

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

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

If you have sold or otherwise transferred all of your shares in Halfords Group plc you should pass this document and the accompanying 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 the Hilton Garden Inn, 1 Brunswick Square, Brindleyplace, Birmingham B1 2HW on Wednesday 26 July 2017 at 11:30 am is set out on pages 7 to 9 of this document.**

Whether or not you intend to attend the Annual General Meeting in person, you are requested to complete the enclosed Form of Proxy, in accordance with the instructions printed on it and return it to Capita Asset Services at PXS1, 34 Beckenham Road, Beckenham, BR3 4ZF as soon as possible and, in any event, so as to be received by the Company's registrars, Capita Asset Services, by no later than **11:30 am on Monday 24 July 2017**. Shareholders may also lodge their proxy vote online at [www.capitashareportal.com](http://www.capitashareportal.com). Shareholders who hold their shares in CREST may appoint a proxy electronically by transmitting a CREST Proxy Instruction to Capita so that it is received no later than **11:30 am on Monday 24 July 2017**.

**Halfords Group plc**

*(Incorporated in England and Wales with registered number 04457314)*

*Directors:*

D Millard (Chairman)  
J McDonald  
D Adams  
C Arney  
H Jones  
J Mason

*Registered Office:*

Icknield Street Drive  
Washford West  
Worcestershire  
B98 0DE

21 June 2017

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

Dear Shareholder

**2017 ANNUAL GENERAL MEETING**

The 2017 Annual General Meeting of Halfords Group plc (the "**Company**") is to be held at the Hilton Garden Inn, 1 Brunswick Square, Brindleyplace, Birmingham B1 2HW on Wednesday 26 July 2017 at 11:30 am. The formal Notice convening the meeting is set out on pages 7 to 9 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.

**Explanatory Notes to the Resolutions**

**Resolution 1 – Financial Statements**

The Directors are required to present to the Annual General Meeting the Company's audited annual financial statements and related reports of the Directors and auditors for the period ended 31 March 2017.

**Resolution 2 – Approval of Final Dividend**

If resolution 2 is approved by shareholders, the final dividend for the period ended 31 March 2017 of 11.68 pence for each ordinary share, as recommended by the Directors, will be paid on 25 August 2017 to shareholders whose names are on the register of members at the close of business on 4 August 2017.

**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 Chairman 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 78 to 97 of the Company's 2017 annual report (excluding the Directors' Remuneration Policy set out on pages 80 to 88 of the Company's 2017 annual report referred to in resolution 4 below). The Company's auditor, KPMG LLP, has audited those parts of the Annual Report on Remuneration capable of being audited and its report may be found on pages 102 to 106 of the Company's 2017 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**

Pages 80 to 88 of the Company's 2017 annual report set out the Directors' Remuneration Policy (the "**Remuneration Policy**"). The Remuneration Policy is forward looking and is 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 2017 Annual General Meeting as the previous Remuneration Policy was approved by shareholders at the Company's annual general meeting in 2014. The Remuneration Policy has been reviewed and updated to maintain appropriate focus on our strategic objectives and to ensure that pay outcomes remain closely aligned with performance. The changes are set out in the Annual Report on Remuneration.

If approved by shareholders, the Remuneration Policy will be effective from the end of the 2017 Annual General Meeting and all payments by the Company to Directors (including all payments for the recruitment of Directors or loss of office of Directors), must be made in accordance with the Remuneration Policy unless approved by a shareholder resolution. The Remuneration Policy will next be submitted to shareholders no later than the Company's annual general meeting in 2020.

**Resolutions 5 to 10 – Re-election of Directors**

The Directors are committed to measures that promote good corporate governance. Therefore, in accordance with the UK Corporate Governance Code (the "**Code**"), each of the Directors will be submitting themselves for re-election by the shareholders at the 2017 Annual General Meeting, and each subsequent annual general meeting of the Company until further notice. Consequently, resolutions 5 to 10 will be proposed in order to allow each of the Directors to retire from office at the conclusion of the 2017 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 of the Directors who are proposed for re-election are set out on pages 50 to 51 of the Company's 2017 annual report and are also available for viewing on the Company's website [www.halfordscompany.com](http://www.halfordscompany.com).

In accordance with the Code, the Board undertook a rigorous review as to whether it considered each of the Non-Executive Directors being proposed for re-election, being David Adams, Claudia Arney and Dennis Millard, to be independent, as each will have served on the Board for six, six and eight years respectively in July 2017. Based on this rigorous review, the Board was satisfied that each of David Adams, Claudia Arney and Dennis Millard maintained the necessary levels of independence in addition to the Code's independence criteria. In light of the Code, and for the reasons set out above, the Board has determined that each of David Adams, Claudia Arney and Dennis Millard continues to remain independent in character and judgement, there are no relationships or circumstances likely to affect (or appear to affect) his or her judgment, and he or she continues to be effective and has demonstrated a strong commitment to his or her role and, therefore, the Board recommends that each of them be re-elected as a Director.

