

**THIS DOCUMENT AND THE ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant, or other professional adviser.

If you have sold or otherwise transferred all of your shares in Halfords Group plc you should pass this document 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. If you sell or have sold part only of your holding of shares, please consult the bank, stockbroker or other agent through whom the sale or transfer was effected. However, this document should not be forwarded to or sent in or into any jurisdiction in which to do so would constitute a breach of the relevant laws of such jurisdiction.

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## **Halfords Group plc**

(incorporated in England and Wales with registered number 04457314)

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### **Notice of Annual General Meeting**

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**Notice of the Annual General Meeting of Halfords Group plc to be held at Halfords Group plc, Support Centre, Icknield Street Drive, Washford West, Redditch B98 0DE on Friday 6 September 2024 at 3:00 pm is set out on pages 8 to 10 of this document (the “Notice”).**

Whether or not you intend to attend the Annual General Meeting in person, you are strongly encouraged to vote on all resolutions by appointing the Chair of the meeting as your proxy in advance of the meeting. Appointing a proxy will not prevent you from attending the 2024 Annual General Meeting and voting in person, but if you appoint the Chair of the meeting as your proxy, this will ensure your votes are cast in accordance with your wishes regardless of whether you or anyone else you appoint as your proxy actually attends the meeting. You may appoint a proxy either by lodging your proxy vote online at [www.signalshares.com](http://www.signalshares.com), via the LinkVote+ app or by requesting a hard copy Form of Proxy from Link Group (“**Link**”) via email at [shareholderenquiries@linkgroup.co.uk](mailto:shareholderenquiries@linkgroup.co.uk) or on 0371 664 0300 (if you are outside the United Kingdom, please call +44(0) 371 664 0300. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate) and lines are open between 9:00 am – 5:30 pm Monday to Friday excluding public holidays in England and Wales; or, for shareholders who hold their shares in CREST, appointing a proxy electronically by transmitting a CREST Proxy Instruction to Link, or if you are an institutional investor you may also be able to appoint a proxy electronically via the Proximity platform, in each case so that the proxy instruction is received by Link no later than 3:00 pm on **Wednesday 4 September 2024**.

*Directors:*

K Williams (Chair)  
J Caseberry  
T Singer  
T Gokhale  
G Stapleton  
J Hartley

05 August 2024

**To Shareholders and, for information only, to the holders of options under the Company's share option schemes**

Dear Shareholder

**2024 ANNUAL GENERAL MEETING**

The 2024 Annual General Meeting of Halfords Group plc (the “**Company**”) is to be held at Halfords Group plc, Support Centre, Icknield Street Drive, Washford West, Redditch B98 0DE on Friday 6 September 2024 at 3:00 pm. The formal Notice convening the meeting is set out on pages 8 to 10 of this document.

This circular provides you with explanatory notes for each of the resolutions in the Notice and explains the action you should take. Resolutions 14, 15 and 16 will be proposed as special resolutions with the remainder being proposed as ordinary resolutions.

Should you choose to attend in person, you will be able to vote at the Annual General Meeting itself. However, you may also vote on all resolutions by appointing the Chair of the meeting as your proxy in advance of the Annual General Meeting utilising one of the methods detailed below. If you appoint the Chair of the meeting as your proxy, this will not prevent you from attending and voting in person should you wish to do so but will ensure your votes are cast in accordance with your wishes if, for any reason, you are not able to attend and avoids the need for another person to attend as a proxy in your place.

You will be able to submit questions to the Directors in advance of the Annual General Meeting via email to the Company Secretary, Tim O’Gorman at [tim.ogorman@halfords.co.uk](mailto:tim.ogorman@halfords.co.uk). Written answers to all questions received will be sent directly to shareholders by email and answers to frequently asked questions will, to the fullest extent practicable, be published on the Company’s website ahead of the meeting or, to the extent that has not been possible, will be addressed at the meeting itself.

## **Explanatory Notes to the Resolutions**

### **Resolution 1 – Financial Statements**

The Directors are required to present to the 2024 Annual General Meeting the Company's audited annual financial statements and related reports of the Directors and auditor for the period ended 29 March 2024.

### **Resolution 2 – To Approve the Final Dividend**

If resolution 2 is approved by shareholders, the final dividend for the period ended 29 March 2024 of 5.0 pence for each ordinary share, as recommended by the Directors, will be paid on Friday 13 September 2024 to shareholders whose names are on the register of members at the close of business on Friday 9 August 2024.

### **Resolution 3 – To Approve the Directors' Remuneration Report**

The Directors are required to prepare an annual report detailing the remuneration of the Directors and a statement by the Chair of the Remuneration Committee (together, the "**Annual Report on Remuneration**") and to seek the shareholders' approval in respect of the contents of the Annual Report on Remuneration on an annual basis. Therefore, resolution 3 seeks shareholder approval in respect of the contents of the Annual Report on Remuneration, which is set out on pages 132 to 149 of the Company's 2024 Annual Report (excluding the Directors' remuneration policy set out on pages 137 to 138 of the Company's 2024 Annual Report). The Company's auditor, BDO LLP, has audited those parts of the Annual Report on Remuneration capable of being audited and its report may be found on pages 158 to 167 of the Company's 2024 Annual Report. The vote on resolution 3 is advisory only and any entitlement of a Director to remuneration is not made conditional on this ordinary resolution being passed. The Directors' Remuneration Policy was approved by shareholders at the annual general meeting of the Company on 6 September 2023 for a period of up to three years and is, therefore, not required to be put to shareholders for approval at the 2024 Annual General Meeting. It will be put to shareholders for approval again by no later than the annual general meeting of the Company to be held in 2026. A summary of the Directors' remuneration policy can be found on pages 137 to 138 of the Company's 2024 Annual Report and the full remuneration policy can be found on the Company's website <https://www.halfordscompany.com/environment-social-and-governance/governance/policies/remuneration-policy/>.

### **Resolutions 4 to 9 – Re-Election of Directors**

The Directors are committed to measures that promote good corporate governance. In accordance with the Code and the Articles, each of the Directors will be submitting themselves for re-election by the shareholders at the 2024 Annual General Meeting, and each subsequent annual general meeting of the Company until further notice. Consequently, resolutions 4 to 9 will be proposed in order to allow each of the Directors to retire from office at the conclusion of the 2024 Annual General Meeting and, being eligible, and in accordance with the Company's Articles of Association and the Code, offer themselves for re-election by the shareholders.

Biographical details of all the Directors who are proposed for re-election are set out on pages 98 to 99 of the Company's 2024 Annual Report. All the biographies are available for viewing on the Company's website [www.halfordscompany.com](http://www.halfordscompany.com). Brief summaries are set out below.

In compliance with the Code, the Board undertook a review as to whether it considered each of the Non-Executive Directors being proposed for re-election, being, Jill Caseberry, Tom Singer and Tanvi Gokhale, to be independent, as each will have served on the Board for five years, four years and one year respectively in September 2024. Based on this rigorous review, the Board was satisfied that Jill Caseberry, Tom Singer and Tanvi Gokhale maintained the necessary levels of independence in accordance with the Code's independence criteria. Accordingly, in light of the Code, the Board has determined that each of Jill Caseberry, Tom Singer and Tanvi Gokhale continue to remain independent in character and judgment, there are no relationships or circumstances likely to affect (or appear to affect) their judgment, and they continue to be effective and demonstrate a strong commitment to their roles and, therefore, the Board recommends that each of them be re-elected as a Non-Executive Director.

