

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you should immediately consult your independent financial adviser authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all your shares in Ocado Group plc, please hand this document and the accompanying form of proxy or form of instruction to the purchaser or transferee, or to the stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.



OCADO GROUP PLC

*(incorporated and registered in England and Wales under the Companies Act 2006,
registered number 07098618)*

NOTICE OF ANNUAL GENERAL MEETING 2014

Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 2 to 3 of this document and which recommends you to vote in favour of the Resolutions to be proposed at the Annual General Meeting.

Notice of the Annual General Meeting of the Company to be held at 3pm at One Bunhill Row, London EC1Y 8YY on Wednesday 7 May 2014 is set out at the end of this document.

If you cannot attend the Annual General Meeting, shareholders should use a form of proxy and members of the Ocado Share Account should use a form of instruction in order to vote at the Annual General Meeting.

If you received this document in the post, the form of proxy or form of instruction will have accompanied it; if you downloaded this document from www.ocadogroup.com, the form of proxy and form of instruction can be found on that website also.

To be valid, your form of proxy or form of instruction should be completed, signed and returned in accordance with the instructions printed thereon, as soon as possible and, in any event, so as to reach the Company's registrars, Capita Asset Services:

- **by no later than 3pm on 4 May 2014 in the case of members of the Ocado Share Account returning a form of instruction; and**
- **by no later than 3pm on 5 May 2014 in the case of all other shareholders returning a form of proxy.**

The form of proxy and form of instruction may be submitted electronically at www.ocadoshares.com or can be delivered by post or by hand to Capita Asset Services, PXS 1, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF.

Further instructions relating to how you are able to vote are set out in the notes to the notice of the Annual General Meeting.



12 March 2014

Dear Shareholder,

Annual General Meeting

I am pleased to invite you to this year's Annual General Meeting to be held at 3pm at One Bunhill Row, London EC1Y 8YY on Wednesday 7 May 2014.

The formal notice convening the Annual General Meeting can be found on pages 4 to 6 of this circular.

The Annual General Meeting gives the Board the opportunity to present the Company's performance and strategy to shareholders and to listen and respond to your questions. Your participation is important to us and if you cannot attend I would urge you to vote ahead of the Annual General Meeting.

You may register your proxy vote electronically by accessing our shareholder portal www.ocadoshares.com.

If you are a shareholder, you may also complete, sign and return a form of proxy (which will have accompanied this Notice if you received it in the post or if not can be downloaded at www.ocadogroup.com) to be received **by no later than 3pm on 5 May 2014** (or, in the event of any adjournment, on the date which is 48 hours before the time of the adjourned Annual General Meeting).

If you hold shares through the Ocado Share Account, your shares are held on your behalf by Capita IRG Trustees (Nominees) Limited — a company owned by the administrators of the Ocado Share Account — and that company is the registered shareholder. You can, however, instruct this company how you want the votes in respect of your shares to be exercised at the Annual General Meeting by accessing our shareholder portal www.ocadoshares.com or by filling out and returning a form of instruction (which will have been sent to you if you received this Notice in the post or if not can be downloaded at www.ocadogroup.com), in both cases **by no later than 3pm on 4 May 2014** (or, in the event of any adjournment, on the date which is 72 hours before the time of the adjourned Annual General Meeting) in order to allow the registered shareholder, Capita IRG Trustees (Nominees) Limited, time to collate your votes. If you would prefer to attend, speak and vote at the Annual General Meeting in person, or appoint someone else to attend the Annual General Meeting and vote on your behalf, you must confirm this to Capita IRG Trustees (Nominees) Limited using the details provided at www.ocadoshares.com or on the form of instruction provided.

If you are intending to come to the Annual General Meeting, please bring your attendance card with you to the Annual General Meeting. I do recommend that you arrive by 2.45pm to enable us to carry out all of the registration formalities to ensure a prompt start at 3pm.

We recognise that many shareholders are unable to attend the Annual General Meeting in person, so all Resolutions will be decided on a poll to be called by the Chairman at the meeting. The Board believes a poll is more representative of shareholders' voting intentions because shareholders' votes are counted according to the number of shares held and all votes tendered are taken into account. The results will be published on our website (www.ocadogroup.com) and will be released to the London Stock Exchange as soon as practicable following the closing of the Annual General Meeting.

The Board

The Articles of Association of the Company require each director to retire from office at every annual general meeting of the Company and, with the exception of Jason Gissing, each director has agreed to submit himself for re-appointment by shareholders. As announced on 4 February, Jason, a co-founder of Ocado, will retire from the Board at the end of the Annual General Meeting and will leave the Company.

Biographical details of each of the directors (as at the date of this Notice) are given on pages 54 and 55 of the Company's Annual Report and Accounts for the 52 weeks ended 1 December 2013 (the "2013 Annual Report and Accounts").

Having considered the performance of and contribution made by each of the directors at the relevant time, the Board remains satisfied that the performance of each director continues to be effective and that each director can demonstrate commitment to the role and as such recommends the re-appointment of each director standing for re-appointment. More information on the Board and the director evaluation process is given on page 63 of the 2013 Annual Report and Accounts and information concerning recent director appointments is given on pages 60 and 71.

Explanatory Notes

Explanatory notes on the business to be considered at the Annual General Meeting appear on pages 7 to 10 of this document.

Recommendation

The directors consider that each Resolution to be proposed at the Annual General Meeting is in the best interests of the shareholders as a whole and unanimously recommend shareholders to vote in favour of all Resolutions, as they intend to do in respect of their own shareholdings.

