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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.

Halfords Group plc

(incorporated in England and Wales with registered number 04457314)

Notice of Annual General Meeting

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 Wednesday 6 September 2023 at 3 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 2023 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 or by requesting a hard copy Form of Proxy from Link Group (“Link”) 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, in each case so that the proxy instruction is received by Link no later than **3 pm on Monday 4 September 2023**.

Halfords Group plc
(Incorporated in England and Wales with registered number 04457314)

Directors:
K Williams (Chair)
G Stapleton
H Jones
J Caseberry
T Singer
J Hartley
T Gokhale

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

1 August 2023

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

Dear Shareholder

2023 ANNUAL GENERAL MEETING

The 2023 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 Wednesday 6 September 2023 at 3 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 15, 16 and 17 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. 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.

Finally, as announced on 20 June 2023, Helen Jones will step down from the Board at the conclusion of this year's Annual General Meeting and so will not be standing for re-election as a director. On behalf of the board, I would like to thank Helen for her overall contribution to the Board and the Company over the past nine years and wish her the very best for the future.

I am also pleased to welcome Tanvi Gokhale to the Board. Tanvi joined the Board as an independent Non-Executive Director on 20 June 2023. In accordance with the Company's articles of association Tanvi will therefore stand for election by shareholders for the first time at this year's Annual General Meeting.

Explanatory Notes to the Resolutions

Resolution 1 – Financial Statements

The Directors are required to present to the 2023 Annual General Meeting the Company's audited annual financial statements and related reports of the Directors and auditors for the period ended 31 March 2023.

Resolution 2 – To Approve the Final Dividend

If resolution 2 is approved by shareholders, the final dividend for the period ended 31 March 2023 of 7.0 pence for each ordinary share, as recommended by the Directors, will be paid on Friday 15 September 2023 to shareholders whose names are on the register of members at the close of business on Friday 11 August 2023.

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 128 to 152 of the Company's 2023 Annual Report (excluding the Directors' Remuneration Policy Report set out on pages 133 to 142 of the Company's 2023 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 156 to 165 of the Company's 2023 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.

Resolution 4 – To Approve the Directors' Remuneration Policy

Page 133 to 142 of the Company's 2023 Annual Report sets out the Directors' Remuneration Policy (the **"Remuneration Policy"**). The Remuneration Policy is forward looking and subject to a binding shareholder vote by ordinary resolution at least every three years, or earlier if changes are proposed. The Company is asking shareholders to approve the new Remuneration Policy at the 2023 Annual General Meeting as the previous Remuneration Policy was approved at the 2020 Annual General Meeting. The Remuneration Policy has been reviewed and updated to maintain appropriate focus on our strategic objectives and to ensure pay outcomes remain closely aligned with performance. The changes reflected in the new Remuneration Policy are set out in the Annual Report on Remuneration which is contained in the Company's 2023 Annual Report. If the new Remuneration Policy is approved and remains unchanged, it will be valid for up to three years without the need for further shareholder approval. If the Company wishes to change the Remuneration Policy, it must first seek the approval of that change from shareholders before it can implement the revised Remuneration Policy.

Resolutions 5 to 10 – Election and Re-Election of Directors

The Directors are committed to measures that promote good corporate governance. Tanvi Gokhale will stand for election at this year's meeting following her appointment as a Director on 20 June 2023 and, if elected, will submit herself for re-election at each subsequent annual general meeting of the Company until further notice, in accordance with the Company's Articles of Association (the **"Articles"**) and the 2018 UK Corporate Governance Code (the **"Code"**). Consequently resolution 5 will be proposed in order to allow Tanvi Gokhale to retire from office at the conclusion of the 2023 Annual General Meeting and, being eligible, offer herself for election by shareholders.

In addition, in accordance with the Code and the Articles, each of the other Directors will be submitting themselves for re-election by the shareholders at the 2023 Annual General Meeting, and each subsequent annual general meeting of the Company until further notice. Consequently, resolutions 6 to 10 will be proposed in order to allow each of the Directors to retire from office at the conclusion of the 2023 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 90 to 91 of the Company's 2023 Annual Report and Tanvi Gokhale's biography is set out on page 4 of this Notice of Meeting. All the biographies are available for viewing on the Company's website www.halfordscompany.com. Brief summaries are set out below.