As Company Chair, Keith Williams' performance during the past year has been reviewed by the Non-Executive Directors led by the Senior Independent Director, Jill Caseberry.

#### **Keith Williams**

Keith was appointed Chair of the Company and of the Nomination Committee on 24 July 2018. Keith is the Non-Executive Chair of International Distribution Services Group (previously interim Executive Chair); Chair of the Nomination Committee and a member of the Remuneration Committee. Keith is a qualified Chartered Accountant. Keith was formerly a Non-Executive Director and Deputy Chair of John Lewis, a Non-Executive Director of Aviva plc, and Chief Executive Officer and then Executive Chair of British Airways, having previously been at Boots, Reckitt and Colman, and Apple Computer Inc. Keith was the independent Chair of the government-supported Rail Review. Keith brings extensive leadership and plc board experience. He is a highly regarded business leader with a proven record in retail and deep experience in relevant areas such as customer service and digital.

#### **Jill Caseberry**

Non-Executive Director and Remuneration Committee Chair since 1 March 2019. Senior Independent Director since 6 September 2023. Jill is currently a Non-Executive Director and member of the Audit and Remuneration Committees of C&C Group plc; Senior Independent Director, Chair of the Remuneration Committee and a member of the Nomination Committee of Bakkavor Group plc; Senior Independent Director, Remuneration Committee Chair and member of the Audit and Nomination Committees of St. Austell Brewery; and a Non-Executive Director and Chair of the Remuneration Committee and a member of the Audit, Nomination and ESG Committees of Bellway plc. Previously, Jill was Non-Executive Director, Remuneration Committee Chair and a member of the Audit and Nomination Committees of Northgate plc; and the Designated Workforce Engagement Non-Executive Director of Bakkavor Group plc. During her executive career Jill gained extensive sales, marketing and general management experience across a number of blue chip companies, including Mars, PepsiCo and Premier Foods. She also founded a soft drink company and established a sales and marketing consultancy. Jill brings extensive leadership experience from senior sales and marketing roles in consumer goods businesses.

## **Tom Singer**

Tom was appointed Non-Executive Director on 16 September 2020, and Chair of the Audit Committee on 1 January 2021. Tom is a Non-Executive Director and Audit Committee Chair of Mukuru and of Vue International Group. Tom was the Senior Independent Director and Chair of the Audit and Remuneration Committees at DP Eurasia NV; Chair of the Audit Committee at Liberty Living; and a Non-Executive Director and Chair of the Audit Committee at Mediclinic International plc. Previously, he served as CFO of InterContinental Hotels Group plc, Group Finance Director of British United Provident Association ("BUPA"), CFO and Chief Operating Officer of William Hill plc and Finance Director of Moss Bros plc, having started his career in professional services and spending a total of 12 years at Price Waterhouse and McKinsey. Tom brings extensive experience of strategy development, corporate governance and numerous finance disciplines.

## **Tanvi Gokhale**

Tanvi was appointed Non-Executive Director on 20 June 2023, and Chair of the ESG Committee and Employee Voice Director on 6 September 2023. Tanvi currently serves as Managing Director, Retail Strategy and Innovation of Natwest Group and is a Trustee of English Heritage. Tanvi previously served as a Strategy consultant at Booz & Co. She also previously served as Segmentation and Propositions Director for Lloyds Banking Group. Until March 2023 she also served as Chair of the Investment Committee at English Heritage. Tanvi brings extensive experience in retail strategy and financial services to the Board.

## **Graham Stapleton**

Graham was appointed Chief Executive Officer on 15 January 2018. Previously Graham was CEO of Dixons Carphone plc's software business, Honeybee. Prior to that he was CEO of Dixon Carphone's Connected World Services Division from 2015 to 2017 and CEO of Carphone Warehouse UK & Ireland from 2013 to 2015. Graham's early career covered senior leadership roles in Kingfisher plc from 2001 to 2005 and Marks and Spencer plc from 1994 to 2001, prior to which Graham set up and ran his own business for several years. Graham was a Trustee of the Make-A-Wish charity. Graham was also previously a Non-Executive Director of The Magic Bean Co. Limited and a Non-Executive Director of Loyalty Angels Limited (known as Bink). Graham is an outstanding business leader and brings extensive skills and experience to the plc Board.

## **Jo Hartley**

Jo joined as Chief Financial Officer on 16 June 2022. Prior to joining Halfords, Jo was the Group CFO for Virgin Active for over six years. Before that, Jo worked at Tesco plc in a number of finance roles in the UK and internationally, having qualified as a chartered accountant at Deloitte UK. Jo has extensive experience across all finance functions gained within consumer facing businesses.

The Board is satisfied that each of the Directors proposed for re-election has the appropriate balance of skills, experience, independence and knowledge of the Company to enable him or her to discharge the duties and responsibilities of a director effectively and that each of their contribution is, and continues to be, important to the Company's long-term sustainable success. Accordingly, the Board unanimously recommends the election or re-election of each of the Directors.

## **Resolutions 10 and 11 – Reappointment and Remuneration of Auditor**

An auditor must be appointed at each general meeting at which the Company's accounts are presented to shareholders to hold office, from the end of that meeting until the end of the next annual general meeting. BDO LLP has advised the Company of its willingness to stand for re-appointment as the auditor of the Company until the conclusion of the next general meeting of the Company at which accounts are laid.

The remuneration of the auditor must be fixed by the Company in a general meeting or in such manner as the Company may determine in a general meeting. Therefore, resolution 11 authorises the Audit Committee (for and on behalf of the Board of Directors) to determine the remuneration of the auditor.

## **Resolution 12 – Authority to Make Political Donations**

This ordinary resolution seeks shareholder approval to renew and replace the authority granted to the Company and its subsidiaries by shareholders at the Company's 2023 Annual General Meeting to make political donations, which expires at the conclusion of the 2024 Annual General Meeting. This resolution concerns Part 14 of the Companies Act 2006 (the "Act"), which provides that political donations made by a company to political parties, to other political organisations and to independent election candidates or political expenditure incurred by a company must be authorised in advance by shareholders.

It is not the policy of the Company to make political donations and the Directors have no intention of changing that policy. However, as a result of the wide definitions in the Act, normal expenditure (such as expenditure on organisations concerned with matters of public policy, law reform and representation of the business community) and business activities (such as communicating with the Government and political parties at local, national and European level) might be construed as either political expenditure or as a donation to a political party or other political organisation and so fall within the restrictions of the Act.

This resolution does not purport to authorise any particular donation or expenditure but is expressed in general terms as required by the Act and is intended to authorise normal donations and expenditure, which would not normally be considered to result in the making of political donations or political expenditure being incurred. If passed, resolution 12 would allow the Company and its subsidiaries to make donations to political parties, other political organisations and independent election candidates and to incur political expenditure (as defined in the Act) up to an aggregate limit of £150,000 during the period up to twelve months after the passing of resolution 12, in order to avoid inadvertent infringement of the Act. However, the authority will not be used to make political donations within the normal meaning of that expression. Any political donation made or political expenditure incurred which is in excess of £2,000 will be disclosed in the Company's Annual Report for the next year, as required by the Act.