Yours faithfully,



Sir Stuart Rose

Chairman

Ocado Group plc

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of Ocado Group plc (the "Company") will be held at One Bunhill Row, London EC1Y 8YY on Wednesday 7 May 2014 at 3pm. You will be asked to consider and, if thought fit, to pass the Resolutions below. Resolutions 21 to 23 (inclusive) will be proposed as special resolutions. All other Resolutions will be proposed as ordinary resolutions.

ORDINARY RESOLUTIONS

Report and Accounts

Resolution 1 — To receive the Company's Annual Report and Accounts for the 52 weeks ended 1 December 2013 together with the reports of the directors and auditors.

Remuneration report and policy

Resolution 2 — To approve the Directors' Remuneration Policy in the form set out on pages 75 to 87 in the Directors' Remuneration Report in the Company's Annual Report and Accounts for the 52 weeks ended 1 December 2013.

Resolution 3 — To approve the Directors' Remuneration Report, other than the part containing the Directors' Remuneration Policy, in the form set out on pages 72 to 105 in the Company's Annual Report and Accounts for the 52 weeks ended 1 December 2013.

Directors

Resolution 4 — To re-appoint Sir Stuart Rose as a director of the Company.

Resolution 5 — To re-appoint David Grigson as a director of the Company.

Resolution 6 — To re-appoint Tim Steiner as a director of the Company.

Resolution 7 — To re-appoint Duncan Tatton-Brown as a director of the Company.

Resolution 8 — To re-appoint Neill Abrams as a director of the Company.

Resolution 9 — To re-appoint Mark Richardson as a director of the Company.

Resolution 10 — To re-appoint Jörn Rausing as a director of the Company.

Resolution 11 — To re-appoint Robert Gorrie as a director of the Company.

Resolution 12 — To re-appoint Ruth Anderson as a director of the Company.

Resolution 13 — To re-appoint Douglas McCallum as a director of the Company.

Resolution 14 — To re-appoint Alex Mahon as a director of the Company.

Auditors

Resolution 15 — To re-appoint PricewaterhouseCoopers LLP as auditors of the Company.

Resolution 16 — To authorise the directors to determine the remuneration of the auditors.

Political donations

Resolution 17 — That, in accordance with sections 366 and 367 of the Companies Act 2006, the Company and all companies that are its subsidiaries at any time during the period for which this Resolution is effective are authorised, in aggregate, to:

- (A) make political donations to political parties and/or independent election candidates not exceeding £50,000 in total;
- (B) make political donations to political organisations other than political parties not exceeding £50,000 in total; and
- (C) incur political expenditure not exceeding £50,000 in total,

(as such terms are defined in sections 363 to 365 of the Companies Act 2006) during the period commencing on the date of the passing of this Resolution and finishing at the end of next year's annual general meeting (or if earlier, the close of business on 7 August 2015).

The Ocado Growth Incentive Plan

Resolution 18 — That the Ocado Growth Incentive Plan (the “GIP”), summarised in Appendix 1 to this Notice and the rules of which are produced to this meeting and for the purposes of identification initialled by the Chairman, be approved and the directors be authorised to do all such acts and things necessary to establish the GIP.

The Ocado 2014 Executive Share Option Scheme

Resolution 19 — That the Ocado 2014 Executive Share Option Scheme (the “2014 ESOS”), summarised in Appendix 2 to this Notice and the rules of which are produced to this meeting and for the purposes of identification initialled by the Chairman, be approved and the directors be authorised to do all such acts and things necessary to establish the 2014 ESOS.

Authority to allot shares

Resolution 20 — The Board be generally and unconditionally authorised to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company:

- (A) up to a nominal amount of £4,126,840 (such amount to be reduced by the nominal amount allotted or granted under paragraph (B) below in excess of such sum); and
- (B) comprising equity securities (as defined in section 560(1) of the Companies Act 2006) up to a nominal amount of £8,253,680 (such amount to be reduced by any allotments or grants made under paragraph (A) above) in connection with an offer by way of a rights issue:
 - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - (ii) to holders of other equity securities as required by the rights of those securities or as the Board otherwise considers necessary,

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,

such authorities to apply until the end of next year's annual general meeting (or, if earlier, until the close of business on 7 August 2015) but, in each case, during this period the Company may make offers and enter into agreements which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority ends and the Board may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not ended.

SPECIAL RESOLUTIONS

To consider and if thought fit to pass the following as special resolutions:

Authority to disapply pre-emption rights

Resolution 21 — That if Resolution 20 is passed, the Board be given power to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by that Resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such power to be limited:

- (A) to the allotment of equity securities and sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (B) of Resolution 20, 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 holders of other equity securities, as required by the rights of those securities, or as the Board otherwise considers necessary,

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 paragraph (A) of Resolution 20 and/or in the case of any sale of treasury shares for cash, to the allotment (otherwise than under paragraph (A) above) of equity securities or sale of treasury shares up to a nominal amount of £619,026,

such power to apply until the end of next year's annual general meeting (or, if earlier, until the close of business on 7 August 2015) but, in each case, during this period the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (or treasury shares to be sold) after the power ends and the Board may allot equity securities (or sell treasury shares) under any such offer or agreement as if the power had not ended.

