

Neighbourhood focus



McCull's Retail Group plc

(Incorporated and registered in England and Wales under number 08783477)

Notice of Annual General Meeting 2018

Notice is hereby given that the fourth Annual General Meeting (the "AGM") of McCull's Retail Group plc (the "Company") will be held at McCull's House, Ashwells Road, Brentwood, Essex CM15 9ST on 12 April 2018 at 1.30pm to consider and if thought fit, pass resolutions 1 to 19 set out in the Notice of Meeting.

Important information: This document is important and requires 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 independent professional adviser immediately. If you have sold or otherwise transferred all of your shares, please pass this document together with the accompanying documents 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.

Dear Shareholder,

Annual General Meeting 2018

I am pleased to enclose the Notice of Meeting for McColl's Retail Group plc's fourth Annual General Meeting (AGM). The AGM will be held on 12 April 2018 at 1.30pm at McColl's House, Ashwells Road, Brentwood, Essex CM15 9ST.

We look forward to welcoming you to this meeting which provides an important opportunity for shareholders to engage with the Board and vice versa. We are always interested to hear shareholder views and, should you wish to provide any feedback or questions in advance of the meeting, please email them to investor.relations@mccolls.co.uk.

At the AGM, in order to ensure the outcome of the votes on the proposed resolutions fully reflect the views of all shareholders, all resolutions shall be conducted by poll meaning that we shall be counting both the votes cast in advance by proxy as well as the votes cast by those present on the day. The full results will be announced thereafter, including on our website.

If you would like to vote on the resolutions but will not be attending the AGM, you may appoint a proxy by completing and returning the enclosed proxy form. Alternatively, you may appoint a proxy electronically via www.signalshares.com or, if you hold your shares in CREST, via the CREST system. Notice of your appointment of a proxy should reach the Company's registrar, Link Asset Services, at the address shown on the proxy form, by **no later than 1.30pm on 10 April 2018**. If you hold your shares through a nominee service, please contact the nominee service provider regarding the process for appointing a proxy.

The matters to be decided at the AGM are set out in full in the Notice of Meeting, which also includes explanatory notes on each of the proposed resolutions. In summary, however, the AGM resolutions will be as follows:

- a resolution to receive the Directors' Report and the Financial Statements for the period ended 26 November 2017. The Directors' Report and Financial Statements, which together form the 2017 Annual Report and Accounts, have been circulated to shareholders and are also available from www.mccollspc.co.uk/reportsandpresentations,
- an advisory resolution to approve the Directors' Remuneration Report set out on pages 78 to 85 of the Annual Report,
- a binding resolution to amend the Director's Remuneration Policy adopted in 2015. Details of the votes cast approving the 2015 Remuneration Policy are available from www.mccollspc.co.uk/rns. The changes to the existing Remuneration Policy that are proposed to be adopted at the AGM are described in full in the Director's Remuneration Report (pages 71 to 77),

- a resolution to approve a final dividend of 6.9 pence per ordinary share for the period ended 26 November 2017. If the recommended dividend is approved, this will be paid on 1 June 2018 to all ordinary shareholders who are on the register of members on 20 April 2018,
- separate resolutions to approve the re-election of each of the current Directors. The Board's proposal for the re-election of each of the current Directors was made following recommendations by the Nomination Committee,
- two resolutions to approve the reappointment of Deloitte LLP as the Company's independent Auditor and to authorise the Audit & Risk Committee to fix the Auditor's remuneration,
- a resolution providing authority to make political donations, including to charitable organisations. The Directors do not intend to make donations of an overtly political nature but, due to the wide definition of "political donations", the Board seeks this authority in order to avoid any inadvertent breach of the regulatory requirements,
- three resolutions which, together, will provide authority to the Directors to allot a limited number of additional securities (shares), some of which could be issued without applying the default statutory pre-emption rights (which means some new shares could be issued without first offering them to existing shareholders). The proposed disapplication of pre-emption rights is consistent with the best practice guidance set out in the Pre-emption Group Statement of Principles. This means that no more than 5% of the Company's shares could be issued free of pre-emption, with an additional 5% of the Company's ordinary shares that could be issued free of pre-emption provided the purpose of the share issue related to a specific acquisition or specified capital investment,
- a resolution seeking authority to make market purchases of the Company's own shares, up to an aggregate of 11,517,351 shares. This number is equivalent to approximately 10% of the Company's issued shares, and
- a resolution to apply a minimum notice period of 14 clear days for general meetings other than AGMs. AGMs have a longer notice period.