## **Resolution 13 – Authority to Allot Securities**

This ordinary resolution seeks shareholder approval to renew the general authority previously given to the Directors at the Company's 2023 Annual General Meeting to allot securities (such as ordinary shares in the Company), which expires at the conclusion of the 2024 Annual General Meeting. In February 2023, the Investment Association updated its Share Capital Management Guidelines on Directors' authority to allot shares (the "**2023 Guidelines**") stating that its members will permit, and treat as routine, resolutions seeking authority to allot shares representing up to two thirds of the Company's issued share capital provided that any routine authority to allot shares representing in excess of one third of the Company's issued share capital should only be used for fully pre-emptive offers (not just a rights issue, as was the case under the guidelines prior to February 2023).

Paragraph (a) of resolution 13 would, if passed, give the Directors the authority to allot unissued shares up to a maximum nominal amount of £729,762 representing a maximum number of 72,976,245 ordinary shares of 1 pence each, or approximately one third of the Company's issued ordinary share capital as at 17 July 2024, being the latest practicable date before publication of this Notice.

Paragraph (b) of resolution 13 proposes that, consistent with the 2023 Guidelines, a further authority be given to the Directors to allot equity securities in connection with a fully pre-emptive offer to holders of equity securities (which would include ordinary shareholders), up to a maximum nominal amount of £729,762 representing a maximum number of 72,976,245 ordinary share of 1 pence each or approximately one third of the Company's issued ordinary share capital as at 17 July 2024, being the latest practicable date before publication of this Notice.

The authorities sought in paragraphs (a) and (b) of resolution 13 will, if approved, expire at the conclusion of the annual general meeting of the Company to be held in 2025, or, if earlier, on 30 September 2025. The Directors have no present intention of exercising these authorities, except in relation to the Company's share incentive schemes. As at 17 July 2024, being the latest practicable date before publication of this Notice, the Company held no treasury shares in the Company. The Directors intend to seek renewal of this authority at future annual general meetings.

## **Resolution 14 – Disapplication of Statutory Pre-Emption Rights**

This special resolution, if passed, would renew the authority given to the Directors at the Company's 2023 Annual General Meeting to allot, pursuant to the authority given by resolution 13, equity securities (such as ordinary shares) for cash, or sell treasury shares for cash, without first offering them to existing shareholders pursuant to statutory pre-emption rights. The authority would be limited to allotments of equity securities:

- to ordinary shareholders in proportion to their existing shareholdings;
- to holders of other equity securities as required by the rights attaching to those securities or as the Directors consider necessary; and
- for cash up to a maximum amount of £109,464 representing a maximum number of 10,946,437 ordinary shares, or approximately 5 per cent. of the issued ordinary share capital of the Company as at 17 July 2024, being the latest practicable date before publication of this Notice.

This disapplication authority is in line with institutional shareholder guidance, and in particular, with the Pre-Emption Group's Statement of Principles and the 2023 Guidelines. In respect of resolution 14, the Directors confirm their intention to follow the shareholder protections in Part 2B of the Pre-Emption Group's Statement of Principles.

The authority sought and the limits set by resolution 14 would also disapply the application of section 561 of the Act from a sale of treasury shares to the extent specified in that resolution.

This authority will, if approved, expire at the conclusion of the annual general meeting of the Company to be held in 2025, or, if earlier, on 30 September 2025. The Directors are seeking this authority in accordance with best practice and have no present intention of exercising this authority but believe it is in the interests of shareholders for the Directors to have this flexibility to allot shares for cash and to sell treasury shares for cash in those limited circumstances. The Directors intend to seek renewal of this authority at future annual general meetings and will keep emerging market practice in this area under review.

## **Resolution 15 – Authority to Purchase Own Shares**

This special resolution, if passed, would authorise the Company to make market purchases of its own ordinary shares. If resolution 15 is approved, the Directors may utilise the authority to continue to make market purchases of the Company's shares within the meaning of section 693 of the Act. The maximum number of shares which may be purchased if resolution 15 is approved is 21,892,874 representing approximately 10 per cent. of the Company's issued ordinary share capital (excluding treasury shares) as at 17 July 2024, being the latest practicable date before publication of this Notice. The authority will, if approved, expire at the conclusion of the annual general meeting of the Company to be held in 2025, or, if earlier, on 30 September 2025.

The minimum price that could be paid for an ordinary share would be 1 pence and the maximum price would be equal to the higher of:

- (i) 105 per cent. of the average of the middle market quotation for an ordinary share of the Company as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is purchased; and
- (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out, in each case excluding expenses.

Any ordinary shares purchased pursuant to this authority may either be held as treasury shares or cancelled by the Company, depending on which course of action is considered by the Directors to be in the best interests of the shareholders at the time. If the shares purchased were held as treasury shares, they would carry no voting rights and no entitlement to any dividend for as long as they were held as treasury shares. If the shares purchased were cancelled, then the shares in issue would thereby be reduced.

No market purchases were made during the period ended 29 March 2024. The Directors have no present intention of exercising the authority to purchase the Company's ordinary shares but will keep the matter under review, taking into account other investment opportunities, market conditions, appropriate gearing levels and the overall financial position of the Company. The Directors will only exercise this authority if, after careful consideration, they believe that to do so would result in an increase in earnings per share and would be in the best interests of shareholders generally. The Directors are making no recommendation as to whether shareholders should sell their shares in the Company.

The Directors also intend to seek the renewal of this authority at future annual general meetings. As at 17 July 2024, being the latest practicable date before publication of this Notice, options over a total of 15,728,077 ordinary shares were outstanding and not exercised. That number of ordinary shares represents 7.18 per cent of the Company's issued ordinary share capital as at 17 July 2024, being the latest practicable date before publication of this Notice. It would represent 8.98 per cent of the issued ordinary share capital if the authority to purchase the Company's own shares granted at the Company's 2023 Annual General Meeting and the authority proposed to be granted under resolution 15 were both exercised in full and assuming no further ordinary shares are issued. As at 17 July 2024, being the latest practicable date before publication of this Notice, the Company held no treasury shares in the Company and no warrants over ordinary shares in the capital of the Company existed.

### **Resolution 16 – Notice of Meetings other than Annual General Meetings**

This special resolution, if passed, would allow the Company to continue to call general meetings on 14 clear days' notice pursuant to the Act, which provides that the notice period for general meetings of the Company must be 21 clear days unless shareholders approve a shorter period (which cannot be less than 14 clear days). This approval was given at the Company's 2023 Annual General Meeting and the Company would like to continue to have the flexibility to convene general meetings (other than annual general meetings) on 14 clear days' notice. The Directors do not intend to use this authority as a matter of routine, but only when time-sensitive matters are to be discussed and where they consider it to be merited in the interests of shareholders as a whole and will have regard to other best practice recommendations as regards its use. If approved, the authority will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed in order to renew this power. The Company will need to meet the requirements for electronic voting under the Act in order to call a general meeting on 14 days' notice. Annual general meetings must continue to be held on at least 21 clear days' notice.

### **Resolution 17 – Performance Share Plan Rules**

Resolution 17 relates to the proposed introduction of a new performance share plan by the Company, the Halfords Performance Share Plan 2024 (the "New PSP").