Authority to purchase own shares

Resolution 22 — The Company be authorised for the purposes of section 701 of the Companies Act 2006 to make one or more market purchases (as defined in section 693(4) of the Companies Act 2006) of its ordinary shares of 2 pence each, such power to be limited:

- (A) to a maximum number of 61,902,603 ordinary shares;
- (B) by the condition that the minimum price which may be paid for an ordinary share is 2 pence and the maximum price which may be paid for an ordinary share is the highest of:
 - (i) an amount equal to 5% above the average market value of an ordinary share for the five business days immediately preceding the day on which that ordinary share is contracted to be purchased; and
 - (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out,

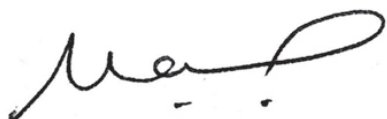
in each case, exclusive of expenses,

such power to apply until the end of next year's annual general meeting (or, if earlier, until the close of business on 7 August 2015) but in each case so that the Company may enter into a contract to purchase ordinary shares which will or may be completed or executed wholly or partly after the power ends and the Company may purchase ordinary shares pursuant to any such contract as if the power had not ended.

Notice of general meetings

Resolution 23 — That a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

By order of the Board



Neill Abrams

Company Secretary and Legal and Business Affairs Director

12 March 2014

Registered Office: Titan Court, 3 Bishops Square, Hatfield Business Park, Hatfield, Hertfordshire AL10 9NE.

Registered in England and Wales number 07098618

EXPLANATORY NOTES TO THE PROPOSED RESOLUTIONS

Resolution 1 — To receive the Report and Accounts

The Board asks that shareholders receive the Company's Annual Report and Accounts for the 52 weeks ended 1 December 2013 together with the reports of the directors and auditors (the "2013 Annual Report and Accounts").

Resolutions 2 and 3 — Approval of the Directors' Remuneration Policy and the Directors' Remuneration Report

There are new requirements this year in relation to the content and approval of the Directors' Remuneration Report, following changes made to the Companies Act 2006 (the "Act").

The Directors' Remuneration Report is set out in full on pages 72 to 105 of the 2013 Annual Report and Accounts. In accordance with the new provisions of the Act, the Directors' Remuneration Report contains:

- a statement by Douglas McCallum, Chairman of the Remuneration Committee, on pages 72 to 73;
- the Directors' Remuneration Policy on pages 75 to 87; and
- the annual report on remuneration on pages 73 to 75 and 88 to 105.

The Directors' Remuneration Policy, which sets out the Company's forward looking policy on directors' remuneration (including payments to directors for loss of office), is subject to a binding shareholder vote by ordinary resolution. The statement by the Remuneration Committee Chairman and the annual report on remuneration will, as in the past, be put to an advisory shareholder vote by ordinary resolution.

Resolution 2 is the ordinary resolution to approve the Directors' Remuneration Policy.

As noted in the Directors' Remuneration Policy on page 75 of the 2013 Annual Report and Accounts, the Directors' Remuneration Policy will commence on 7 May 2014 subject to the shareholder vote. Payments will continue to be made to directors and former directors in line with existing arrangements until this date.

Once the Directors' Remuneration Policy commences, all payments by the Company to the directors and any former directors must be made in accordance with the policy (unless a payment has been separately approved by a shareholder resolution).

If the Directors' Remuneration Policy is approved and remains unchanged, it will be valid for three years without further shareholder approval. If the Company wishes to change the Directors' Remuneration Policy, it will need to put the revised policy to a vote again before it can implement the new policy. The directors expect that the Company will next propose a resolution to approve the Directors' remuneration policy at the annual general meeting to be held in approximately May 2017.

If the Directors' Remuneration Policy is not approved, the Company will, if and to the extent permitted by the Act, continue to make payments to directors in accordance with existing arrangements and will seek shareholder approval for a revised policy as soon as is practicable.

Resolution 3 is the ordinary resolution to approve the Directors' Remuneration Report, other than the part containing the Directors' Remuneration Policy. Resolution 3 is an advisory resolution and accordingly entitlement of a director to remuneration is not made conditional on the Resolution being passed. If the Resolution is not passed the directors will be required to put the Directors' remuneration policy to a shareholder resolution at the 2015 annual general meeting.

Resolutions 4 to 14 — Re-appointment of directors

The Articles of Association of the Company require each director to retire from office at every annual general meeting of the Company and each director, other than Jason Gissing, has agreed to submit himself for re-appointment by shareholders. Having considered the performance of and contribution made by each of the directors at the relevant time, the Board remains satisfied that the performance of each director continues to be effective and that each director continues to demonstrate commitment to the role and as such recommends their re-appointment.

Biographical details of all the directors (as at the date of this Notice) are set out on pages 54 and 55 of the 2013 Annual Report and Accounts and appear on the Company's website www.ocadogroup.com. More information on the Board and director evaluation process is given on page 63 of the 2013 Annual Report and Accounts.

Resolutions 15 and 16 — Re-appointment of the auditors and authority for the directors to determine their remuneration

On the recommendation of the Audit Committee, the Board proposes that PricewaterhouseCoopers LLP be re-appointed as auditors of the Company and Resolution 16 proposes that the directors be authorised to determine the level of the auditors' remuneration.

Resolution 17 — Authority to make political donations

Part 14 of the Act restricts companies from making political donations to: (i) political parties; (ii) other political organisations; and (iii) independent election candidates and on incurring political expenditure without shareholders' consent. The Company does not make and does not intend to make donations to political parties, political organisations or independent election candidates, nor does it incur any political expenditure. However, as the definitions used in the Act are broad, it is possible that normal business 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, which might not be thought to be political expenditure in the usual sense, could be caught. Shareholder approval is being sought in this Resolution on a precautionary basis only to allow the Company and any company, which at any time during the period for which this Resolution has effect, is a subsidiary of 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 Act.