In accordance 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 and Tom Singer, to be independent, as each will have served on the Board for four years and three years respectively in September 2023. Based on this rigorous review, the Board was satisfied that Jill Caseberry and Tom Singer maintained the necessary levels of independence in accordance with the Code's independence criteria. In light of the Code, and for the reasons set out above, the Board has determined that each of Jill Caseberry and Tom Singer continue to remain independent in character and judgement, 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 Helen Jones.

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 Royal Mail Group (previously interim Executive Chair). 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 Computers 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

Jill was appointed Non-Executive Director and Remuneration Chair on 1 March 2019. Jill is currently a Non-Executive Director, Remuneration Committee Chair and member of the Audit and Nomination Committees of Bellway plc; a Non-Executive Director and member of the Remuneration and ESG Committees of C&C Group plc; the Senior Independent Director, Remuneration Committee Chair and a member of the Nomination Committees of Bakkavor Group plc; Jill is also a Senior Independent Director, Remuneration Committee Chair and member of the Audit and Nomination Committees of St Austell Brewery. Previously Jill was Non-Executive Director, Remuneration Committee Chair and a member of the Audit and Nomination Committees of Northgate 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 was also previously the Designated Workforce Engagement Non-Executive Director of Bakkavor Group plc. 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 of Mukuru and a Non-Executive Director and Audit Committee Chair of Vue International Group plc. Previously Tom was the Senior Independent Director and Chair of the Audit and Remuneration Committees of DP Eurasia NV, Chair of the Audit Committee at Liberty Living and a Non-Executive Director at Mediclinic International plc. Previously, Tom 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.

Tanvi Gokhale

Tanvi was appointed Non-Executive Director on 20 June 2023. Tanvi is a Trustee of English Heritage. Tanvi previously served as Managing Director, Retail Strategy and Innovation of Natwest Group, and prior to that as 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 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 election or 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 11 and 12 – 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 13 – 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 2023 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 13 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 13, 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 14 – Authority to Allot Securities

This ordinary resolution seeks shareholder approval to renew the general authority previously given to the Directors at the Company's 2022 Annual General Meeting to allot securities (such as ordinary shares in the Company), which expires at the conclusion of the 2023 Annual General Meeting. In February 2023, the Investment Association updated its Share Capital Management Guidelines on directors' authority to allot shares 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 (the 2016 Guidelines stated that any such allotment in excess of one third of the Company's issued share capital should be applied to fully pre-emptive rights issues only). However, the Board considers it appropriate to follow the 2016 Guidelines at this time.

Paragraph (a) of resolution 14 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 13 July 2023, being the latest practicable date before publication of this Notice. Paragraph (b) of resolution 14 proposes that, consistent with the Investment Association 2016 guidelines concerning directors' powers to allot share capital in the context of a rights issue fully pre-emptive offer referred to above, a further authority be given to the Directors to allot equity securities in connection with a rights issue 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 13 July 2023, being the latest practicable date before publication of this Notice.

The authorities sought in paragraphs (a) and (b) of resolution 14 will, if approved, expire at the conclusion of the annual general meeting of the Company to be held in 2024, or, if earlier, on 30 September 2024. The Directors have no present intention of exercising these authorities, except in relation to the Company's share incentive schemes. As at 13 July 2023, 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 15 – Disapplication of Statutory Pre-Emption Rights

This special resolution, if passed, would renew the authority given to the Directors at the Company's 2022 Annual General Meeting to allot, pursuant to the authority given by resolution 14, 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 13 July 2023, being the latest practicable date before publication of this Notice.

The Directors will have due regard to institutional guidelines in relation to any exercise of this authority, including the Pre-Emption Group's Statement of Principles. The Board notes that, in November 2022, the Pre-Emption Group published a revised Statement of Principles. At this time the Board considers it appropriate to continue to follow the more restrictive thresholds in the previous Statement of Principles published by the Pre-Emption Group in 2015, in particular the requirement for advance consultation and explanation before making any non pre-emptive cash issue pursuant to this resolution that exceeds 7.5 per cent. of the Company's issued ordinary share capital (excluding any treasury shares) in any rolling three-year period.

The authority sought and the limits set by resolution 15 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 2024, or, if earlier, on 30 September 2024. 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 16 – 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 16 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 16 is approved is 21,892,874 representing approximately 10 per cent. of the Company's issued ordinary share capital (excluding treasury shares) as at 13 July 2023, 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 2024, or, if earlier, on 30 September 2024.