The Company's existing performance share plan is the Halfords Performance Share Plan 2015 (the "Existing PSP"). Since its initial approval by shareholders on 13 July 2005 and the subsequent approval of its renewal in amended form by shareholders on 30 July 2015, the Existing PSP has provided for the grant of performance-linked incentive awards over shares in the Company to selected senior employees.

The Existing PSP is due to reach the end of its life on 30 July 2025. The Existing PSP is the Company's primary mechanism for rewarding and motivating senior employees, and providing alignment with shareholders, through the delivery of performance-linked awards over shares in the Company.

Accordingly, the Remuneration Committee of the Company has concluded that shareholder authority should be sought under Resolution 17 for the adoption now of the New PSP to replace the Existing PSP. The terms of the New PSP have been drafted to be materially similar to the Existing PSP but with appropriate changes to bring the New PSP in line with prevailing best practice.

The terms of the New PSP are summarised in Appendix I of this Notice of Annual General Meeting.

### **Action to be taken by Shareholders**

Your vote is important to us and, whether or not you intend to attend the 2024 Annual General Meeting, we strongly encourage shareholders to vote on all resolutions by appointing the Chair of the meeting as your proxy in advance utilising one of the methods detailed below as soon as possible and, in any event, by no later than 3:00 pm on Wednesday 4 September 2024. If you appoint the Chair of the meeting as your proxy, this will ensure your votes are cast in accordance with your wishes regardless of whether you or anyone else you appoint as your proxy actually attends the meeting. Appointing a proxy will not prevent you from attending the 2024 Annual General Meeting and voting in person, should you wish to do so.

As in previous years, you will not receive a hard copy Form of Proxy for the 2024 Annual General Meeting. Instead, you can vote electronically using the link [www.signalshares.com](http://www.signalshares.com), or via the LinkVote+ app. You will need to log into your Signal Shares account, or register if you have not previously done so, to register you will need your investor code, which is detailed on your share certificate or is available from the Company's Registrars, Link.

As an alternative to voting online, you can request a hard copy Form of Proxy from Link by email at [shareholderenquiries@linkgroup.co.uk](mailto:shareholderenquiries@linkgroup.co.uk) or by telephone on 0371 664 0300 (if you are outside the United Kingdom, please call +44(0) 371 664 0300. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate). Lines are open between 9:00 am – 5:30 pm Monday to Friday excluding public holidays in England and Wales. To be valid, Forms of Proxy must be validly completed and received by the Company's Registrar at their address (PXS 1, Link Group, Central Square, 29 Wellington Street, Leeds LS1 4DL) by no later than 3:00 pm on Wednesday 4 September 2024.

Voting by proxy prior to the 2024 Annual General Meeting, whether online, requesting and completing a hard copy Form of Proxy, or the transmission of a CREST Proxy Instruction, or the appointment of a proxy via Proxymity will not preclude you from attending, speaking and voting at the meeting in person if you are able, and wish, to do so. If you do this and there is a poll vote, we will ignore your proxy votes.

You will also be able to submit questions to the Directors in advance of the 2024 Annual General Meeting via email to the Company Secretary, Tim O'Gorman at [tim.ogorman@halfords.co.uk](mailto:tim.ogorman@halfords.co.uk). Written answers to all questions received will be sent directly to shareholders by email and answers to frequently asked questions will, to the fullest extent practicable, be published on the Company's website ahead of the meeting or, to the extent that has not been possible, will be addressed at the meeting itself.

Please also continue to monitor the Company's website and announcements for any updates in relation to the 2024 Annual General Meeting that may need to be provided in advance of the meeting.

**Recommendation**

The Directors consider that each of the resolutions set out in the Notice of the 2024 Annual General Meeting on pages 8 to 10 inclusive of this document is in the best interests of the Company and the shareholders as a whole and the Directors recommend that you vote in favour of them, as each of the Directors intends to do in respect of his or her own beneficial holding of shares in the Company.

Yours faithfully,

**Keith Williams**

Chair

05 August 2024

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 2024 Annual General Meeting of the Company will be held at Halfords Group plc, Support Centre, Icknield Street Drive, Washford West, Redditch B98 0DE on Friday 6 September 2024 at 3:00 pm to consider the following resolutions, which in the case of resolutions 14, 15 and 16 will be proposed as special resolutions with the remainder being proposed as ordinary resolutions:

1. To receive the audited annual financial statements for the period ended 29 March 2024 and the reports of the Directors and auditor thereon.
2. To declare a final dividend for the period ended 29 March 2024 of 5.0 pence for each ordinary share, as recommended by the Directors, to be paid on Friday 13 September 2024 to ordinary shareholders whose name appears on the Company's register of members at the close of business on Friday 9 August 2024.
3. To approve the Directors' Annual Report on Remuneration (excluding the Directors' remuneration policy), for the period ended 29 March 2024 as set out on pages 132 to 149 of the Company's 2024 Annual Report.
4. To re-elect Keith Williams as a Director.
5. To re-elect Jill Caseberry as a Director.
6. To re-elect Tom Singer as a Director.
7. To re-elect Tanvi Gokhale as a Director.
8. To re-elect Graham Stapleton as a Director.
9. To re-elect Jo Hartley as a Director.
10. To re-appoint BDO LLP as auditor of the Company to hold office from the conclusion of the 2024 Annual General Meeting until the conclusion of the next general meeting at which accounts are laid before the Company.
11. To authorise the Audit Committee for and on behalf of the board of Directors to determine the remuneration to be paid to the auditor of the Company.

### **Authority to Make Political Donations**

12. That the Company and all companies that are its subsidiaries at any time during the period for which this resolution has effect, for the purposes of section 366 of the Companies Act 2006 (the "Act") be authorised to:
  - a) make political donations to political parties or independent election candidates (as such terms are defined in sections 363 and 364 of the Act), not exceeding £50,000 in aggregate;
  - b) make political donations to political organisations other than political parties (as such terms are defined in sections 363 and 364 of the Act), not exceeding £50,000 in aggregate; and
  - c) incur political expenditure (as such term is defined in section 365 of the Act), not exceeding £50,000 in aggregate, during the period beginning with the date of the passing of this resolution and ending on the earlier of the conclusion of the Company's next annual general meeting or close of business on 30 September 2025, unless previously removed, varied or revoked by the Company in a general meeting, provided that the maximum amounts referred to in (a), (b) and (c) above may comprise sums in different currencies, which shall be converted at such rate as the Directors may in their absolute discretion determine to be appropriate.

### **Authority to Allot Securities**

13. That, in substitution for all existing authorities, the Directors be generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot shares (as defined in section 540 of the Act) in the Company or grant rights to subscribe for or to convert any security into shares in the Company:
  - a) up to an aggregate nominal amount of £729,762; and
  - b) comprising equity securities (as defined in section 560(1) of the Act) up to a further aggregate nominal amount of £729,762 in connection with a fully pre-emptive offer,

such authorities to apply until the earlier of the conclusion of the Company's next annual general meeting or close of business on 30 September 2025 (unless previously renewed, revoked or varied by the Company in general meeting) but, in each case, so that the Company may make offers and enter into agreements before the authority expires which would, or might, require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after the authority expires and the Directors may allot shares or grant such rights under any such offer or agreement as if the authority had not expired. References in this resolution 13 to the nominal amount of rights to subscribe for or to convert any security into shares (including where such rights are referred to as equity securities as defined in section 560(1) of the Act) are to the nominal amount of shares that may be allotted pursuant to the rights.