The Board is therefore seeking authority to make political donations to political parties and/or independent election candidates not exceeding £50,000 in total, to make political donations to political organisations other than political parties not exceeding £50,000 in total and to incur political expenditure not exceeding £50,000 in total. In line with the best practice of the Association of British Insurers ("ABI"), it is proposed that this Resolution will be put to shareholders annually. Therefore the authority will expire at the earlier of 7 August 2015 and the conclusion of the annual general meeting of the Company held in 2015.

Resolutions 18 and 19 – Approval of the Ocado Growth Incentive Plan and the Ocado 2014 Executive Share Option Scheme

Approval of a new long-term incentive plan (Resolution 18)

The Board is seeking shareholders' approval for the Ocado Growth Incentive Plan (the "GIP") in Resolution 18, which will be proposed as an ordinary resolution.

The Remuneration Committee has reviewed its approach to remuneration for the Chief Executive Officer and other executive directors. The Remuneration Committee has concluded that it would be appropriate to introduce the GIP to enable it to make one-off awards to executive directors, with the aim of incentivising and rewarding truly exceptional levels of performance over a five year period.

The GIP will provide the potential for greater rewards for executive directors only if shareholders benefit from significant outperformance of the FTSE 100 sustained over a five year period. It will also require participants to retain an investment in the Company's shares in order to benefit from the plan.

In developing the GIP, the Remuneration Committee has taken into account views expressed by the Company's shareholders.

If approved, the Remuneration Committee intends to make GIP awards in May 2014.

Approval of a new executive share option scheme (Resolution 19)

The Board is seeking shareholders' approval for the Ocado 2014 Executive Share Option Scheme (the "2014 ESOS") in Resolution 19, which will be proposed as an ordinary resolution.

The 2014 ESOS is based on the Company's existing 2001 Executive Share Option Scheme (the "2001 ESOS"). For technical reasons, the existing scheme cannot be used for employees of some companies in the Ocado group ("Group"). Introduction of this additional scheme will allow employees of all Group companies to participate in a scheme of this kind.

The same limits on individual and overall participation will apply to the 2014 ESOS as apply to the 2001 ESOS.

If approved, the Remuneration Committee intends either to continue making awards under the 2001 ESOS until such time as it wishes to make an award to an employee of a Group company to whom an award may only be made under the 2014 ESOS or, at a point in the future, to stop making awards under the 2001 ESOS altogether and replace it with the 2014 ESOS. There is no current intention to make awards to executive directors under the 2014 ESOS.

Details of the GIP and the 2014 ESOS

A summary of the principal terms of the proposed GIP and the 2014 ESOS are set out in Appendices 1 and 2 respectively to the notice of Annual General Meeting. A copy of the new GIP and 2014 ESOS rules will be available for inspection at One Bunhill Row, London, EC1Y 8YY (the venue of the Annual General Meeting) from the date of this Notice until the close of the Annual General Meeting.

Resolution 20 — Authority to allot shares

Paragraph (A) of this Resolution would give the directors the authority to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares up to an aggregate nominal amount equal to £4,126,840 (representing 206,342,000 ordinary shares of 2 pence each). This amount represents approximately one-third of the issued ordinary share capital of the Company as at 10 March 2014, the latest practicable date prior to publication of this Notice.

In line with guidance issued by the ABI, paragraph (B) of this Resolution would give the directors authority to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares in connection with a rights issue in favour of ordinary shareholders up to an aggregate nominal amount equal to £8,253,680 (representing 412,684,000 ordinary shares), as reduced by the nominal amount of any shares issued under paragraph (A) of this Resolution. This amount (before any reduction) represents approximately two-thirds of the issued ordinary share capital of the Company as at 10 March 2014, the latest practicable date prior to publication of this Notice.

The authorities sought under paragraphs (A) and (B) of this Resolution will expire at the earlier of 7 August 2015 and the conclusion of the annual general meeting of the Company held in 2015.

The directors have no present intention to exercise either of the authorities sought under this Resolution except, under paragraph (A), to satisfy options and awards under the Company's option and incentive schemes and one-off incentive arrangements, but the Board wishes to ensure that the Company has maximum flexibility in managing the Company's capital resources. However, if they do exercise the authorities, the directors intend to follow ABI recommendations concerning their use (including as regards the directors standing for re-election in certain cases).

As at the date of this Notice, no ordinary shares are held by the Company in treasury and so the references to the Company's share capital above do not include any treasury shares.

Resolution 21 — Disapplication of pre-emption rights in certain circumstances

This Resolution will be proposed as a special resolution, which requires a 75% majority of the votes to be cast in favour. It would give the directors the authority to allot ordinary shares (or sell any ordinary shares which the Company elects to hold in treasury) for cash without first offering them to existing shareholders in proportion to their existing shareholdings.

This authority would be, similar to last year, limited to 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 otherwise considers necessary, or otherwise up to an aggregate nominal amount of £619,026 (representing 30,951,300 ordinary shares). This aggregate nominal amount represents approximately 5% of the issued ordinary share capital of the Company as at 10 March 2014, the latest practicable date prior to publication of this Notice. In respect of this aggregate nominal amount, the directors confirm their intention to follow the provisions of the Pre-Emption Group's Statement of Principles regarding cumulative usage of authorities within a rolling 3-year period where the Principles provide that usage in excess of 7.5% should not take place without prior consultation with shareholders.

The authority will expire at the earlier of 7 August 2015 and the conclusion of the annual general meeting of the Company held in 2015.

Resolution 22 — Authorisation for the Company to purchase its own shares

This Resolution will be proposed as a special resolution and authority is sought for the Company to purchase up to 10% of its issued ordinary shares (excluding any treasury shares). The Company purchased no ordinary shares in the period from 10 May 2013 to the date of this Notice under the existing authority.