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 31 March 2023. 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 13 July 2023, being the latest practicable date before publication of this Notice, options over a total of 18,965,311 ordinary shares were outstanding and not exercised. That number of ordinary shares represents 8.7 per cent of the Company's issued ordinary share capital as at 13 July 2023, being the latest practicable date before publication of this Notice. It would represent 10.8 per cent of the issued ordinary share capital if the authority to purchase the Company's own shares granted at the Company's 2022 Annual General Meeting and the authority proposed to be granted under resolution 16 were both exercised in full and assuming no further ordinary shares are issued. As at 13 July 2023, 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 17 – 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 2022 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.

Resolutions 18 and 19 – Company Share Option Scheme and Save As You Earn Scheme

Resolutions 18 and 19 relate to the proposed introduction of replacement share schemes by the Company, being the Halfords Company Share Option Scheme 2023 (the “**2023 CSOS**”), the Halfords UK Sharesave Scheme 2023 (the “**2023 UK Sharesave**”) and the Halfords International Sharesave Scheme 2023 (the “**2023 International Sharesave**”) (together, the “**2023 Schemes**”).

The Company's existing Halfords Company Share Option Scheme (the “**2014 CSOS**”), Halfords Sharesave Scheme (the “**2014 UK Sharesave**”) and Halfords International Sharesave Scheme (the “**2014 International Sharesave**”) (together, the “**2014 Schemes**”) are each due to reach the end of their 10-year life cycle in 2024, each on a date which will likely be before the date of the annual general meeting to be held in 2024. The Directors have therefore concluded that shareholder authority should be sought under Resolution 18 for the adoption of the 2023 CSOS to replace the 2014 CSOS, and under Resolution 19 for the adoption of the 2023 UK Sharesave and the 2023 International Sharesave to replace the 2014 UK Sharesave and the 2014 International Sharesave, respectively. Since their approval by shareholders, the 2014 Schemes have provided for the grant of options to eligible employees, in the form of tax-advantaged options under 'Part A' of the 2014 CSOS and the 2014 UK Sharesave, and as non-taxadvantaged options under 'Part B' of the 2014 CSOS and the 2014 International Sharesave. As noted above, the 2023 Schemes are intended to replace the 2014 Schemes and so the terms of the 2023 Schemes have been drafted to be materially similar to the 2014 Schemes, but with appropriate changes made in order to bring the 2023 Schemes in line with prevailing best practice and reflect any relevant changes in legislation.

The main terms of the 2023 Schemes 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 2023 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 pm on Monday 4 September 2023. 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 2023 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 2023 Annual General Meeting. Instead, you can vote electronically using the link www.signalshares.com. 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 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 pm on Monday 4 September 2023.

Voting by proxy prior to the 2023 Annual General Meeting, whether online, requesting and completing a hard copy Form of Proxy, or the transmission of a CREST Proxy Instruction, 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 2023 Annual General Meeting via email to the Company Secretary, Tim O'Gorman at 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 2023 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 2023 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

1 August 2023

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2023 Annual General Meeting of the Company will be held at Halfords Group plc, Support Centre, Icknield Street Drive, Washford West, Redditch B98 0DE on Wednesday 6 September 2023 at 3 pm to consider the following resolutions, which in the case of resolutions 15, 16 and 17 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 31 March 2023 and the reports of the Directors and auditors thereon.
2. To declare a final dividend for the period ended 31 March 2023 of 7.0 pence for each ordinary share, as recommended by the Directors, to be paid on Friday 15 September 2023 to ordinary shareholders whose name appears on the Company's register of members at the close of business on Friday 11 August 2023.
3. To approve the Directors' Annual Report on Remuneration (excluding the Directors' Remuneration Policy), for the period ended 31 March 2023 as set out on pages 128 to 152 of the Company's 2023 Annual Report.
4. To approve the Directors' Remuneration Policy set out on pages 133 to 142 of the Company's 2023 Annual Report, such Remuneration Policy to take effect from the end of the 2023 Annual General Meeting.
5. To elect Tanvi Gokhale as a Director.
6. To re-elect Keith Williams as a Director.
7. To re-elect Jill Caseberry as a Director.
8. To re-elect Tom Singer as a Director.
9. To re-elect Graham Stapleton as a Director.
10. To re-elect Jo Hartley as a Director.
11. To re-appoint BDO LLP as Auditor of the Company to hold office from the conclusion of the 2023 Annual General Meeting until the conclusion of the next general meeting at which accounts are laid before the Company.
12. 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