For the purposes of this resolution 13 “fully pre-emptive offer” means an offer to:

- i. ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
- ii. holders of other equity securities, as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary,

to subscribe for further securities, including an offer to which the Directors may impose any limits or restrictions or make any other arrangements which they consider 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.

#### **Disapplication of Statutory Pre-emption Rights**

14. That, in substitution for all existing authorities and subject to the passing of resolution 13, the Directors be generally authorised pursuant to section 570 of the Act to allot equity securities (as defined in section 560(1) of the Act) for cash pursuant to the authority granted by resolution 13 and/or pursuant to section 573 of the Act to sell ordinary shares held by the Company as treasury shares for cash, in each case free of the restriction in section 561 of the Act, such authority to be limited:

- a) to the allotment of equity securities and/or sale of treasury shares for cash in connection with an offer of equity securities (but in the case of an allotment pursuant to the authority granted by paragraph (b) of resolution 13, by way of a fully pre-emptive offer 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 defined in section 560(1) of the Act), as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary,

and so that the Directors may impose any limits or restrictions or make any other arrangements which they consider 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) to the allotment of equity securities pursuant to the authority granted by paragraph (a) of resolution 13 and/or sale of treasury shares for cash (in each case otherwise than in the circumstances set out in paragraph (a) of this resolution 14) up to a nominal amount of £109,464 (calculated, in the case of equity securities which are rights to subscribe for, or to convert securities into, ordinary shares by reference to the aggregate nominal amount of relevant shares which may be allotted pursuant to such rights),

such authority to apply until the earlier of the conclusion of the Company’s next annual general meeting or close of business on 30 September 2025 (unless previously renewed, revoked or varied by the Company in general meeting) but, in each case, so that the Company may make offers and enter into agreements before the authority expires which would, or might, require equity securities to be allotted (and/or treasury shares to be sold) after the authority expires and the Directors may allot equity securities (and/or sell treasury shares) under any such offer or agreement as if the authority had not expired.

For the purpose of this resolution 14, “fully pre-emptive offer” has the same meaning as in resolution 13 above.

#### **Authority to Purchase Own Shares**

15. That the Company be generally and unconditionally authorised to make one or more market purchases (within the meaning of section 693(4) of the Act) of its own ordinary shares of 1 pence each in the capital of the Company on such terms and in such manner as the Directors may, from time to time, determine, provided that

- a) the maximum aggregate number of ordinary shares hereby authorised to be purchased is 21,892,874 ordinary shares (representing less than 10 per cent. of the issued ordinary share capital);
- b) the minimum price (excluding expenses) which may be paid for an ordinary share is 1 pence;
- c) the maximum price (excluding expenses) which may be paid for an ordinary share shall not be more than the higher of:
  - i. 105 per cent. of the average of the middle market quotations for an ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the purchase is made; and
  - ii. the higher of the price of the last independent trade and the highest current independent bid for an ordinary share on the trading venue where the purchase is carried out; and
- d) the authority hereby conferred shall expire at the end of the Company’s next annual general meeting after this resolution is passed (or, if earlier, at the close of business on 30 September 2025), but a contract of purchase may be made before such expiry which will or may be executed wholly or partly thereafter and a purchase of shares may be made in pursuance of any such contract as if the authority had not expired.

#### **Authority to call general meetings on 14 days’ notice**

16. That the Directors be authorised to call a general meeting of the Company other than an annual general meeting on not less than 14 clear days’ notice, provided that this authority expires at the conclusion of the next annual general meeting of the Company after this resolution is passed.

## Performance Share Plan Rules

17. That the rules of the Halfords Performance Share Plan 2024 (the “**New PSP**”), a summary of the principal provisions of which is set out in Appendix I to the Notice of Annual General Meeting and a copy of which is produced to the meeting signed by the Chair for the purposes of identification, be approved and adopted by the Company and the Directors be authorised to do all acts and things necessary to establish and carry the New PSP into effect and to establish schedules to the New PSP or further schemes for the benefit of employees outside the UK, based on the New PSP but modified to take account of local tax, exchange control and securities laws in overseas territories, provided that any shares made available under such schedules or schemes are treated as counting against any limits on individual or overall participation contained in the New PSP.

Registered Office:  
Icknield Street Drive  
Washford West  
Redditch  
Worcestershire  
B98 0DE

By Order of the Board  
Tim O’Gorman  
Company Secretary  
05 August 2024

## Important notes for Shareholders

The following notes explain your general rights as a shareholder and your rights to attend and vote at the 2024 Annual General Meeting or to appoint someone else to vote on your behalf.

1. You may appoint one or more persons of your choice to act as your proxy in accordance with the procedures set out below. A proxy may attend the meeting and exercise all or any of your rights to speak and vote at the meeting for you. You may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to different shares. A proxy need not be a member of the Company, however we strongly encourage you to vote by appointing the Chair of the meeting as your proxy as this will ensure your votes are cast in accordance with your wishes regardless of whether you or anyone else you appoint as your proxy actually attends the meeting. You will not receive a hard copy Form of Proxy in the post. Instead, you may nominate a proxy by completing your Form of Proxy online using the link [www.signalshares.com](http://www.signalshares.com) by 3:00 pm on Wednesday 4 September 2024. You will need to log into your Signal Shares account, or register if you have not previously done so, to register you will need your investor code, this is detailed on your share certificate or available from the Company’s Registrars, Link.
2. You may also vote via the LinkVote+ app. It is a free app for smartphone and tablet provided by Link Group (the company’s registrar). It offers shareholders the option to submit a proxy appointment quickly and easily online, as well as real-time access to their shareholding records. The app is available to download on both the Apple App Store and Google Play, or by scanning the relevant QR code below.

**Apple App Store**



**GooglePlay**



3. As an alternative to nominating your proxy online you can request a hard copy Form of Proxy from the Company’s Registrars, Link, by email at [shareholderenquiries@linkgroup.co.uk](mailto:shareholderenquiries@linkgroup.co.uk) or by telephone on 0371 664 0300 (if you are outside the United Kingdom, please call +44(0) 371 664 0300. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate). Lines are open between 9:00 am - 5:30 pm Monday to Friday excluding public holidays in England and Wales. To be valid, Forms of Proxy must be validly completed and received by the Company’s Registrar at their address (PXS 1, Link Group, Central Square, 29 Wellington Street, Leeds LS1 4DL) by no later than 3:00 pm on Wednesday 4 September 2024. Voting by proxy prior to the 2024 Annual General Meeting, whether online, requesting and completing a hard copy Form of Proxy, the transmission of a CREST Proxy Instruction (as defined below), or the appointment of a proxy via Proxymity will not preclude you from attending, speaking and voting at the meeting in person if you are able, and wish, to do so. If you do this and there is a poll vote, we will ignore your proxy votes
4. Voting on all resolutions will be conducted by way of a poll rather than a show of hands. This is a more transparent method of voting as member votes are to be counted according to the number of shares held. As soon as practicable following the 2024 Annual General Meeting, the results of the voting at the meeting and the number of proxy votes cast for and against and the number of votes actively withheld in respect of each of the resolutions will be announced via a Regulatory Information Service and also placed on the Company’s website [www.halfordscompany.com](http://www.halfordscompany.com).