Recommendation

The Board believes that the resolutions contained in the Notice of Meeting are in the best interests of the Company and its shareholders as a whole and unanimously recommends that you vote in favour of them. The Directors intend to use the votes they hold from their own beneficial shareholdings to vote in favour of all the proposed resolutions.

Yours faithfully,

Angus Porter

Chairman
McColl's Retail Group plc
8 March 2018

Notice of Annual General Meeting

Notice is hereby given that the fourth Annual General Meeting ("AGM") of McColl's Retail Group plc (the "Company") will be held on 12 April 2018 at 1.30pm at McColl's House, Ashwells Road, Brentwood, Essex CM15 9ST to transact the business set out in the resolutions below.

Voting on all resolutions will be by a poll to ensure that every vote is recognised, including the votes of shareholders who are unable to attend the meeting but who have appointed a proxy to vote on their behalf. Shareholders have one vote for each ordinary share held when voting on a poll. A poll provides a more accurate reflection of shareholder views than votes taken on a show of hands. The results of the voting will be announced through a Regulatory Information Service and will be published on www.mccollspc.co.uk/reportsandpresentations as soon as reasonably practicable thereafter.

Resolutions 1 to 15 will be proposed as ordinary resolutions. For each ordinary resolution to be passed, more than half of the votes cast must be in favour.

Resolutions 16 to 19 will be proposed as special resolutions. For each special resolution to be passed, at least three-quarters of the votes cast must be in favour.

Ordinary resolutions

Annual Report and Accounts

1. To receive the Company's Annual Accounts for the financial period ended 26 November 2017 together with the Directors' Reports and the Auditor's Report on those accounts (the "2017 Annual Report and Accounts").

Directors' Remuneration Report

2. To approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) set out on pages 78 to 85 of the 2017 Annual Report and Accounts.

Directors' Remuneration Policy

3. To approve the Directors' Remuneration Policy set out on pages 71 to 77 of the 2017 Annual Report and Accounts.

Final dividend

4. To declare a final dividend of 6.9 pence per ordinary share for the period ended 26 November 2017.

Election and re-election of Directors

5. To re-elect Angus Porter as a Director.

6. To re-elect Georgina Harvey as a Director.
7. To re-elect Sharon Brown as a Director.
8. To re-elect Jonathan Miller as a Director.
9. To re-elect Simon Fuller as a Director.
10. To re-elect Dave Thomas as a Director.
11. To elect Jens Hofma as a Director.

Re-appointment of Auditor

12. To re-appoint Deloitte LLP as Auditor of the Company, to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the Company.

Auditor's remuneration

13. To authorise the Audit & Risk Committee to determine the remuneration of the Auditor.

Authority to make political donations and incur political expenditure

14. THAT, in accordance with Part 14 of the Companies Act 2006 (the "Act"), the Company and all companies that are subsidiaries of the Company at the date on which this resolution is passed or at any time when this resolution has effect, are generally and unconditionally authorised to:

- (a) make political donations to political parties and/or independent election candidates not exceeding £10,000 in total;
- (b) make political donations to political organisations other than political parties not exceeding £20,000 in total; and,
- (c) incur political expenditure not exceeding £20,000 in total,

during the period beginning on the date of the passing of this resolution and ending on the earlier of 11 July 2019 and the conclusion of the Company's Annual General Meeting to be held in 2019, provided that the authorised sums referred to in paragraphs (a), (b) and (c) above may be comprised of one or more amounts in different currencies which, for the purposes of calculating the said sum, shall be converted into pounds sterling at the exchange rate published in the London edition of the Financial Times on the date on which the relevant

donation is made or expenditure incurred (or the first business day thereafter) or, if earlier, on the day on which the Company or its subsidiary (as appropriate) enters into any contract or undertaking in relation to the same and provided that, in any event, the aggregate amount of political donations and political expenditure so made and incurred by the Company and its subsidiaries pursuant to this resolution shall not exceed £50,000. All existing authorisations and approvals relating to political donations or expenditure under Part 14 of the Act are hereby revoked without prejudice to any donation made or expenditure incurred prior to the passing of this resolution pursuant to such authorisation or approval. For the purpose of this resolution the terms "political donation", "political parties", "independent election candidates", "political organisation" and "political expenditure" shall have the meanings given by sections 363 to 365 of the Act.

Authority to allot ordinary shares

15. THAT, in substitution for any existing authority but without prejudice to the exercise of any such authority prior to the date of the passing of this resolution, the Directors be generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for, or convert any security into shares in the Company:

- (a) comprising equity securities (as defined in section 560 (1) of the Act) of the Company up to a nominal amount of £76,780 (such amount to be reduced by any allotments or grants made under paragraph (b) below) 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 Directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the Directors deem necessary or appropriate in relation to 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 any other case up to a maximum aggregate nominal amount of £38,390 (such amount to be reduced by any allotments or grants made under paragraph (a) above in excess of £38,390).