13. 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 2024, 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

14. 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 an offer by way of a rights issue 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 2024 (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 14 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 14 "rights issue" 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 by means of the issue of a renounceable letter (or other negotiable document) which may be traded for a period before payment for the securities is due, 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

15. That, in substitution for all existing authorities and subject to the passing of resolution 14, 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 14 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 14, by way of a Rights Issue only):
 - i. to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - ii. to holders of other equity securities (as 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 14 and/or sale of treasury shares for cash (in each case otherwise than in the circumstances set out in paragraph (a) of this resolution 15) 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 2024 (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 15, "rights issue" has the same meaning as in resolution 14 above.

Authority to Purchase Own Shares

16. 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 2024), 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

17. 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.

Company Share Option Scheme

18. That the rules of the Halfords Company Share Option Scheme 2023 (the "**2023 CSOS**"), a copy of the draft rules of which has been produced to the Annual General Meeting and initialled by the Chair (for the purpose of identification only) and a summary of the main provisions of which is set out in Appendix I to the Notice of Annual General Meeting, be and are hereby approved and the Directors be authorised to:
- i. make such modifications to the 2023 CSOS as they may consider appropriate to take account of the requirements of best practice and for the implementation of the 2023 CSOS and to adopt the 2023 CSOS as so modified and to do all such other acts and things as they may consider appropriate to implement the 2023 CSOS; and
 - ii. adopt schedules to, or establish further plans based on 'Part B' of the 2023 CSOS but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further schedules or plans are treated as counting against the limits on individual and overall participation in the 2023 CSOS.

Save As You Earn Scheme and International Save-As You Earn Scheme

19. That the rules of the Halfords UK Sharesave Scheme 2023 (“**2023 UK Sharesave**”) and the Halfords International Sharesave Scheme 2023 (the “**2023 International Sharesave**”) (together, the “**2023 Sharesave Schemes**”), copies of the draft rules of which have been produced to the Annual General Meeting and initialled by the Chairman (for the purpose of identification only) and a summary of the main provisions of which is set out in Appendix I to the Notice of Annual General Meeting, be and are hereby approved and the Directors be authorised to:
- i. make such modifications to the 2023 Sharesave Schemes as they may consider appropriate to take account of the requirements of best practice and for the implementation of the 2023 Sharesave Schemes and to adopt the 2023 Sharesave Schemes as so modified and to do all such other acts and things as they may consider appropriate to implement the 2023 Sharesave Schemes; and
 - ii. adopt schedules to, or establish further plans based on the 2023 International Sharesave but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further schedules or plans are treated as counting against the limits on individual and overall participation in the 2023 Sharesave Schemes.

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

By Order of the Board

Tim O’Gorman
Company Secretary
1 August 2023

Important notes for Shareholders

The following notes explain your general rights as a shareholder and your rights to attend and vote at the 2023 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 by 3 pm on Monday 4 September 2023. 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. Link Group, the Company’s Registrar, has launched a shareholder app: LinkVote+. It’s free to download and use and gives shareholders the ability to access their shareholding record at any time and allows users to submit a proxy appointment quickly and easily online rather than through the post. 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 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 pm on Monday 4 September 2023. Voting by proxy prior to the 2023 Annual General Meeting, whether online, requesting and completing a hard copy Form of Proxy, or the transmission of a CREST Proxy Instruction (as defined below), 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 2023 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.
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 Monday 4 September 2023 (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 2023 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 Monday 4 September 2023 (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, the proposed rules of the Halfords Company Share Option Scheme 2023, the Halfords UK Sharesave Scheme 2023 and the Halfords International Sharesave Scheme 2023 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 2023 Annual General Meeting and, together with the register of Directors' interests, will be available for inspection at the place of the 2023 Annual General Meeting from 15 minutes prior to its commencement until its conclusion. The proposed rules of Halfords Company Share Option Scheme 2023, the Halfords UK Sharesave Scheme 2023 and the Halfords International Sharesave Scheme 2023 are also available for inspection on the National Storage Mechanism from the date of this Notice. 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 2023 Annual General Meeting to be held on Wednesday 6 September 2023 at 3 pm and any adjournment(s) thereof by utilising the procedures described in the CREST Manual (available via 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). 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 pm on Monday 4 September 2023. 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. Your proxy must be lodged by 3 pm on Monday 4 September 2023 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, Proximity 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 2023 Annual General Meeting. Shareholders will be able to submit questions to the Directors in advance of the 2023 Annual General Meeting via email to the Company Secretary, Tim O'Gorman at 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 2023 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 31 March 2023, as disclosed to the Company in accordance with DTR 5 of the FCA's Disclosure Guidance and Transparency Rules, are set out on page 98 of the Company's 2023 Annual Report. Between 31 March 2023 and 30 June 2023 (being the latest practicable date before publication of this Notice) the Company had been notified of changes in the notifiable interests as follows:

