has specified that only those members registered on the register of members of the Company at 9:30am on 5 June 2018 shall be entitled to attend and vote at the AGM in respect of the number of ordinary shares registered in their name at that time. Changes to the register of members after that time shall be disregarded in determining the rights of any person to attend and vote at the AGM.

Documents on display

8. There will be available for inspection at the Company's registered office during normal business hours from the date of this Notice to the date of the AGM and will be available at the place of the AGM for 15 minutes prior to and during the AGM, the following:
 - (a) copies of the Non-Executive Directors' letters of appointment.

Other information

9. Information regarding the meeting, including a copy of this Notice and the information required by Section 311A of the Companies Act 2006 (the 'Act'), is available from www.mearsgroup.co.uk.

Information rights

10. Under the Act, there are a number of rights that may be available to indirect investors of Mears Group PLC, including the right to be nominated by the registered holder to receive general shareholder communications direct from the Company.
11. The rights of indirect investors who have been nominated to receive communications from the Company in accordance with Section 146 of the Act (nominated persons) do not include the right to appoint a proxy. However, nominated persons may have a right under an agreement with the registered shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

Notice of Annual General Meeting 2018 continued

Mears Group PLC

Information rights continued

12. If you have been so nominated to receive general shareholder communications direct from Mears Group PLC, it is important to remember that your main contact in terms of your investment remains with the registered shareholder or custodian or broker, or whoever administers the investment on your behalf. You should also deal with them in relation to any rights that you may have under agreements with them to be appointed as a proxy and to attend, participate in, and vote at the meeting, as described above.
13. Any changes or queries relating to your personal details and holding (including any administration thereof) must continue to be directed to your existing contact at your investment manager or custodian. Mears Group PLC cannot guarantee dealing with matters that are directed to us in error. The only exception to this is where Mears Group PLC is exercising one of its powers under the Act and writes to you directly for a response.

Right to ask questions

14. Under section 319A of the Act, any member attending the AGM has the right to ask questions at the AGM relating to the business of the AGM. The Company must cause to be answered any such question relating to the business being dealt with at the AGM but no such answer need be given if (a) to do so would interfere unduly with the preparation for the AGM 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 AGM that the question be answered.
15. Please keep your questions and statements short and relevant to the business of the AGM to allow everyone who wishes to speak the chance to do so. It would be helpful if you could state your name before you ask your question. The Chairman may nominate a representative to answer a specific question after the AGM or refer questions to the Company's website.

Statements related to the audit

16. Members satisfying the thresholds in Section 527 of the Act can require the Company to publish a statement on its website setting out any matter relating to: (i) the audit of the Company's accounts (including the Auditor's Report and the conduct of the audit) that are to be laid before the meeting; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the last AGM that the members propose to raise at the meeting. The Company cannot require the members requesting the publication to pay its expenses in connection with the publication. The Company must forward a copy of the statement to the auditor when it publishes the statement on the website. The business which may be dealt with at the meeting includes any such statement that the Company has been required to publish on its website.

Total voting rights and share capital

17. As at 6.00pm on 27 April 2018 (being the latest practicable date prior to the printing of this Notice) the Company's issued share capital consists of 103,621,576 ordinary shares of 1p, carrying one vote each. Therefore, the total voting rights in the Company as at 27 April 2018 are 103,621,576.
18. Updates to this number are released via the Regulatory News Service on the last trading day of each month and can be viewed online at www.mearsgroup.co.uk.



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