These authorities shall apply in substitution for all previous authorities pursuant to section 551 of the Act and expire on the date of the next Annual General Meeting or on 11 July 2019, whichever is the earlier, but, in each case save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities under any such offer or agreement as if the authority conferred by this resolution had not expired.

Special resolutions

Authorities to disapply pre-emption rights

16. THAT, if resolution 15 is passed, the Board be authorised to allot equity securities (as defined in the Companies Act 2006 (the "Act")) 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 Act did not apply to any such allotment or sale, such authority to be limited:

- (a) to allotments for rights issues and other pre-emptive issues; and
- (b) to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to a nominal amount of £5,758.67,

such authority to expire at the end of the Company's 2019 Annual General Meeting (or, if earlier, at the close of business on 11 July 2019) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

17. THAT, if resolution 15 is passed, the Board be authorised in addition to any authority granted under resolution 16

to allot equity securities (as defined in the Companies Act 2006 (the "Act")) 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 Act did not apply to any such allotment or sale, such authority to be:

- (a) limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £5,758.67; and
- (b) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board of the Company determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-emption Rights most recently published by the Pre-emption Group prior to the date of this notice, such authority to expire at the end of the Company's 2019 Annual General Meeting (or, if earlier, at the close of business on 11 July 2019) but, in each case, prior to its expiry the Company may make offers and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

Purchase of own shares

18. THAT, the Company be generally and unconditionally authorised for the purpose of section 701 of the Companies Act 2006 (the "Act") to make market purchases (within the meaning of section 693 (4) of the Act) of ordinary shares of £0.001 each in the capital of the Company, provided that:

- (a) the maximum number of ordinary shares which may be purchased is 11,517,351;
- (b) the minimum price, exclusive of any expenses, which may be paid for each ordinary share is £0.001;
- (c) the maximum price, exclusive of any expenses, which may be paid for each ordinary share is an amount equal to the higher of:

- (i) 105% of the average closing price of an ordinary share, as derived from the London Stock Exchange Daily Official List for the five business days prior to the day on which the purchase is made; and
- (ii) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the London Stock Exchange trading system.

This authority shall expire on the date of the next Annual General Meeting of the Company or on 11 July 2019, whichever is the earlier, but, in each case, save that the Company may, before such expiry, enter into a contract to purchase shares which will or may be executed wholly or partly after the expiry of such authority.

Notice of general meetings, other than AGMs

19. 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

8 March 2018

Bernadette Young

Company Secretary

McColl's Retail Group plc

Registered number: 08783477

Registered office:

McColl's House
Ashwells Road
Brentwood
Essex
CM15 9ST

Explanation of Resolutions

Resolution 1 – To receive the Annual Report and Accounts

The Directors are required to present the Company’s audited Accounts, Directors’ Report and Auditor’s Report to the meeting. These are contained in the 2017 Annual Report and Accounts.

Resolution 2 – To approve the Directors’ Remuneration Report

This resolution deals with the remuneration paid to the Directors during the period under review. Shareholders are invited to vote on the Directors’ Remuneration Report, which appears on pages 78 to 85 in the 2017 Annual Report and Accounts (excluding the Directors’ Remuneration Policy).

Resolution 2 is an advisory vote and does not affect the future remuneration paid to any Director or any remuneration already paid to a Director. However, if the Company fails to pass this resolution, it would trigger the need for the Company to put its Directors’ Remuneration Policy to a shareholder resolution at the 2019 AGM.

Resolution 3 – To approve an amended Remuneration Policy

This resolution proposes the adoption of an amended Remuneration Policy, which defines the way in which Directors may be paid and rewarded. The amended Remuneration Policy is described fully on pages 71 to 77 in the 2017 Annual Report and Accounts but the key elements of the policy and the main changes to the policy that would be implemented if this resolution is passed are summarised in the table below. If approved, the new policy will take effect immediately upon conclusion of the AGM and will remain in force for three years. This resolution is binding.

Resolution 4 – To declare a final dividend

The Board proposes a final dividend of 6.9 pence per share for the period ended 26 November 2017. If approved, the recommended final dividend will be paid on 1 June 2018 to all ordinary shareholders who are on the register of members on 20 April 2018. The shares will be marked ex-dividend on 19 April 2018.