Manager	Shares	% at 30 June 2023
Fidelity International	21,509,499	9.82
Schroder Investment Management	17,572,194	8.03
Jupiter Asset Management	15,487,711	7.07
BlackRock	14,731,125	6.73
Janus Henderson Investors	12,268,842	5.60
Dimensional Fund Advisors	9,274,549	4.24
Lombard Odier Investment Managers	9,196,879	4.20
Columbia Threadneedle Investments	8,926,197	4.08
Vanguard Group	8,740,834	3.99

18. The Directors' interests in, and options over, ordinary shares in the Company as at 20 June 2023 (being the latest practicable date prior to the date of the Company's 2023 Annual Report), are shown in the Directors' Remuneration Report on pages 148 and 149 of the Company's 2023 Annual Report. Between 20 June 2023 and 13 July 2023 (being the latest practicable date before publication of this Notice) there have been no changes to such interests.
19. As at 13 July 2023, 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 13 July 2023 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.
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

A. Summary of principal terms common to each of the Halfords Company Share Option Scheme 2023, the Halfords UK Sharesave Scheme 2023 and the Halfords International Sharesave Scheme 2023

1. General

The Halfords Company Share Option Scheme 2023 (“**2023 CSOS**”), the Halfords UK Sharesave Scheme 2023 and the Halfords International Sharesave Scheme 2023 (“**2023 Sharesave Schemes**”) (together, the “**2023 Schemes**”), have been designed to be materially similar to the Company’s existing Halfords Company Share Option Scheme (“**2014 CSOS**”), Halfords Sharesave Scheme (“**2014 UK Sharesave**”) and Halfords International Sharesave Scheme (“**2014 International Sharesave**”) (together the “**2014 Schemes**”).

The 2014 Schemes were approved by shareholders in 2014 and are due to expire in 2024 each on a date which is before the likely date of the Company’s annual general meeting in 2024, after which it will be before the (likely) date of the 2024 Annual General Meeting, after which it will no longer be possible to grant options under the 2014 Schemes. Appropriate changes have been made to the 2023 Schemes relative to the 2014 Schemes to bring the 2023 Schemes in line with prevailing best practice and current legislation.

The 2023 Schemes will enable eligible employees (including executive directors, in the case of the 2023 Sharesave Schemes,) of Halfords Group plc (the “**Company**”) to be granted options in respect of ordinary shares in the capital of the Company (“**Shares**”). Executive directors will not be granted options under the 2023 CSOS.

Options under the 2023 Schemes are not transferable (except on the death of a participant) and benefits under the 2023 Schemes are not pensionable benefits.

The Company’s Remuneration Committee will oversee the operation of the 2023 Schemes. The practical operation of the 2023 Schemes will be overseen by the Company’s board of directors (the “**Directors**”) who may delegate authority in relation to the operation of the 2023 Schemes to one or more individuals within the Company.

2. Dilution limits

Options may be granted under the 2023 Schemes (“**Options**”) over unissued Shares, treasury Shares or existing issued Shares.

The number of new Shares issued or remaining capable of being issued pursuant to Options and pursuant to options and awards granted under all the Company’s other employee share schemes (including executive (discretionary) share schemes), in any period of ten years, will not exceed 10% of the Company’s ordinary share capital in issue from time to time. The number of new Shares issued or remaining capable of being issued pursuant to options granted under the 2023 CSOS and pursuant to options and awards granted under all the Company’s other executive (discretionary) share schemes, in any period of ten years, will not exceed 5% of the Company’s ordinary share capital in issue from time to time. If Options are to be satisfied by a transfer of existing Shares, these percentage limits will not apply. Insofar as it is necessary to ensure compliance with the guidelines issued from time to time by institutional investors, the percentage limits will apply to Options satisfied by the transfer of treasury Shares.