The directors have no present intention of exercising the authority to make market purchases, however the authority provides the flexibility to allow them to do so in the future. The directors will exercise this authority only when to do so would be in the best interests of the Company and of its shareholders generally, and could be expected to result in an increase in the earnings per share of the Company.

Ordinary shares purchased by the Company pursuant to this authority may be held in treasury or may be cancelled. The directors will consider holding any ordinary shares the Company may purchase as treasury shares. The Company currently has no ordinary shares in treasury. The minimum price, exclusive of expenses, which may be paid for an ordinary share, is 2 pence (exclusive of expenses). The maximum price, exclusive of expenses, which may be paid for an ordinary share is the highest of: (i) an amount equal to 5% above the average market value for an ordinary share for the five business days immediately preceding the date of the purchase; and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out.

The Company has options outstanding over 9,520,700 ordinary shares, representing 1.54% of the Company's ordinary issued share capital (excluding treasury shares) as at 10 March 2014. If the existing authority given on 10 May 2013 and the authority now being sought by Resolution 22 were to be fully used, these would represent 1.92% of the Company's ordinary issued share capital (excluding treasury shares) at that date.

The authority will expire at the earlier of 7 August 2015 and the conclusion of the annual general meeting of the Company held in 2015.

Resolution 23 — Notice of general meetings

The notice period required by the Act for general meetings (other than an annual general meeting) is 21 clear days unless the Company:

- has gained shareholder approval for the holding of general meetings on 14 clear days' notice by passing a special resolution at the most recent annual general meeting; and
- offers the facility for all shareholders to vote by electronic means.

This Resolution seeks such approval and will be proposed as a special resolution. The shorter notice period would not be used as a matter of routine, but only where the flexibility is merited by the business of the meeting and is thought to be in the interests of shareholders as a whole. Should this Resolution be approved it will be valid until the end of the next annual general meeting.

NOTES TO THE NOTICE OF MEETING

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the Annual General Meeting. **Members of the Ocado Share Account should refer to the procedure for submitting instructions referred to in paragraph 12 below.** A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this Notice (if you received this Notice in the post) or is available to download from www.ocadogroup.com. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact the Company's registrars, Capita Asset Services:
 - by post at Capita Asset Services, PXS1, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF;
 - by telephone on 0845 608 1476 (Calls cost 10 pence per minute plus network extras) or from outside the UK on +44 800 141 2954. Lines are open Monday to Friday, 9am till 5:30pm; or
 - electronically via www.ocadoshares.com.
2. To be valid any proxy form must be submitted:
 - by post or (during normal business hours only) by hand to Capita Asset Services, PXS1, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF;
 - electronically via www.ocadoshares.com (you will be asked to enter your Investor Code shown on your share certificate and agree to certain terms and conditions); or
 - in the case of shareholders holding their shares through CREST, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in paragraphs 8 to 11 below,by no later than 3pm on 5 May 2014 (or, in the event of any adjournment, on the date which is 48 hours before the time of the adjourned Annual General Meeting).
3. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
4. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
5. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
6. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
7. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraphs 8 to 11 below) will not prevent a member attending the Annual General Meeting and voting in person if he/she wishes to do so.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so 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 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.
9. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual

(available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent, Capita Asset Services, (ID RA10) by 3pm on 5 May 2014. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application 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.

10. 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 message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, 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 system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
11. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
12. If you hold shares through the **Ocado Share Account**, you can instruct Capita IRG Trustees (Nominees) Limited how you want the votes in respect of your shares to be exercised at the Annual General Meeting, either
 - electronically via www.ocadoshares.com; or
 - by filling out a form of instruction and returning it by post or (during normal business hours only) by hand to Capita Asset Services, PXS 1, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF,

in either case by no later than 3pm on 4 May 2014 (or, in the event of any adjournment, on the date which is 72 hours before the time of the adjourned Annual General Meeting). If you would prefer to attend, speak and vote at the Annual General Meeting in person, or appoint someone else to attend the Annual General Meeting and vote on your behalf, you must confirm this to Capita using the details provided at www.ocadoshares.com or on the form of instruction by no later than 3pm on 4 May 2014 (or, in the event of any adjournment, on the date which is 72 hours before the time of the adjourned Annual General Meeting). **After 3pm on 4 May 2014 (or, in the event of any adjournment, on the date which is 72 hours before the time of the adjourned Annual General Meeting) you will no longer be able to:**

- **instruct Capita IRG Trustees (Nominees) Limited how you want the votes in respect of your shares to be voted;**
 - **register to attend the Annual General Meeting in person; or**
 - **change your instructions either as to how you want the votes in respect of your shares to be voted or in order to attend the Annual General Meeting in person.**
13. 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 such corporation does not do so in relation to the same shares.
 14. 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 an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
 15. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 to 6 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
 16. To be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company at 6pm on 5 May 2014 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned Annual General Meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Annual General Meeting.
 17. As at 10 March 2014 (being the last practicable date prior to the publication of this Notice) the Company's issued share capital consists of 619,026,030 issued ordinary shares of 2p each admitted to trading. The Company does not hold any ordinary shares in treasury. Each ordinary share carries the right to one vote in relation to all circumstances at general meetings of the Company. Accordingly, the total voting rights of the Company as at 10 March 2014 are 619,026,030. Of these issued ordinary shares 452,284 are held by Greenwood Nominees Limited, who has waived its right to exercise voting rights and to receive dividends in respect of these 452,284 ordinary shares and 34,848,738 are held by Greenwood Nominees Limited on behalf of Appleby Trust (Jersey) Limited, the independent company which is the trustee of Ocado's employee benefit trust (the "EBT Trustee"). The EBT Trustee has waived its right to exercise its voting rights and to receive dividends in respect of these 34,848,738 ordinary shares, although it may vote in respect of 31,385,772 ordinary shares which have vested under the joint share ownership scheme and remain in the trust as at 10 March 2014, at the request of a participant.