Resolutions 5-11 – Election and re-election of Directors

The Company’s Articles of Association require that any Director appointed by the Board, must retire and seek election at the first AGM following their appointment and re-election every three years thereafter. At this AGM, this requirement applies to Jens Hofma who was appointed during the year. However, in accordance with the UK Corporate Governance Code’s provisions, all members of the Board wishing to continue their appointments and who are recommended by the Board, seek re-election by the shareholders annually.

Following consideration by, and a recommendation from, the Nomination Committee, the Board is satisfied that each of the Directors continues to be effective and demonstrates a commitment to the role and that each of the Directors continues to be able to dedicate sufficient time to their duties. The Directors believe that the Board continues to include an appropriate balance of skills and provides effective leadership for the Group. Collectively, the Board has a variety of skills which include significant financial experience, extensive knowledge of the retail industry and significant experience of public companies listed on the London Stock Exchange. The process by which the Board reached these conclusions is described on pages 60 to 62 of the 2017 Annual Report and Accounts, which also includes biographies for each of the Directors on pages 50 and 51. Those biographies (summarised below) are also available for viewing on the Company’s website www.mccollspc.co.uk/leadership.

Resolution 5 – To elect Angus Porter as a Director

Role: Non-Executive Chairman

Appointment to the Board: 1 April 2016

Committee memberships: Nomination Committee (Chair) and Remuneration Committee

Angus has held numerous executive and non-executive roles across a range of industry sectors, including senior marketing and general management roles at Mars, BT, Abbey National and WPP. Recently, he was Chief Executive of the Professional Cricketers’ Association from 2010-2016, and Senior Independent Director and Chairman of the Remuneration Committee of Punch Taverns Plc from 2012-2017. Angus is Co-Chairman of Direct Wines Ltd and a Non-Executive Director of TDC A/S.

	Changes to existing policy	Changes to existing practice
Fixed Elements	Basic salary	No change
	Pension	No change
	Other benefits	No change
Variable Elements	Annual bonus	Under the proposed policy, the on-target bonus pay out will be increased from 40% to 50% of salary, bringing the Company’s practice in this area in line with market norms. The new policy will also introduce mandatory deferral of one-third of any bonus pay out (after tax) into shares that must be held for three years. This will align the Company’s policy in this respect with best practice.
	Long Term Incentive Plan (LTIP)	The balance of performance measures will be altered from 80% financial and 20% strategic to 70% financial and 30% strategic. As at present, the bonus element dependent on achievement of the strategic measures will not be paid unless the threshold financial target is at least met. This change is intended to ensure Management’s focus is maintained on both the Company’s important strategic initiatives as well as current year financial performance.
Other arrangements	Shareholding guidelines	Currently annual LTIP awards are equivalent to 100% of basic salary. In future, such awards will be equivalent to 150% of basic salary. Vesting of such awards will remain subject to achievement of stretching TSR and EPS targets.
	Non-Executive Directors’ fees	The shareholding requirement will be increased from 100% of salary to 200% of basic salary consistent with best practice.
		As per the policy change.
	No change	An increase in the additional fee payable to the chairmen of the Audit & Risk and Remuneration Committees from £5,000 p.a. to £8,000 p.a. has been made with effect from 1 February 2018 to reflect the increased time commitment expected. No other changes in the fees payable to non-Executive Directors have been made or are proposed.

Resolution 6 – To re-elect Georgina Harvey as a Director**Role:** Senior Independent Director**Appointment to the Board:** 7 February 2014**Committee memberships:** Nomination Committee, Audit & Risk Committee and Remuneration Committee (Chair)

Georgina started her media career at Express Newspapers plc where she was appointed Advertising Director in 1994. She joined IPC Media Limited in 1995 and went on to form IPC Advertising in 1998, where she was Managing Director. Between 2005 and 2012, Georgina was Managing Director, Regionals Division and a member of the Executive Committee of Trinity Mirror. Georgina is also an Independent Non-Executive Director of William Hill PLC and Big Yellow Group PLC.

Resolution 7 – To re-elect Sharon Brown as a Director**Role:** Independent Non-Executive Director**Appointment to the Board:** 7 February 2014**Committee memberships:** Nomination Committee, Audit & Risk Committee (Chair) and Remuneration Committee.

Sharon is a management accountant and has extensive financial experience, gained whilst Finance Director and Company Secretary of Dobbies Garden Centres Limited between 1998 and 2013. She also held a senior financial position within the retail division of John Menzies plc from 1991 to 1998. She is, and has been, Audit Committee Chairman of a number of companies. Sharon is a Non-Executive Director and Audit Committee Chairman of Fidelity Special Values PLC, F&C Capital and Income Investment Trust plc, and Celtic plc, and is a Non-Executive Director of a number of limited companies in the retail sector.