3. Rights attaching to Shares

Shares allotted or transferred under the 2023 Schemes will rank alongside shares of the same class then in issue. The Company will apply to the FCA for the listing of any newly issued Shares.

4. Corporate events

Early exercise of Options is permitted in the event of a takeover, reconstruction or voluntary winding-up of the Company. Subject to the discretion of the Directors to determine otherwise, time pro-rating will generally apply to early exercise of Options granted under the 2023 CSOS by reference to the length of time between the grant date of the relevant option and the date of the relevant corporate event, relative to the full length of the original vesting period of the option and the Directors will determine the extent to which any performance targets attaching to options granted under the 2023 CSOS shall be deemed to have been satisfied. Alternatively, participants may be offered the opportunity to release their Options in consideration of the grant of options over shares in the acquiring company or its parent company.

5. Amendments

The Directors may amend the 2023 Schemes at any time at their discretion.

However, the provisions governing: (i) eligibility requirements; (ii) equity dilution; (iii) number of Shares which can be allocated; (iv) the basis for determining participants’ rights to acquire Shares; and (v) the adjustments that may be made following a variation of capital, cannot be altered to the advantage of participants in the 2023 Schemes 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 2023 Schemes, to take account of a change in legislation or developments in the law affecting the 2023 Schemes or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the 2023 Schemes or for any member of the group.

6. Variation of share capital

If there is a variation in the share capital, which includes a rights issue, capitalisation event, sub-division, consolidation, reduction or other variation of the Company’s ordinary share capital, the Directors may make such adjustments as they consider appropriate to the number, amount or description of shares subject to any Option and/or the exercise price payable upon the exercise of any Option.

7. Grant of Options

No payment will be required for the grant of an Option.

Options will normally be granted under the 2023 CSOS and invitations to apply for options under the 2023 Sharesave Schemes will normally be issued within a period of 42 days after the third dealing day following the announcement of the Company's results for any period. Invitations may be issued at other times if the Directors see fit in exceptional circumstances.

Options may not be granted under the 2023 Schemes at any time if it would be unlawful, or in breach of the applicable Market Abuse Regulation or any other law, regulation or guidance with which the Company complies.

No Options may be granted under the 2023 Schemes more than 10 years after the date on which the Company's shareholders have approved the establishment of the 2023 Schemes.

8. International

By approving the 2023 Schemes, shareholders will also authorise the Directors to adopt schedules to, or establish further plans based on Part B of the 2023 CSOS and the 2023 International Sharesave but which are modified to take account of local tax, exchange control or securities laws in any overseas territories, provided that any Shares made available under such further schedules or plans are treated as counting against the limits on individual and overall participation in the 2023 Schemes, as described in paragraphs 2 and 12 of this Appendix I of the Notice of Annual General Meeting, respectively.

B. Summary of other principal terms of the 2023 CSOS

9. General

The 2023 CSOS has two parts, being:

- Part A, which is intended to be a tax-advantaged 'Company Share Option Plan' that complies with the requirements of applicable legislation (the "**CSOP Rules**") and permits the grant of tax-advantaged CSOS options ("**Part A**"); and
- Part B, which is intended to be a non-tax-advantaged discretionary option scheme, pursuant to which it is possible for the Company to grant options that do not meet the requirements of the CSOP Rules ("**Part B**").

10. Eligibility

The 2023 CSOS provides that all employees of the group (including executive directors) are eligible to participate at the discretion of the Directors. In the case of Part A, executive directors of any participating group member must also work for the group for at least 25 hours per week in order to be eligible to participate. Options will not be granted under the 2023 CSOS to any executive directors of the Company.

11. Exercise price

The price per Share at which Shares may be acquired upon the exercise of an option granted under the 2023 CSOS ("**CSOS Option**") is determined by the Directors before the relevant CSOS Option is granted. The price per Share must not be less than the market value of a Share at the date that the CSOS Option is granted.

Market value for the purposes of determining the exercise price of a CSOS Option shall generally be determined by reference to an averaging period of three dealing days ending immediately prior to the date the CSOS Option is granted.