5. If you are not a member of the Company, but have been nominated by a member of the Company (a “**relevant member**”) to enjoy information rights in accordance with section 146 of the Companies Act 2006 (the “**Act**”), you do not have a right yourself to appoint any proxies. You may, however, have a right under an agreement with the relevant member to be appointed or to have somebody else appointed as a proxy for the meeting. If you do not have such a right, or have such a right and do not wish to exercise it, you may have a right under an agreement with the relevant member to give instructions as to the exercise of voting rights.
6. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of the same powers as the corporation could exercise if it were an individual member, provided they do not do so in relation to the same shares.
7. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 and section 360B of the Act, the Company specifies that only those shareholders registered on the Company’s relevant register of members at close of business on Wednesday 4 September 2024 (or in the case of adjournment as at 48 hours before the time appointed for holding of the adjourned meeting) shall be entitled to attend or vote at the 2024 Annual General Meeting in respect of the number of shares registered in their names at that time. Changes to entries on the relevant register after close of business on Wednesday 4 September 2024 (or in the case of adjournment as at 48 hours before the time appointed for holding of the adjourned meeting) will be disregarded in determining the rights of any person to attend or vote at the meeting.
8. Copies of the service contracts and letters of appointment of the Directors and the proposed rules of the Halfords Performance Share Plan Scheme 2024 are available for inspection at the registered office of the Company during normal business hours on each business day from the date of this document until the date of the 2024 Annual General Meeting and, together with the register of Directors’ interests, will be available for inspection at the place of the 2024 Annual General Meeting from 15 minutes prior to its commencement until its conclusion. A copy of the proposed rules of Halfords Performance Share Plan 2024 is available for inspection on the National Storage Mechanism from the date of this Notice. A copy of the proposed rules of the Halfords Performance Share Plane 2024 will also be available for inspection at the place of the Annual General Meeting for at least 15 minutes prior to and during the meeting. The Directors have the benefit of qualifying third-party indemnity provisions pursuant to the Company’s Articles of Association (clause 121.1), which are and will be available for inspection as described above.
9. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the 2024 Annual General Meeting to be held on Friday 6 September 2024 at 3:00 pm and any adjournment(s) thereof by utilising the procedures described in the CREST Manual (available via [www.euroclear.com](http://www.euroclear.com)). 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.
10. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear’s specifications and must contain the information required for such instructions, as described in the CREST Manual (available via [www.euroclear.com](http://www.euroclear.com)). The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer’s agent (ID RA10) by 3:00 pm on Wednesday 4 September 2024. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
11. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & International 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(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
12. 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.
13. If you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Company’s Registrar. For further information regarding Proxymity, please go to [www.proxymity.io](http://www.proxymity.io). Your proxy must be lodged by 3:00 pm on Wednesday 4 September 2024 in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed to Proxymity’s associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.

14. Unless otherwise indicated when voting online, on a Form of Proxy, CREST, Proxymity or any other electronic voting instruction, the proxy will vote as they think fit, or, at their discretion withhold from voting.
15. 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 meeting; or (ii) any circumstances 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 section 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 meeting includes any statement that the Company has been required to publish on a website under section 527 of the Act.
16. Shareholders have the right to ask questions relating to the business of the 2024 Annual General Meeting. Shareholders will be able to submit questions to the Directors in advance of the 2024 Annual General Meeting via email to the Company Secretary, Tim O'Gorman at [tim.ogorman@halfords.co.uk](mailto:tim.ogorman@halfords.co.uk). Written answers to all questions received will be sent directly to shareholders by email and answers to frequently asked questions will, to the fullest extent practicable, be published on the Company's website ahead of the meeting or, to the extent that has not been possible, will be addressed at the meeting itself. The Company has no obligation to answer such questions if they fall within any of the statutory exceptions. No answer will therefore be required to be given if: (i) it is undesirable in the interests of the Company or the good order of the 2024 Annual General Meeting; (ii) to do so would unduly interfere with the preparation for the meeting or involve the disclosure of confidential information; or (iii) the answer has already been given on a website in the form of an answer to a question.
17. Notifiable interests of significant shareholders representing 3% or more of the Company's issued share capital as at 29 March 2024, as disclosed to the Company in accordance with DTR 5 of the FCA's Disclosure Guidance and Transparency Rules, are set out on page 153 of the Company's 2024 Annual Report. Between 29 March 2024 and 17 July 2024 (being the latest practicable date before publication of this Notice) the Company had been notified of changes in the notifiable interests of Janus Henderson Investors, which now holds 10,226,516 shares representing 4.87% of voting rights; Morgan Stanley, which now holds 13,000,957 shares representing 5.94% of voting rights and; Aberforth Partners LLP which now holds 11,205,625 shares representing 5.12% of voting rights.
18. The Directors' interests in, and options over, ordinary shares in the Company as at 17 July 2024 (being the latest practicable date prior to the date of the Company's 2024 Annual Report), are shown in the Directors' Remuneration Report on pages 144 and 145 of the Company's 2024 Annual Report. Between 17 July 2024 and 22 July 2024 (being the latest practicable date before publication of this Notice) there have been no changes to such interests.
19. As at 17 July 2024, being the last practicable date before publication of this Notice, the Company's issued share capital consisted of 218,928,736 ordinary shares of 1 pence each, with each ordinary share carrying one vote. The Company holds no treasury shares that hold voting rights, therefore, the total voting rights in the Company as at 17 July 2024 was 218,928,736.
20. A copy of this Notice and other information required by section 311A of the Act can be found at [www.halfordscompany.com](http://www.halfordscompany.com).
21. You may not use any electronic address provided in this Notice to communicate with the Company for any purposes other than those expressly stated. Please note that the Company takes all reasonable precautions to ensure no viruses are present in any electronic communication it sends out but the Company cannot accept responsibility for loss or damage arising from the opening or use of any e-mail or attachments and recommends that recipients subject all messages to virus checking procedures prior to use.

## APPENDIX I

### Summary of the principal terms of the Halfords Performance Share Plan 2024

#### 1. General

The Halfords Performance Share Plan 2024 (the “**New PSP**”) has been designed to be materially similar to the Company’s existing Performance Share Plan (which was initially approved by shareholders in July 2005, renewed in an amended form which was approved by shareholders in July 2015, and which is due to expire in July 2025). Appropriate changes have been made to the New PSP rules to bring them in line with prevailing best practice and the existing Directors’ Remuneration Policy.

The New PSP will enable executive Directors of the Company (“**Executive Directors**”) and selected employees of the Company and its Group to be granted awards (“**PSP Awards**”) in respect of ordinary shares in the capital of the Company.

PSP Awards are not transferable (except on death) and are not pensionable benefits.

The operation of the New PSP will be overseen by the Remuneration Committee of the Board of Directors of the Company (the “**Remuneration Committee**”), which consists entirely of Non-Executive Directors. The Remuneration Committee may delegate authority to particular individuals (e.g. members of the Company’s HR or CoSec team) or to a sub-committee to carry out day-to-day administrative matters in connection with the PSP and/or, subject to a defined scope, in relation to awards to employees who are not Executive Directors or members of the Executive team.

No payment shall be required for the grant of a PSP Award.

No PSP Awards may be granted more than 10 years after approval of the New PSP by shareholders.