Resolution 8 – To re-elect Jonathan Miller as a Director**Role:** Chief Executive Officer**Appointment to the Board:** 3 February 2014**Committee memberships:** Nomination Committee

Having joined the Group Board in 2004, Jonathan was appointed Chief Executive of McColl's in 2016. He has worked in the Group since 1991 when he was recruited as Financial Director of cigarette vending operations, becoming Finance Director of retail operations in 1998. Prior to his current role he was the Group's Chief Financial Officer with additional responsibility for store development, human resources and IT.

Through his long history with McColl's, Jonathan has developed an in-depth understanding of both the business and the wider convenience retail market. He has had a major role in all of the key initiatives that have shaped the Group, including a secondary buyout in 2005, numerous corporate acquisitions and the IPO in 2014. As Chief Executive he led the transformational acquisition of 298 stores in 2016 and the negotiation in 2017 of the Group's ground-breaking new wholesale arrangements.

Resolution 9 – To re-elect Simon Fuller as a Director**Role:** Chief Financial Officer**Appointment to the Board:** 1 April 2016**Committee memberships:** none

Simon was appointed as the Group's Chief Financial Officer in 2016 and has responsibility for finance, investor relations, property and IT. He joined McColl's in 2015 as Deputy Chief Financial Officer. Having previously worked in other public companies, Simon has applied his experience of operating within a listed environment to improve the Group's financial and risk management processes and enhance investor relations and external communications. He put in place the 2016 corporate refinancing required for the 298 store acquisition and has played a significant part in a number of re-tendering initiatives, most notably the advantageous new wholesale arrangements.

Resolution 10 – To re-elect Dave Thomas as a Director**Role:** Chief Operating Officer**Appointment to the Board:** 3 February 2014**Committee memberships:** none

Dave was appointed as the Group's Chief Operating Officer in 2014 but his history with McColl's dates back to 1998 when he joined the business as Regional Manager for convenience. He became Operations General Manager in 2000 and was made Operations Director in 2005. Dave's retail career began with Iceland where he led a programme of new store openings as well as conversion of Bejam stores. Subsequently he joined Southern Co-operative as Operations Manager, developing a modern convenience format for the business. More recently within McColl's, he successfully managed the 2017 conversion of the 298 acquired stores to the McColl's format as well as taking a key role in the negotiations and implementation of new supply arrangements.

Resolution 11 – To elect Jens Hofma as a Director**Role:** Independent Non Executive Director**Appointment to the Board:** 1 July 2017**Committee memberships:** Audit & Risk Committee, Nomination Committee and Remuneration Committee

Jens is Chief Executive Officer of Pizza Hut Restaurants in the UK. He joined the Pizza Hut business in February 2009 and has since led a private equity funded buyout of its dine-in restaurants. Prior to his involvement with Pizza Hut, Jens spent five years with Yum! Brands, working in the UK and in Europe. He has also previously worked for Nestlé and McKinsey in various European countries.

Resolution 12 – To re-appoint Deloitte LLP as Auditor of the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company

At each meeting at which the Company's accounts are presented to its members, the Company is required to reappoint an Auditor to serve until the next such meeting. The Board, on the recommendation of the Audit & Risk Committee, recommends the re-appointment of Deloitte LLP.

Resolution 13 – To authorise the Audit & Risk Committee to determine the remuneration of Deloitte LLP

This resolution gives authority to the Audit & Risk Committee to determine the Auditor's remuneration.

Resolution 14 – To authorise the Directors to make political donations and incur political expenditure

This resolution seeks to authorise the Company to make political donations and incur political expenditure. Under the Companies Act 2006 (the "Act"), political donations to any political parties, independent election candidates or political organisations other than political parties, or the incurring of political expenditure are prohibited unless authorised by shareholders in advance. What constitutes a political donation, a political party, a political organisation or political expenditure is not easy to decide, as the legislation is capable of wide interpretation. Sponsorship, subscriptions, payment of expenses, paid leave for employees fulfilling public duties, and support for bodies representing the business community in policy review or reform, may fall within the scope of these matters.

Explanation of Resolutions (continued)

The Company has not made a political donation in the past, and has no intention, either now or in the future, of making any political donation or incurring any political expenditure in respect of any political party, political organisation or independent election candidate. However, given the potential for wide interpretation, the Board has decided to propose resolution 14 in order to allow the Company to continue to support the community and put forward its views to wider business and government interests without running the risk of being in breach of the law. As permitted under the Act, resolution 14 also covers any political donations made or political expenditure incurred, by any subsidiaries of the Company. Resolution 14 caps the amount of all forms of political donations and expenditure that the Company and its subsidiaries would be permitted to make at an aggregate of £50,000.