12. Individual limits

The maximum number of Shares that may be granted to a participant in the form of CSOS Options in any calendar year will be limited so that the market value of such Shares on the date of grant will not exceed 100% of the participant's base salary. The Directors may, in exceptional circumstances, grant CSOS Options in excess of such limit although they have no current intention of doing so.

Under Part A, the maximum number of Shares that may be granted to a participant in the form of CSOS Options (taken together with the number of Shares under any outstanding CSOS Options already granted to that participant under Part A and, if relevant, Part A of the existing Company Share Option Scheme, and which have not yet been exercised) will be limited so that the market value of such Shares on the date of grant will not exceed £60,000 (or any higher limit specified under the CSOP Rules).

Market value for the purposes of the above limits shall generally be determined by reference to the price of a Share as determined by reference to an averaging period of three dealing days ending immediately prior to the date the CSOS Option is granted.

13. Performance targets

CSOS Options which are granted to employees may be subject to performance targets.

The Directors may vary the performance target applying to existing CSOS Options if an event has occurred which causes the Directors, acting fairly and reasonably to believe that the performance target is no longer a fair target, in which case the Directors can waive or adjust the performance target so that it is a fairer measure of performance and provides a more effective incentive for the participant and will not be more difficult to satisfy than the original target would have been but for the event in question.

14. Exercise of CSOS Options

CSOS Options will not ordinarily be capable of vesting and exercise until the third anniversary of their grant date, except in exceptional circumstances such as corporate events (see paragraph 4 above) or on cessation of employment in certain circumstances (see paragraph 17 below).

Once vested, CSOS Options will normally remain exercisable until the tenth anniversary of their grant date, subject to shorter exercise periods following the occurrence of corporate events (see paragraph 4 above) or cessation of employment in certain circumstances (see paragraph 17 below).

15. Adjustment of vesting outcome of CSOS Options

Irrespective of the extent to which any performance target applicable to a CSOS Option has been met, the Directors retain discretion to adjust downwards (but not upwards) the extent of vesting that would otherwise result under the rules of the 2023 CSOS and such performance target.

Such discretion would only be used where the Directors consider that the extent of vesting but for any adjustment would not produce an appropriate vesting outcome for the relevant participant, the Company or the group, taking into account overall performance of the participant, the Company or the group, or because the vesting outcome is inappropriate in the context of circumstances that were unexpected or unforeseen at the date the relevant CSOS Option was granted.

16. Malus and clawback

The Directors may apply the malus and clawback provisions, at any point prior to the second anniversary of the date on which a CSOS Option vests, if:

- there has been a material misstatement of the financial results of the Company or any member of its Group 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 CSOS Option 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 or any member of its Group for any period;
- an act or omission of the participant has contributed to an instance of corporate failure to the Company or any member of its Group for any period;
- 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 its group; or
- other similar circumstances occur in which the Directors 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 CSOS Option or future grants of share options or other share awards (whether granted under the 2023 CSOS or any other discretionary share plan operated by any group member), a requirement to make a cash payment or to transfer Shares for no consideration.

17. Cessation of employment

If a participant ceases to be employed within the group, their CSOS Option will normally lapse on the date of termination of employment.

However, if a participant ceases to be employed with the group due to their death or cessation of employment as a result of: (i) injury or disability; (ii) retirement; (iii) redundancy; (iv) the sale of the group member or business unit which is the participant's employer company or business unit for which they work out of the group; or (v) in any other circumstances at the Directors' discretion, then the participant will be treated as a "good leaver", in which case their CSOS Option shall vest and become exercisable subject to

- the Directors' determination of the extent to which any performance targets attaching to the CSOS Option shall be deemed to have been satisfied; and
- a time pro-rata apportionment of the number of Shares under the CSOS Option by reference to the length of time between the grant date of the relevant CSOS Option and the date of cessation of the participant's employment, relative to the full length of the original vesting period.

CSOS Options held by good leavers (other than in the case of death) may be exercised during the period of six months following the date of cessation. At the end of this six-month period, the CSOS Option will lapse and cease to be capable of being exercised.

In the event of death, a CSOS Option may be exercised at any time during the twelve-month period following the date of death, at the end of which it will lapse and cease to be capable of being exercised.