#### 2. Eligibility

All employees of the Halfords Group (including Executive Directors) are eligible to participate in the New PSP and receive PSP Awards at the discretion of the Remuneration Committee.

#### 3. Types of PSP Awards

PSP Awards will not ordinarily be capable of vesting until the third anniversary of their grant date, except in exceptional circumstances such as corporate events (see paragraph 11 below), and ordinarily will be subject to continued employment and the attainment of performance conditions which will determine the extent to which such PSP Awards shall be capable of vesting (“**Performance Awards**”).

The Remuneration Committee may also grant PSP Awards with or without performance conditions attached (“**Discretionary Awards**”). The Remuneration Committee may set the vesting date for Discretionary Awards at their discretion. Executive Directors are not eligible to be granted Discretionary Awards.

PSP Awards may also be granted to an employee (including an Executive Director) for the purpose of facilitating their recruitment as an employee of the Halfords Group (“**Recruitment Awards**”).

PSP Awards may be structured as conditional awards of shares or as options to acquire shares.

The Remuneration Committee may also grant cash-based awards of an equivalent value to share-based awards, or settle share-based awards with cash, although the Remuneration Committee currently only intends to use this ability in circumstances where the relevant participant is resident in a jurisdiction where granting or settling share-based awards is impractical.

#### 4. Timing of grant of PSP Awards

PSP Awards will normally be granted under the New PSP within a period of 42 days beginning with the fourth day following the announcement of the Company’s results for any period; 42 days immediately after the person to whom it is made first becomes an Employee; 42 days immediately after an Employee is promoted to a grade in respect of which a PSP Award is merited; within a period of 42 days after the approval by shareholders of the Company of any new Directors’ Remuneration Policy; within period of 42 days after the approval by shareholders of the rules of the New PSP or at other times if the Remuneration Committee sees fit in exceptional circumstances.

If regulatory or statutory restrictions, or the provisions of the Company’s share dealing code, prevent PSP Awards from being granted in these periods, PSP Awards may be made in the period immediately after the removal of all such restrictions.

#### 5. Size of PSP Awards

The maximum number of shares that may be awarded to a participant in the form of Performance Awards and Discretionary Awards in respect of any financial year will be limited so that the market value of such shares on the grant date will not exceed 200% of the participant’s base salary or any other limit that is specified under the Company’s prevailing shareholder-approved Directors’ Remuneration Policy in force at the time that the Award is granted.

Market value for the purposes of the above limit shall generally be taken to be either the market value of shares on the dealing day immediately preceding the date on which the relevant PSP Award is granted, or by reference to a short averaging period or such other market value as reasonably determined by the Remuneration Committee prior to the Grant Date.

Recruitment Awards shall ordinarily be granted to an employee in compensation for awards granted by their former employer and which lapsed on their commencement of employment with the Halfords group, in which case such Recruitment Awards may be granted over such number of the Company’s shares which have a greater market value than the shares which are comprised in the lapsed awards which the Recruitment Award is intended to replace.

## **6. Dilution limits**

PSP Awards may be satisfied by newly issued shares, shares purchased in the market or by the transfer of treasury shares.

No PSP Award may be granted if it would cause the number of new shares issued or issuable pursuant to awards and options granted in the preceding 10 years under any share plan adopted by the Company or a member of the Halfords group (including the New PSP) to exceed 10% of the Company's issued ordinary share capital at the proposed date of grant.

A similar 5% in 10 years limit applies to awards granted under any discretionary share plan adopted by the Company or a member of the Halfords Group (which would include the New PSP).

As is typical, if PSP Awards are specified as being capable of being satisfied by a transfer of existing shares only (including shares held by or purchased by the Company's employees' share trust), the percentage limits stated above will not apply.

For so long as it is required by institutional investor guidelines, these dilution limits will also apply to PSP Awards satisfied by the transfer of treasury shares.

## **7. Vesting of PSP Awards and performance conditions**

Performance Awards will not ordinarily be capable of vesting until the third anniversary of their grant date, except in exceptional circumstances such as corporate events (see paragraph 11 below) or otherwise as determined by the Remuneration Committee'.

All Performance Awards will be subject to stretching performance conditions which will determine the extent to which such Performance Awards shall be capable of vesting.

Performance conditions will be set by the Remuneration Committee and, in the case of Executive Directors, will be consistent with the Company's prevailing shareholder-approved Directors' Remuneration Policy. Performance conditions will ordinarily be measured over a period of three financial years.

Details of the performance conditions applicable to Performance Awards granted to Executive Directors will be fully disclosed in the Company's Annual Report and Accounts which are prepared for the year in which the relevant Performance Awards were granted and will at all times be subject to the Company's prevailing shareholder-approved Directors' Remuneration Policy.

Discretionary Awards may be granted with or without performance conditions, and may vest earlier than the third anniversary of their grant date, at the discretion of the Remuneration Committee. As noted above, Executive Directors are not eligible to be granted Discretionary Awards.

Where Recruitment Awards are granted in compensation for awards which the relevant employee has forfeited on leaving their former employer to join the Halfords Group, such Recruitment Awards shall ordinarily be subject to performance conditions which match the performance conditions attached to the forfeited awards and shall ordinarily vest over the same period as the forfeited awards. However, the Remuneration Committee retains discretion to grant Recruitment Awards without performance conditions and which may also vest earlier than the third anniversary of the grant date.

The Remuneration Committee may vary the performance conditions applying to existing PSP Awards if the Remuneration Committee reasonably considers that the varied performance conditions would be a fairer measure of performance and provide a more effective incentive for the participant and will not be materially less difficult to satisfy than the original conditions would have been when first set.

## **8. Exercise periods (applicable only to options)**

Where PSP Awards are granted in the form of options to acquire shares, once vested such options will remain exercisable up until the tenth anniversary of their grant date (or such shorter period that the Remuneration Committee specifies on grant).

Shorter exercise periods apply in the case of PSP Awards held by "good leavers" and/or vesting of PSP Awards in connection with corporate events.

## **9. Adjustment of vesting outcome of PSP Awards**

Irrespective of the extent to which any performance condition applicable to a PSP Award has been met, the Remuneration Committee retains discretion to adjust the extent of vesting that would otherwise result under the New PSP rules and any performance conditions.

Such discretion would only be used where the Remuneration Committee considers that the extent of vesting but for any adjustment would not produce an appropriate vesting outcome, taking into account overall performance of the participant, the Company or any member of the Halfords Group, or because the vesting outcome is inappropriate in the context of circumstances that were unexpected or unforeseen at the grant date or the start of any applicable performance period.

## **10. Leaving employment**

If a participant ceases to be employed within the Halfords Group, their PSP Awards will normally lapse on the date of termination of employment.

However, if a participant ceases to be employed with the Halfords group due to their:- (i) death; (ii) ill-health, injury or disability; (iii) the sale of the member of the Halfords group or business unit which is the participant's employer company or business unit for which they work out of the Halfords group; (iv) redundancy; (v) retirement; or (iv) in any other circumstances at the Remuneration Committee's discretion, then the participant will be treated as a "good leaver", in which case their PSP Award(s) shall vest subject to:-

- the extent to which the performance conditions (if any) applicable to the PSP Award(s) have, in the opinion of the Remuneration Committee, been satisfied over the original performance period; and
- a time pro-rata apportionment of the number of shares under the PSP Award(s).