The authorities sought under this resolution apply to the period beginning on the date of the passing of this resolution and ending on the earlier of 11 July 2019 or the next AGM.

Resolution 15 – To authorise the Directors to allot ordinary shares

Under section 551 of the Act, the Directors of the Company may only allot shares or grant rights to subscribe for or convert any securities into shares if authorised to do so. The resolution, which complies with shareholder guidance. If passed, it will authorise the Directors 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 £76,780 (representing 76,780,000 ordinary shares of £0.001 each), in connection with a rights issue in favour of ordinary shareholders and up to an aggregate nominal amount equal to £38,390, (representing 38,390,000 ordinary shares of £0.001 each) in other cases. Those amounts are equal to approximately two-thirds and approximately one-third, respectively, of the issued ordinary share capital of the Company as at 28 February 2018 (the latest practicable date prior to publication of this Notice). The maximum aggregate nominal amount of £76,780 is reduced by the nominal amount of any shares issued under paragraph (b) of this resolution. The maximum aggregate nominal amount of £38,390 in paragraph (b) of this resolution is reduced by the nominal amount of any shares issued under paragraph (a) of this resolution in excess of £38,390. As at the date of this notice, no shares are held by the Company in treasury.

The authorities sought under paragraphs (a) and (b) of this resolution will expire at the conclusion of the 2019 AGM or on 11 July 2019, whichever is the earlier. Other than to satisfy obligations under the Company's share option schemes and warrants to subscribe for shares, the Directors have no present intention to exercise either of the authorities sought under this resolution.

Resolutions 16 and 17 – To authorise the Directors to disapply pre-emptions rights

Under section 561 of the Act, if the Directors wish to allot shares for cash (other than in connection with an employees' share scheme) they must in the first instance offer them to existing shareholders in proportion to their holdings (a pre-emptive offer). There may be occasions however, when the Directors will need the flexibility to finance business opportunities by the issue of ordinary shares without a pre-emptive offer to existing shareholders. This general authority is subject to annual renewal by shareholders. Resolution 16 will, if passed, give the Directors power 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 holdings. This authority would be limited to: (a) allotments or sales in connection with pre-emptive offers and offers to holders of other equity securities if required by the rights of those shares or as the Board otherwise considers necessary, or (b) otherwise up to an aggregate nominal amount of £5,758.67 (representing 5,758,670 ordinary shares). This aggregate nominal amount represents approximately 5% of the Company's issued ordinary share capital as at 28 February 2018, the latest practicable date prior to publication of this Notice.

Resolution 17 provides additional authority to that provided under resolution 16 above, to give the Directors power 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 holdings. This general authority is subject to annual renewal by shareholders. This additional authority would be limited to: (a) the allotment of equity securities or sale of treasury shares up to an additional aggregate nominal amount of £5,758.67 (representing 5,758,670 ordinary shares). This aggregate nominal amount represents approximately 5% of the Company's issued ordinary share capital as

at 28 February 2018, the latest practicable date prior to publication of this notice; and (b) using the authority only in connection with an acquisition or specified capital investment (as contemplated by the statement of principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice), or for refinancing if the authority is used within six months of the original transaction.

The Directors further confirm their intention to follow the provisions of the Pre-emption Group's statement of principles regarding cumulative usage of authorities within a rolling three-year period where the principles provide that usage in excess of 7.5% of the issued ordinary share capital of the Company should not take place without prior consultation with shareholders, except in connection with an acquisition or specified capital investment as referred to above.

These authorities will expire at the earlier of 11 July 2019 or the conclusion of the Company's 2019 AGM. It is the intention of the Directors to seek to renew this authority every year.

Resolution 18 – To approve purchase of the Company's own shares

This resolution would, if passed, authorise the Company to make market purchases of up to 11,517,351 of its own ordinary shares, representing 10% of the Company's issued share capital as at 28 February 2018. The resolution specifies the minimum and maximum prices at which the ordinary shares may be bought under this authority.