18. Part B

Part B is materially similar to Part A. However, as CSOS Options granted under Part B are not intended to meet the requirements of the CSOP Rules, CSOS Options granted under Part B will not benefit from the tax-advantaged treatment intended to be afforded to CSOS Options granted under Part A.

C. Summary of other principal terms of the 2023 UK Sharesave and the 2023 International Sharesave

19. General

The 2023 UK Sharesave is intended to be a tax-advantaged 'Save As You Earn Option Scheme' that complies with the requirements of applicable legislation (the "**SAYE Rules**") and permits the grant of tax-advantaged Sharesave options.

The 2023 International Sharesave is a sub-plan of the 2023 UK Sharesave, pursuant to which the Company can grant non-tax-advantaged options that do not meet the requirements of the SAYE Rules to eligible employees outside of the United Kingdom.

All eligible employees must be invited to participate in the 2023 Sharesave Schemes. Employees who agree to join and to make monthly savings will be granted options to acquire Shares under the 2023 Sharesave Schemes ("**Sharesave Options**") on the terms summarised below.

20. Eligibility

Any employee (including any full-time director) of the Company or participating subsidiary who has been employed for a qualifying period of one month (but not exceeding five years) is eligible to participate in the 2023 Sharesave Schemes.

21. Exercise price

The price per Share at which Shares may be acquired upon exercise of Sharesave Options is determined by the Directors before the invitations to apply for the relevant Sharesave Options are issued. The price per Share must not be less than 80% of the market value of a Share.

Market value for the purposes of determining the exercise price of Sharesave Options shall generally be determined by reference to an averaging period of three dealing days ending immediately prior to the date the invitation to apply for a Sharesave Option is issued.

22. Monthly savings

Any employee who applies for a Sharesave Option under the 2023 UK Sharesave must enter into an HMRC approved "save as you earn" contract (the "**Savings Contract**"). The employee agrees to enter into a Savings Contract for a period of three or five years and make monthly savings contributions from net pay of a fixed amount, currently of not less than £5 or more than £500, over the period of the Savings Contract.

Any employee who applies for a Sharesave Option under the 2023 International Sharesave must enter into an agreement to make regular savings or deductions (the "**Savings Arrangement**"). The employee agrees to enter a Savings Arrangement for a period of three or five years and make monthly savings or deductions from net pay of a fixed amount, currently of not less than £5 or more than £500 (or the equivalent amount in local currency), over the period of the Savings Arrangement.

The employee may elect to apply the proceeds of the Savings Contract or the Savings Arrangement, as the case may be, to exercise the Sharesave Option and acquire Shares. Alternatively, the employee may choose to withdraw the proceeds of the Savings Contract or the Savings Arrangement.

23. Exercise of Sharesave Options

Savings Contract or the Savings Arrangement, as appropriate, following which the Sharesave Option will lapse and cease to be capable of being exercised.

24. Cessation of employment

Early exercise of Sharesave Options is permitted following death or cessation of employment with the group by reason of (i) injury or disability, (ii) retirement, (iii) redundancy; (iv) the sale of the group member or business unit which is the participant's employer company or business unit for which they work outside of the group; or (v) cessation of employment more than three years from grant of a Sharesave Option, being 'good leaver' reasons.

In such good leaver cases, Sharesave Options may be exercised within six months following the date of cessation to the extent that the funds then available in the employee's Savings Contract or Savings Arrangement, as the case may be, permit. In the event of death, personal representatives may normally exercise the Sharesave Option may be exercised at any time during the twelve-month period following the date of death.

Except in the cases noted above, Sharesave Options will lapse and cease to be capable of being exercised on cessation of employment.

25. 2023 International Sharesave

The 2023 International Sharesave is materially similar to the 2023 UK Sharesave. However, as Sharesave Options granted under the 2023 International Sharesave are not intended to meet the requirements of the SAYE Rules, Sharesave Options granted under the 2023 International Sharesave will not benefit from the tax-advantaged treatment intended to be afforded to Sharesave Options granted under the 2023 UK Sharesave.

This summary does not form part of the rules of the 2023 Schemes and should not be taken as affecting the interpretation of their detailed terms and conditions. The Directors reserve the right up to the time of the 2023 Annual General Meeting to make such amendments and additions to the rules of the 2023 Schemes as may be necessary or as they consider appropriate and provided that such amendments do not conflict in any material respect with this summary.