18. Copies of the service contracts and letters of appointment of the directors of the Company will be available for at least 15 minutes prior to the Annual General Meeting and during the Annual General Meeting.
19. Under section 338 and section 338A of the Act, members meeting the threshold requirements in those sections have the right to require the Company: (i) to give, to members of the Company entitled to receive notice of the Annual General Meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting; and/or (ii) to include in the business to be dealt with at the Annual General Meeting any matter (other than a proposed resolution) which may be properly included in the business. A resolution may be properly moved or a matter may properly be included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise), (b) it is defamatory of any person or, (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than 25 March 2014, being the date six clear weeks before the Annual General Meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.
20. Under section 527 of the Act members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (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 Annual General Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Act to publish on a website.
21. Any member attending the Annual General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the Annual General Meeting but no such answer need be given if: (i) to do so would interfere unduly with the preparation for the Annual General Meeting or involve the disclosure of confidential information; (ii) the answer has already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the Annual General Meeting that the question be answered.
22. Except as provided above, members who have general queries about the Annual General Meeting should use the following means of communication (no other methods of communication will be accepted):
- calling: 0845 608 1476 (Calls cost 10 pence per minute plus network extras) or from outside the UK on +44 800 141 2954. Lines are open Monday to Friday, 9am till 5.30pm;
 - writing to: Capita Asset Services, PXS 1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF; or
 - emailing: ocado@capitaregistrars.com.
- You may not use any electronic address provided either in this Notice or any related documents (including the Chairman's letter and proxy form) to communicate with the Company for any purposes other than those expressly stated.
23. A copy of this Notice, and other information required by section 311A of the Act, can be found at www.ocadogroup.com.



Ocado AGM 2014

VENUE:

One Bunhill Row, London EC1Y 8YY.

TIMINGS:

Wednesday 7 May 2014.

2.30pm

Doors open, security clearance and registration begins.
Light refreshments available.

2.45pm

Meeting room doors open.
Please make your way to the meeting room where
hosts will direct you to your seats.

3.00pm

Meeting commences.

4.30pm (approximately)

AGM closes.
Light refreshments available.

ADMISSION:

Please plan to arrive before 2.45pm to allow enough
time for registration and security clearance, bringing your
attendance card with you.

SHAREHOLDERS WITH SPECIAL NEEDS:

One Bunhill Row is easily accessible by wheelchair users
and the meeting itself will be held on the ground floor.

The main auditorium is also covered with an assisted hearing system and handsets will be available from the Admission Desk. If you should require such a handset, or for any more information on the special needs facilities at the venue, please call 020 7090 5636.

SECURITY:

Standard security measures will be in place to ensure your safety. Please note that bag searches will be in operation, and any items deemed inappropriate will be removed and stored until the end of the event.

Flash photography is not allowed at the AGM.

TRANSPORT:

In line with our commitment to the environment, we recommend shareholders use public transport to attend the Annual General Meeting. The closest public transport links (shown above) are all within walking distance of One Bunhill Row.

MAP OF MEETING VENUE:

One Bunhill Row
London EC1Y 8YY
T +44 (0)20 7600 1200



APPENDIX 1

SUMMARY OF THE PRINCIPAL TERMS OF THE PROPOSED OCADO GROWTH INCENTIVE PLAN

Set out below is a summary of the principal terms of the proposed Ocado Growth Incentive Plan (the “GIP”):

Status

The GIP is a discretionary executive share plan with awards to be granted on a one-off basis.

Under the GIP, participants will be granted an option over shares in the Company with a nil exercise price (a “GIP Award”).

Eligibility

The Chief Executive Officer, the Chief Financial Officer and the Operations Director will participate in the initial grant of GIP Awards in May 2014. No further grants will be made to current executive directors. Any new executive directors or other senior employees appointed within four years of the initial grant date may be invited to participate on similar terms as those which apply to the initial grants but on a proportionately reduced basis.

In order to participate in the GIP, it will be necessary for participants to hold, and retain throughout the performance period, shares in the Company. The Chief Executive Officer will be required to hold shares equivalent, at the date of the award, to the value of his annual salary. All other participants are required to hold shares equivalent, at the date of the award, to the value of half of their annual salary.

Initial GIP Awards

The Remuneration Committee proposes to grant a GIP Award in respect of 4,000,000 shares in the case of the Chief Executive Officer and 1,000,000 shares each in the case of the Chief Financial Officer and the Operations Director.

GIP Awards may be granted within six weeks of the approval of the GIP or within 6 weeks after the announcement by the Company of its results for any period or at any other time that the Remuneration Committee, at its discretion, may deem there are exceptional circumstances which justify the granting of GIP Awards.

Performance and other conditions

GIP Awards will be subject to a single Performance Condition to be satisfied over five years commencing on the date of grant of the Awards. The share price of the Company will be the sole performance measure, and will be assessed relative to the growth of the FTSE 100 Share Index over that period.