This authority will expire at the conclusion of the Company's next AGM. It is the intention of the Directors to seek to renew this authority every year. The Directors have no present intention of exercising the authority granted by this resolution, but the authority provides the flexibility to allow them to do so in future. The Directors would not exercise this authority unless they believed that the expected effect would result in an increase in earnings per share and would promote the success of the Company for the benefit of its shareholders as a whole. Any shares purchased would be effected by a purchase in the market and could either be cancelled or held as treasury shares, which may then be cancelled, sold for cash or used to meet the Company's obligations under its employee share schemes. The Company currently has no shares held in treasury. As at 28 February 2018, the total number of options to subscribe for shares in the Company

Important notes

was 2,427,545 (approximately 2.11% of the Company's issued share capital and approximately 2.34% of the Company's issued share capital if the full authority proposed by resolution 18 was used and the shares purchased were cancelled).

Resolution 19 – Notice of general meetings, other than AGMs

Under the Act, the notice period required for all general meetings of the Company is 21 days. AGMs will always be held on at least 21 clear days' notice but shareholders can approve a shorter notice period for other general meetings. This resolution would, if passed, allow the Company flexibility to call general meetings, other than AGMs, on not less than 14 clear days' notice. The approval will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed.

Recommendation

The Board confirms that, in its opinion, all of the resolutions are in the best interests of the shareholders of the Company as a whole and unanimously recommends that shareholders vote in favour of them.

The following notes explain your general rights as a shareholder and your right to attend and vote at this AGM, or to appoint someone else to vote on your behalf.

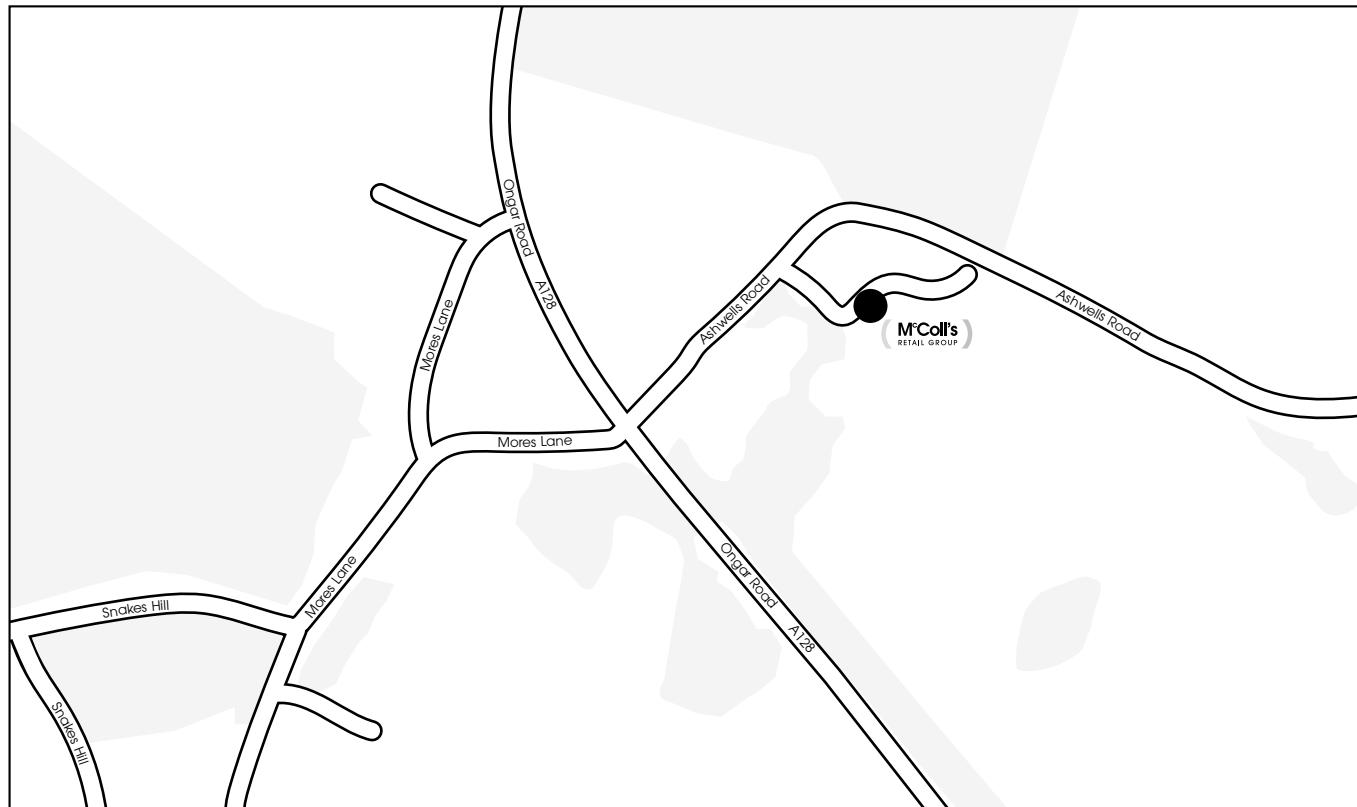
1. To be entitled to attend and vote at the AGM (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be registered in the register of members of the Company by close of business on 10 April 2018 (or, in the event of any adjournment, by close of business on the day two days prior to the adjourned 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 meeting. There are no other procedures or requirements for entitled shareholders to comply with in order to attend and vote at the AGM.
2. The doors will open at 1.00pm and you may wish to arrive by 1.15pm to enable you to register and take your seat in good time. If you have any special needs or require wheelchair access to the venue, please contact Bernadette Young by email on byoung@mccolls.co.uk or telephone on 01277 376317 in advance of the meeting. Mobile phones may not be used in the meeting room, and cameras and recording equipment are not allowed in the meeting.
3. Members are entitled to appoint a proxy to exercise all or part of their rights to attend and to speak and vote on their behalf at the AGM. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different ordinary share or ordinary 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 do not have a proxy form and believe that you should have one, or if you require additional forms, please contact our registrar, Link Asset Services, on 0871 664 0300 (or from outside the UK: +44 208 639 3399). Calls to this number cost 12p per minute plus network extras. Lines are open Monday – Friday, 9.00am – 5.30pm (excluding UK public holidays).
4. 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).
5. 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 AGM. 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.
6. The statement of the rights of shareholders in relation to the appointment of proxies in notes 3, 4 and 10 do not apply to nominated persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
7. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he/she thinks fit in relation to any other matter which is put before the AGM.