As Chairman, Dennis Millard's performance during the past year has been reviewed by the Non-Executive Directors led by the Senior Independent Director, David Adams.

Although it was announced on 3 May 2017 that the Company's Chief Executive Officer, Jill McDonald, has resigned from the business to take up another role, she will remain as Chief Executive Officer until the expiry of her notice period in October 2017 and, accordingly, she is offering herself for re-election. The process for the appointment of her successor is underway.

The Board is satisfied that each of the Directors proposed for re-election has the appropriate balance of skills, experience, independence and knowledge of the Company to enable him or her to discharge the duties and responsibilities of a director effectively. Accordingly the Board unanimously recommends the 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 such general meeting. KPMG 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 general meeting. Therefore, resolution 12 authorises the Audit Committee (for and on behalf of the 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 2016 annual general meeting to make political donations, which expires at the conclusion of the 2017 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 political expenditure or as a donation to a political party or other political organisation and 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 fifteen 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 2016 annual general meeting to allot securities (such as ordinary shares in the Company), which expires at the conclusion of the 2017 Annual General Meeting. The Investment Association share capital management guidelines on directors' authority to allot shares state 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. The guidelines provide that any routine authority to allot shares representing in excess of one third of the Company's issued share capital should only be used to allot shares pursuant to a fully pre-emptive rights issue.

Paragraph (a) of resolution 14 would, if passed, give the Directors the authority to allot unissued shares up to a maximum nominal amount of £663,722 representing a maximum number of 66,372,211 ordinary shares of 1 pence each, or approximately one third of the Company's issued ordinary share capital as at 1 June 2017 (which is the latest practicable date for which numbers can be confirmed prior to the date of this circular).

Paragraph (b) of resolution 14 proposes that, consistent with the Investment Association guidelines concerning directors' powers to allot share capital in the context of a rights issue referred to above, a further authority be given to the Directors to allot equity securities in connection with a rights issue to holders of equity securities (which would include ordinary shareholders), up to a maximum nominal amount of £663,722 representing a maximum number of 66,372,211 ordinary shares of 1 pence each or approximately one third of the Company's issued ordinary share capital as at 1 June 2017, 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 2018, or, if earlier, on 30 September 2018. The Directors have no present intention of exercising these authorities, except in relation to the Company's share incentive schemes. As at 1 June 2017, 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 2016 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 £99,558 representing a maximum number of 9,955,832 ordinary shares, or approximately 5 per cent. of the issued ordinary share capital of the Company as at 1 June 2017, 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 (as updated in March 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 Companies Act 2006 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 2018, or, if earlier, on 30 September 2018. 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.

#### **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 through the London Stock Exchange. The maximum number of shares which may be purchased if resolution 16 is approved is 19,911,663 representing approximately 10 per cent. of the Company's issued ordinary share capital (excluding treasury shares) as at 1 June 2017, 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 2018, or, if earlier, on 30 September 2018.

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. Any ordinary shares purchased in this way will either be cancelled or held in treasury. 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 year ended 31 March 2017. 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 1 June 2017, being the latest practicable date before publication of this notice, options over a total of 10,487,317 ordinary shares were outstanding and not exercised. That number of ordinary shares represents 5.27 per cent. of the Company's issued ordinary share capital as at 1 June 2017,

being the latest practicable date before publication of this notice. It would represent 6.58 per cent. of the issued ordinary share capital if the authority to purchase the Company's own shares granted at the Company's 2016 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 1 June 2017, 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 is proposed to 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 2016 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.

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

Shareholders will find enclosed a reply-paid Form of Proxy for use in connection with the 2017 Annual General Meeting. Whether or not you are able to attend the 2017 Annual General Meeting, you are requested to complete the Form of Proxy and return it to Capita Asset Services at PXS1, 34 Beckenham Road, Beckenham, BR3 4ZF as soon as possible and, in any event, so as to arrive no later than 11.30 am on Monday 24 July 2017. The completion and return of a Form of Proxy will not preclude you from attending the meeting and voting in person, if you wish to do so.

#### **Recommendation**

The Directors consider that each of the resolutions set out in the Notice of the 2017 Annual General Meeting on pages 7 to 9 inclusive of this document are 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,

**Dennis Millard**  
**Chairman**

21 June 2017

## **Adoption of Financial Reporting Standard (FRS) 101 – Reduced Disclosure Framework**

Following the publication of FRS 100 Application of Financial Reporting Requirements by the Financial Reporting Council, Halfords Group plc elected to adopt FRS 101 Reduced Disclosure Framework in the preparation of its entity financial statements for its financial year ended 1 April 2016. The Board considers that it is in the best interests of the group for Halfords Group plc to continue to adopt FRS 101 Reduced Disclosure Framework in the preparation of its entity financial statements for the financial year ending 31 March 2017. A shareholder or shareholders holding in aggregate 5 per cent. or more of the total allotted shares in Halfords Group plc may serve objections to the use of the disclosure exemptions on Halfords Group plc, in writing, to its registered office (Icknield Street Drive, Washford West, Redditch, Worcestershire, B98 0DE) not later than 30 September 2017.