Performance will be assessed based on the average share price of the Company and the average level of the FTSE 100 Share Index for the three months immediately prior to the end of the performance period in comparison to the average share price of the Company and the average level of the FTSE 100 Index over the three months prior to the start of the performance period. The performance schedule is as follows:

Performance target	Percentage of award vesting (%)
Growth of less than the FTSE 100 Share Index +5% p.a.	0
Growth in the FTSE 100 Share Index +5% p.a.	25
Growth in the FTSE 100 Share Index +10% p.a.	50
Growth in the FTSE 100 Share Index +15% p.a.	75
Growth in the FTSE 100 Share Index +20% p.a. (or more)	100

The Remuneration Committee may waive or change the Performance Condition if anything happens which causes the Remuneration Committee reasonably to consider it appropriate, provided that any changed Performance Condition will be equally difficult to satisfy as the original condition would have been had such circumstances not arisen.

The Remuneration Committee may also impose other conditions on the vesting or exercise of GIP Awards. GIP Awards will be subject to the satisfaction of the minimum shareholding requirement for a participant throughout the performance period.

The GIP Award may be satisfied either by a new issue of ordinary shares, the transfer of ordinary shares held in treasury, the transfer of ordinary shares held in the Company's employee benefit trust, or by the market purchase of ordinary shares to be determined at the discretion of the Remuneration Committee.

Limits

The rules of the GIP provide that, in any period of ten calendar years, not more than 10% of the Company's issued ordinary share capital may be issued under the GIP and under any other employees' share scheme adopted by the Company. In the same period no more than 5% of the Company's issued share capital may be issued under the GIP and other discretionary share schemes adopted by the Company.

Ordinary shares issued out of treasury under the GIP will count towards these limits for so long as this is required under institutional shareholder guidelines.

Vesting and exercise

GIP Awards will normally become exercisable following the end of the performance period to the extent that any applicable performance and other conditions have been satisfied and to the extent permitted under any operation of malus or clawback.

GIP Awards will normally remain exercisable until 31 May 2024.

Cessation of employment

As a general rule, an unvested GIP Award (and, where a participant is dismissed for misconduct, any vested GIP Awards) will lapse immediately upon a participant ceasing to be employed by or hold office with the Ocado Group.

However, if a participant so ceases because of his ill-health, injury or permanent disability (in each case, established to the satisfaction of the Company), his employing company or the business for which he works being transferred out of the Group or in other circumstances at the discretion of the Remuneration Committee (each a "Good Leaver Reason"); or his death, his GIP Award will not lapse.

If a participant leaves for a Good Leaver Reason, his GIP Award will vest on the usual vesting date or earlier at the discretion of the Remuneration Committee, in both cases subject to: (i) the satisfaction of the performance conditions measured over the normal performance period or such other period as the Remuneration Committee considers appropriate, (ii) the satisfaction of any other conditions, (iii) the operation of malus or clawback and (iv) (unless the Remuneration Committee decides that pro-rating would be inappropriate in the particular circumstances) pro-rating to reflect the reduced period of time between grant and the participant's cessation of employment as a proportion of the normal performance period.

If a participant dies, his GIP Awards will vest on the date of his death and the performance conditions will not apply but (unless the Remuneration Committee decides otherwise) the GIP Award will be reduced pro rata to reflect the period from the date of death until the end of the performance period, as a proportion of the normal performance period.

To the extent that GIP Awards vest in accordance with the above provisions, they may usually be exercised for a period of twelve months following vesting and will otherwise lapse at the end of that period. To the extent that a participant who leaves in circumstances other than dismissal for cause or who dies held vested GIP Awards, they may be exercised at any time during the usual exercise period and will otherwise lapse at the end of that period.

If a participant breaches any of the conditions imposed by the Remuneration Committee on the vesting/exercise of a GIP Award within twelve months of ceasing to be employed by or hold office with the Group, all unvested GIP Awards and vested but unexercised GIP Awards will lapse. In respect of GIP Awards that have vested and the Participant has received shares or cash in respect of the GIP Award, the Remuneration Committee may require the participant to make a payment to the Company of an amount not exceeding the market value of the shares underlying the relevant GIP Awards as at the date of vesting less any tax or social security contributions paid.

GIP Awards are not transferable other than to the participant's personal representatives in the event of his death. The benefits received under the GIP are not pensionable.

Corporate events

In the event of a takeover or winding up of the Company (other than an internal re-organisation), GIP Awards will vest early subject to: (i) the extent that the performance and other conditions have been satisfied at that time, (ii) the operation of malus or clawback, and (iii) (unless the Remuneration Committee decides that pro-rating would be inappropriate in the particular circumstances) pro-rating to reflect the reduced period of time between grant and early vesting as a proportion of the normal performance period.

In the event of an internal corporate re-organisation, GIP Awards may (with the consent of the acquiring company) be replaced by equivalent GIP Awards over shares in the acquiring company unless the Remuneration Committee decides that GIP Awards should vest as in the case of a takeover.

If a demerger, special dividend or other corporate event is proposed which, in the opinion of the Remuneration Committee, would mean that it would be unfair or inappropriate for GIP Awards to continue to subsist and that adjustment of the GIP Awards is not practicable or appropriate, the Remuneration Committee may decide that GIP Awards will vest as in the case of a takeover.

To the extent that GIP Awards vest in accordance with the above provisions, they may usually be exercised for a period of six months and will otherwise lapse at the end of that period. To the extent that a participant already held vested GIP Awards, they may usually be exercised for a period of six months from the relevant event and will otherwise lapse at the end of that period.

Variation of capital

If there is a variation of share capital of the Company, or in the event of a demerger, payment of a special dividend or other corporate event which materially affects the market price of the shares, then the Remuneration Committee may make such adjustments as it considers appropriate to the number of shares under GIP Awards.