PSP Awards held by good leavers will normally vest on their normal vesting timetable unless the Remuneration Committee determines that any such PSP Awards held by good leavers shall vest at an earlier date (although it is anticipated that the Remuneration Committee would not ordinarily permit early exercise of PSP Awards by good leavers).

In a good leaver scenario, the Remuneration Committee will retain discretion to vary the application of time pro-rating and increase the number of shares which vest (although this may not result in the number of shares which vest being higher than the number of shares which may vest by reference to application of the performance conditions).

## **11. Corporate events**

In the event of:- (i) a takeover of the Company; (ii) a scheme of arrangement (not being an internal corporate re-organisation); (iii) a winding-up of the Company; or (iv) (at the discretion of the Remuneration Committee) a demerger, special dividend or other event which affects the current or future value of a PSP Award, unvested PSP Awards shall vest immediately subject to:-

- the extent to which the Remuneration Committee considers that the performance conditions have been satisfied on such reasonable basis as the Remuneration Committee decides (taking into account such factors as the Committee considers appropriate including, but not limited to, forecasted performance over the full length of the performance period); and
- a time pro-rata apportionment of the number of shares under the PSP Award.

Where there is a takeover or other corporate event, the Remuneration Committee will retain discretion to vary the application of time pro-rating and increase the number of shares which vest (although this may not result in the number of shares which vest being higher than the number of shares which may vest by reference to application of the performance conditions).

Alternatively, on the occurrence of a takeover or a scheme of arrangement the Remuneration Committee may specify that PSP Awards shall not vest on the occurrence of such event and instead participants shall be required to 'roll-over' their awards into equivalent new awards over shares in a new holding company.

PSP Awards will be automatically 'rolled-over' on the occurrence of an internal reorganisation.

## **12. Variations of share capital**

If there is:- (i) a capitalisation or rights issue; (ii) a sub-division, consolidation or reduction of the Company's ordinary share capital; (iii) a de-merger or payment of a special dividend; or (iv) any variation of the Company's share capital that may (in the opinion of the Remuneration Committee) affect the value of the Company's shares, then the Remuneration Committee may (at its discretion) adjust the number of shares subject to PSP Awards.

## **13. Post-vesting holding period**

Executive Directors (and such other participants as the Remuneration Committee determines) will ordinarily be required to retain any of their vested shares (after any sales have been made to fund any tax liabilities arising on vesting or exercise) acquired under the New PSP until the second anniversary of the vesting date of the relevant PSP Award. The post-vesting holding period may be applied such that a PSP Award which is structured as an option may not be exercised by a participant who is subject to the post-vesting holding period until the end of the post-vesting holding period and shares subject to a PSP Award which is structured as a conditional award will not be transferred to such a participant until the end of the post-vesting holding period.

The Remuneration Committee may allow participants who are subject to the post-vesting holding period to sell, transfer, assign or dispose of some or all of those shares prior to the end of the post-vesting holding period, although it is not currently anticipated that the Remuneration Committee will do so.

## **14. Post-cessation holding period**

Executive Directors (and such other participants as the Remuneration Committee determines) will ordinarily be required to retain a number of shares that vest in connection with any PSP Award until at least the second anniversary of the date of their stepping down as an Executive Director with the Halfords Group. The number of shares that are required to be retained shall be determined by the Remuneration Committee at the time that the PSP Award vests. The details of the post-cessation holding period, including the number of shares that an individual is required to retain post-cessation of their employment, will be set out in the Company's shareholder-approved Directors' Remuneration Policy.

The Remuneration Committee may allow participants who are subject to the post-cessation holding period to sell, transfer, assign or dispose of some or all of those shares prior to the end of the post-cessation holding period, although it is not currently anticipated that the Remuneration Committee will do so.

## **15. Malus and clawback**

The Remuneration Committee may apply the malus and clawback provisions, at any point prior to the second anniversary of the date on which a PSP Award vests, if:

- there has been a material misstatement of the Company's financial results for any period and for whatever reason;
- an error of calculation or determination has occurred when assessing the outcome of any performance target or in the calculation of the number of Shares to be granted under any PSP Award or of the number of vested Shares ;
- the participant has committed misconduct;
- an act or omission of the participant has contributed to a material failure of risk management in relation to the Company;
- an act or omission of the participant has contributed to an instance of corporate failure of the Company;
- there has been behaviour or action of any manner of the participant which, in the opinion of the Directors has brought or is likely to cause serious reputational damage to the Company or any member of the Halfords Group; or
- other similar circumstances occur in which the Remuneration Committee in their discretion determine that the malus and clawback provisions should apply.

Any application of malus and clawback may be satisfied by way of a reduction in the amount of any future bonus, subsisting award or future share awards (whether granted under the New PSP or any other discretionary share plan adopted by any member of the Group) and/or a requirement to return any vested shares acquired under a PSP Award and/or make a cash payment.

## **16. Rights attaching to shares**

PSP Awards will not confer any shareholder rights, such as the right to vote the shares or to receive any dividend, until a participant has received the shares after vesting or exercise (as applicable).

Shares allotted or transferred under the New PSP will rank alongside shares of the same class then in issue.

## **17. Dividend equivalent payments**

Unless the Remuneration Committee otherwise determines a participant is entitled to receive a payment (in cash or shares) when they receive their vested shares of an amount equivalent to any dividends that would have been payable in relation to the vested shares between the date of grant and the vesting date of the PSP Award or in the case of a PSP Award which is subject to a post-vesting holding period, the end of the post-vesting holding period or such earlier date on which a PSP Award structured as an option is exercised or vested shares subject to a PSP Award structured as a conditional award are transferred to the participant.

Any dividend equivalent payment will exclude the amount of any special dividends subject to the discretion of the Remuneration Committee to determine otherwise.

## **18. Amendments**

The Remuneration Committee may amend the New PSP at any time at its discretion.

However, the provisions governing:- (i) eligibility requirements; (ii) equity dilution; ; (iii) the basis for determining participants' rights to acquire shares; and (iv) the adjustments that may be made following a rights issue or any other variation of capital, cannot be altered to the advantage of participants without the prior approval of the Company's shareholders in general meeting.

There is an exception for minor amendments to benefit the administration of the New PSP, to take account of a change in legislation affecting the New PSP or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the New PSP or for any member of the Group.

The Remuneration Committee may also not amend the PSP (or the terms attaching to any existing Awards) to the material disadvantage of existing participants without first having obtained the prior consent of a participant.

## **19. International**

By approving the New PSP, shareholders will also authorise the Remuneration Committee to adopt schedules to, or establish further plans based on, the New PSP but which are modified to take account of local tax, exchange control or securities laws in any overseas territories, provided that such further plans are materially similar to the New PSP and that any shares made available under such further plans are treated as counting against the limits on individual or overall participation in the New PSP.

The Remuneration Committee does not currently intend to adopt any other schedules or further plans.

**This summary does not form part of the rules of the New PSP and should not be taken as affecting the interpretation of its detailed terms and conditions.**

**The Directors reserve the right up to the time of the 2024 Annual General Meeting to make such amendments and additions to the rules of the New PSP as may be necessary or as they consider appropriate and provided that such amendments do not conflict in any material respect with this summary.**