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2017 Annual General Meeting of the Company will be held at the Hilton Garden Inn, 1 Brunswick Square, Brindleyplace, Birmingham B1 2HW on Wednesday 26 July 2017 at 11:30 am 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 2017 and the reports of the Directors and auditors thereon.
2. To declare a final dividend for the period ended 31 March 2017 of 11.68 pence for each ordinary share, as recommended by the Directors, to be paid on 25 August 2017 to ordinary shareholders whose name appears on the Company's register of members at the close of business on 4 August 2017.
3. To approve the Directors' Annual Report on Remuneration, for the period ended 31 March 2017 as set out on pages 78 to 97 of the Company's 2017 annual report (excluding the Directors' Remuneration Policy set out on pages 80 to 88 of the Company's 2017 annual report).
4. To approve the Directors' Remuneration Policy set out on pages 80 to 88 of the Company's 2017 annual report, such remuneration policy to take effect from the end of the 2017 Annual General Meeting.
5. To re-elect Jill McDonald as a Director.
6. To re-elect Jonny Mason as a Director.
7. To re-elect Dennis Millard as a Director.
8. To re-elect David Adams as a Director.
9. To re-elect Claudia Arney as a Director.
10. To re-elect Helen Jones as a Director.
11. To reappoint KPMG LLP as auditor of the Company to hold office from the conclusion of the 2017 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 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 2018), unless previously removed, varied or revoked by the Company in 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 £663,722; and
  - b) comprising equity securities (as defined in section 560(1) of the Act) up to a further aggregate nominal amount of £663,722 in connection with an offer by way of a rights issue,

such authorities to apply (unless previously renewed, revoked or varied by the Company in general meeting) until the end of the Company's next annual general meeting after this resolution is passed (or, if earlier, until the close of business on 30 September 2018) 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 £99,558 (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 (unless previously renewed, revoked or varied by the Company in general meeting) until the end of the Company's next annual general meeting after this resolution is passed (or, if earlier, until the close of business on 30 September 2018) 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 19,911,663 (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 2018), 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.

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

By Order of the Board  
Tim O'Gorman  
Company Secretary

21 June 2017

### Important notes for Shareholders

The following notes explain your general rights as a shareholder and your rights to attend and vote at the 2017 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. 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. A Form of Proxy is enclosed and you may use that Form of Proxy to nominate your proxy. If you do not have a Form of Proxy and believe that you should have one, or if you require additional Forms of Proxy, please contact the Company's Registrars. To be valid, Forms of Proxy must reach the Company's Registrar no later than 11:30 am on Monday 24 July 2017. Completing and returning a Form of Proxy to the Registrar, 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 do this and there is a poll vote, we will ignore your proxy votes.
2. As an alternative to returning your Form of Proxy in hard copy you can complete your Form of Proxy online by logging onto [www.capitashareportal.com](http://www.capitashareportal.com) by 11:30 am on Monday 24 July 2017. To vote online you will need to enter your surname, investor code (as shown on your hard copy Form of Proxy) and your postcode.
3. 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 2017 Annual General Meeting, the results of the voting at the meeting and the numbers of proxy votes cast for and against and the number of votes actively withheld in respect of each of the resolutions will be announced via a Regulatory Information Service and also placed on the Company's website [www.halfordscompany.com](http://www.halfordscompany.com).
4. 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.
5. 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.
6. 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 6:00 pm on Monday 24 July 2017 (or in the case of adjournment as at 48 hours before the time appointed for holding of the meeting) shall be entitled to attend or vote at the 2017 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 6:00 pm on Monday 24 July 2017 will be disregarded in determining the rights of any person to attend or vote at the meeting.
7. Copies of the service contracts and letters of appointment of the Directors and the current Articles of Association will be 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 2017 Annual General Meeting and, together with the register of Directors' interests, will be available for inspection at the place of the 2017 Annual General Meeting from 15 minutes prior to its commencement until its conclusion. The Directors have the benefit of qualifying third party indemnity provisions pursuant to the Company's Articles of Association, which are and will be available for inspection as described above.
8. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the 2017 Annual General Meeting to be held on Wednesday 26 July 2017 at 11:30 am and any adjournment(s) thereof by utilising the procedures described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). 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.
9. 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/CREST](http://www.euroclear.com/CREST)). 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 11:30 am on Monday 24 July 2017. 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.
10. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting

service provider(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.

11. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
12. 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.
13. Shareholders have the right to ask questions relating to the business of the 2017 Annual General Meeting and the Company has an obligation to answer such questions unless 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 2017 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.
14. As at 1 June 2017, being the last practicable date before publication of this notice, the Company's issued share capital consisted of 199,116,632 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 1 June 2017 was 199,116,632.
15. A copy of this Notice and other information required by section 311A of the Act can be found at [www.halfordscompany.com](http://www.halfordscompany.com).
16. 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.