Malus

The Remuneration Committee may decide, at any time prior to the acquisition of shares under a GIP Award, that the number of shares subject to that GIP Award shall be reduced (including to nil) on such basis that the Remuneration Committee in its discretion considers to be fair, reasonable and proportionate where, in its opinion, there are exceptional circumstances. Such exceptional circumstances may include a material misstatement in the published results of the Company, misconduct on the part of the participant or where, as a result of an appropriate review of accountability, the Remuneration Committee determines that the participant has caused wholly or in part a material loss for the Company as a result of (i) reckless, negligent or wilful actions or (ii) inappropriate values or behaviour.

Clawback

The Remuneration Committee may decide, within two years (or such other period as the Remuneration Committee decides at the date of grant) of the acquisition of shares under a GIP Award, that that GIP Award will be subject to clawback where, in its opinion, there are exceptional circumstances. Such exceptional circumstances may include a material misstatement in the published results of the Group, an error in assessing any applicable performance condition, misconduct on the part of the participant or where, as a result of an appropriate review of accountability, the Remuneration Committee determines that the participant has caused wholly or in part a material loss for the Group as a result of (i) reckless, negligent or wilful actions or (ii) inappropriate values or behaviour. The clawback may be satisfied by way of a requirement to transfer shares or to make a cash payment.

Rights attaching to shares

GIP Awards will not confer any rights on any employee holding such GIP Awards until the relevant GIP Award has been exercised and the employee in question has received the underlying shares. Any shares allotted when a GIP Award is exercised will rank equally with shares then in issue (except for rights arising by reference to a record date prior to their allotment).

Alternative settlement

At its discretion, the Remuneration Committee may decide to satisfy GIP Awards with a cash payment equal to any gain that a participant would have made had the GIP Awards been satisfied with shares in the usual manner.

Amendments

The Remuneration Committee may, at any time, amend the provisions of the GIP in any respect, except that the prior approval of the Company's shareholders at a general meeting of the Company must be obtained in the case of any amendment to the advantage of participants which is made to the provisions relating to eligibility, individual or overall limits, the adjustments that may be made in the event of any variation to the share capital of the Company and/or the rule relating to such prior approval. There are exceptions for any minor amendment to benefit the administration of the GIP, to take account of the provisions of any proposed or existing legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for any present or future participant, the Company and/or its subsidiaries.

APPENDIX 2

SUMMARY OF THE PRINCIPAL TERMS OF THE PROPOSED OCADO 2014 EXECUTIVE SHARE OPTION SCHEME

Set out below is a summary of the principal terms of the proposed Ocado 2014 Executive Share Option Scheme (the “2014 ESOS”).

Status

The 2014 ESOS is a company share option plan, which is intended to allow options to be granted on a tax-favoured basis, subject to the limits described below. Options may also be granted under the terms of a schedule, without such tax benefits. The ESOS 2014's terms are based on the existing Ocado 2001 Executive Share Option Scheme which, for technical reasons, cannot be extended to employees of all members of the Group.

Under the 2014 ESOS, the Company or the trustees of an employee trust will grant options over shares in the Company to eligible employees. The eligible employees to whom options are granted and the terms of such options will be determined by the directors of the Company or the trustees.

Eligibility

All of the Company's executive directors and employees, including the employees of the Company's subsidiaries will be eligible to participate in the 2014 ESOS.

Options are not transferable and will lapse if the option holder purports to transfer, charge or alienate the option.

The Board has resolved that options will not be granted to directors under the 2014 ESOS without first setting appropriate performance targets.

Exercise price

The exercise price of options may not be less than the market value of the Company's shares on the date of grant. If the trustees or the directors have determined that the exercise of an option will be satisfied by the issue of ordinary shares, the exercise price may also not be less than the nominal value of ordinary shares.

Limits

The rules of the 2014 ESOS provide that, in any period of ten calendar years, not more than 10% of the Company's issued ordinary share capital may be issued under the 2014 ESOS and under any other employees' share scheme adopted by the Company. In the same period no more than 5% of the Company's issued share capital may be issued under the 2014 ESOS and other discretionary share schemes adopted by the Company.

Ordinary shares issued out of treasury under the 2014 ESOS will count towards these limits for so long as this is required under institutional shareholder guidelines.

Options may not be granted under the 2014 ESOS to any employee if, as a result, the aggregate market value of shares granted to him and subject to outstanding options under the 2014 ESOS or any other tax-favoured share option scheme (other than a savings-related share option scheme) established by the Company or an associated company, would exceed £30,000 (or such other limit as may be specified in the tax legislation).

Except in exceptional circumstances, options may only be granted in the six weeks following an announcement of the Company's results to the London Stock Exchange. Options may not be granted after June 2020.

Performance and other conditions

The directors or trustees will be able to impose a performance target and any further condition determined to be appropriate on the exercise of an option. Any performance target must generally be measured over a period of at least three years. The directors or trustees may substitute, vary or waive any performance target if they consider that the target is no longer appropriate in such manner as is reasonable in the circumstances and produces a fairer measure of performance and is neither materially more nor less difficult to satisfy.

Options may be exercised from the date of grant, subject to any performance target being satisfied. Options will lapse on the earlier of the tenth anniversary of grant, the directors determining that a performance target can no longer be satisfied or the option holder ceasing to be an employee. Options may be exercised in whole or in part.

Where the Company or any member of the Group is liable to account for tax or social security, the option holder must pay an amount sufficient to discharge the liability or he will be taken to have authorised the disposal of such number of shares as he is entitled to on exercise as is necessary to meet the amount due. The grantor may determine that the exercise of an option is conditional on the payment of employer's national insurance contributions by the option holder in respect of the exercise.

Cessation of employment

As a general rule, an unvested option will lapse immediately upon a participant ceasing to be employed or hold office within the Group.