Important notes (continued)

8. To be valid, any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the Company's registrar, at the address shown on the proxy form or in the case of shares held through CREST, via the CREST system (see note 10 below). As an alternative to completing your hard-copy proxy form, you can appoint a proxy electronically at www.signalshares.com. In each case, for proxy appointments to be valid, it must be received by no later than 1.30pm on Tuesday, 10 April 2018. If you return more than one proxy appointment, either by paper or electronic communication, that received last by the registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.
9. The return of a completed proxy form, other such instrument or any CREST proxy instruction (as described in note 11 below) will not prevent a shareholder attending the AGM and voting in person if he/she wishes to do so.
10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service, may do so for the AGM (and any adjournment of the AGM) by using the procedures described in the CREST manual (available from <https://euroclear.com/site/public/EUI>). 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.
11. 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 UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by 1.30pm on 10 April 2018. For this purpose, the time of receipt will be taken to the time (as determined by the timestamp applied to the message by the CREST 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.
12. 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(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 system providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
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 no more than one corporate representative exercises powers relating to the same shares.
14. As at 28 February 2018 (being the last practicable business day prior to the publication of this Notice), the Company's ordinary issued share capital consists of 115,173,515 ordinary shares, carrying one vote each. No shares are held in treasury. Therefore, the total voting rights in the Company as at 28 February 2018 are 115,173,515.
15. Under section 527 of the Act, shareholders 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 AGM; or (ii) any circumstances connected with an Auditor of the Company ceasing to hold office since the previous meeting at which Annual Reports and Accounts 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 AGM includes any statement that the Company has been required under section 527 of the Act to publish on a website.
16. Any shareholder attending the 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 meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation of the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
17. The following documents are available for inspection during normal business hours at the registered office of the Company on any business day from 8 March 2018 until the time of the AGM and may also be inspected at the AGM venue (the office of McColl's Retail Group plc) McColl's House, Ashwells Road, Brentwood, Essex CM15 9ST, from noon on the day of the meeting until the conclusion of the AGM:
 - copies of the Directors' letters of appointment or service contracts;
 - a copy of the Articles of Association of the Company; and
 - a copy of the Directors' deeds of indemnity.

You may not use any electronic address provided in either this Notice or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated. A copy of this Notice and other information required by section 311A of the Act, can be found on the Company's website at www.mccollspc.co.uk/shareholder-services.

Venue map and directions



Directions

By car (from London/M25)

At M25 Junction 28, follow signs for Brentwood and drive into town centre. Turn left at the double mini roundabout junction (Wilson's Corner) on to the A128, Ongar Road. McColl's House is on the right-hand side in Ashwells Road, approximately 2.5 miles from the town centre. Limited car parking is available.

By rail

Frequent fast trains from London Liverpool Street, and from Colchester/Chelmsford or Southend to Shenfeld. Then by taxi. Alternatively, stopping train to Brentwood and then by taxi.

McColl's Retail Group plc

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