

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

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

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

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 7 September 2022 at 3:00 pm is set out on pages 7 to 8 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. This remains important notwithstanding the removal of the UK Government’s coronavirus (COVID-19) restrictions as explained below. 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 **3:00 pm on Monday 5 September 2022**. Appointing a proxy will not prevent you from attending the 2022 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. If you appoint anyone else as a proxy, then depending on the coronavirus situation in the UK and any restrictions imposed by the UK Government at the time of the meeting, that person may not be able to attend the meeting and may not be able to vote on your behalf.

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

Registered Office:

Icknield Street Drive
Washford West
Worcestershire
B98 0DE

27 July 2022

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

Dear Shareholder

2022 ANNUAL GENERAL MEETING

The 2022 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 7 September 2022 at 3:00 pm. The formal Notice convening the meeting is set out on pages 7 to 8 of this document.

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

As at the date of the Notice, there are no UK Government restrictions related to the COVID-19 pandemic in place. As such, we look forward to being able to welcome shareholders who wish to attend and vote at the Annual General Meeting in person. Although no changes are anticipated, you should continue to monitor the Company's website and announcements for any updates in relation to the Annual General Meeting arrangements that may need to be made in accordance with any guidance that may be issued by the UK Government and/or relevant health authorities should the position change.

Should you choose to attend in person, you will be able to vote at the Annual General Meeting itself. However, we strongly encourage you to 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. Please appoint a proxy as early as possible, even if you would typically, and do this year, intend to attend the meeting in person, as the situation may change and it may not be possible or appropriate for you to do so. If you appoint the Chair of the meeting as your proxy, this will ensure your votes are cast in accordance with your wishes 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.

Explanatory Notes to the Resolutions

Resolution 1 – Financial Statements

The Directors are required to present to the 2022 Annual General Meeting the Company's audited annual financial statements and related reports of the Directors and auditors for the period ended 1 April 2022.

Resolution 2 – To Approve the Final Dividend

If resolution 2 is approved by shareholders, the final dividend for the period ended 1 April 2022 of 6.0 pence for each ordinary share, as recommended by the Directors, will be paid on Friday 16 September 2022 to shareholders whose names are on the register of members at the close of business on Friday 12 August 2022.

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 130 to 149 of the Company's 2022 Annual Report (excluding the Directors' Remuneration Policy Summary Report set out on pages 137 to 138 of the Company's 2022 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 154 to 161 of the Company's 2022 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.

Resolutions 4 to 9 – Re-Election of Directors

The Directors are committed to measures that promote good corporate governance. Jo Hartley will stand for election at this year's meeting following her appointment as a Director on 16 June 2022 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 4 will be proposed in order to allow Jo Hartley to retire from office at the conclusion of the 2022 Annual General Meeting and, being eligible, offer herself for election by the 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 2022 Annual General Meeting, and each subsequent annual general meeting of the Company until further notice. Consequently, resolutions 5 to 9 will be proposed in order to allow each of the Directors to retire from office at the conclusion of the 2022 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 82 to 83 of the Company's 2022 Annual Report and Jo's biography is set out on page 119 of the Company's 2022 Annual Report. 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 Helen Jones, Jill Caseberry and Tom Singer, to be independent, as each will have served on the Board for eight years, three years and two years respectively in September 2022. Based on this rigorous review, the Board was satisfied that Helen Jones, 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 Helen Jones, 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 elected or re-elected, as applicable, 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 joined the Company in July 2018 as Company Chair and Chair of the Nomination Committee. Keith is Non-Executive Chair of Royal Mail Group. Keith is a qualified Chartered Accountant and 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 treasury, cash management, customer service and digital.

Helen Jones joined the Company as a Non-Executive Director in March 2014 and became the Senior Independent Director on 15 September 2020. Helen became Chair of the Environmental, Social and Governance (**"ESG"**) Committee in December 2015, and Employee Voice Director on 1 May 2019. Helen is a Non-Executive Director and Chair of the Remuneration Committee and a member of the Audit Committees of Fuller, Smith & Turner plc and Virgin Wines UK plc, a Non-Executive Director and member of the Audit Committee of Premier Foods plc and a Director of Hamsard 3145 Limited. Helen is also a member of the Toast Ale charity. Helen Brings valuable and relevant operations, marketing and branding experience in consumer-focused businesses.

Jill Caseberry joined the Company in March 2019 as a Non-Executive Director and Chair of the Remuneration Committee. Jill is a Non-Executive Director, Remuneration Committee Chair and a 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; a Non-Executive Director, Employee Voice Director and a member of the Remuneration and Nomination Committees of Bakkavor Group plc; and Jill is also a Senior Independent Director, Remuneration Committee Chair and a member of the Audit and Nomination Committees of St Austell Brewery. Jill brings extensive leadership experience from senior sales and marketing roles in consumer goods businesses.

Tom Singer joined the Company in September 2020 as a Non-Executive Director and became Chair of the Audit Committee on 1 January 2021. Tom is a Non-Executive Director of Mediclinic International plc. Tom brings extensive experience of strategy development, corporate governance and numerous financial disciplines.

Graham Stapleton joined the Company as Chief Executive Officer in January 2018. Graham is an outstanding business leader and brings extensive experience and skills to the plc board.

Jo Hartley joined the Company in April 2022 and joined the Board on 16 June 2022. Prior to joining Halfords, Jo was the Group Chief Financial Officer 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 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 10 and 11 – Reappointment and Remuneration of Auditor

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

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

Resolution 12 – Authority to Make Political Donations

This ordinary resolution seeks shareholder approval to renew and replace the authority granted to the Company and its subsidiaries by shareholders at the Company's 2020 Annual General Meeting to make political donations, which expires at the conclusion of the 2022 Annual General Meeting. This resolution concerns Part 14 of the Companies Act 2006 (the "Act"), which provides that political donations made by a company to political parties, to other political organisations and to independent election candidates or political expenditure incurred by a company must be authorised in advance by shareholders.

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

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

Resolution 13 – Authority to Allot Securities

This ordinary resolution seeks shareholder approval to renew the general authority previously given to the Directors at the Company's 2021 Annual General Meeting to allot securities (such as ordinary shares in the Company), which expires at the conclusion of the 2022 Annual General Meeting. The Investment Association's 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. Those 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 13 would, if passed, give the Directors the authority to allot unissued shares up to a maximum nominal amount of £729,762 representing a maximum number of 72,976,245 ordinary shares of 1 pence each, or approximately one third of the Company's issued ordinary share capital as at 7 July 2022 (which is the latest practicable date for which numbers can be confirmed prior to the date of this circular). Paragraph (b) of resolution 13 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 £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 7 July 2022, being the latest practicable date before publication of this Notice.

The authorities sought in paragraphs (a) and (b) of resolution 13 will, if approved, expire at the conclusion of the annual general meeting of the Company to be held in 2023, or, if earlier, on 30 September 2023. The Directors have no present intention of exercising these authorities, except in relation to the Company's share incentive schemes. As at 7 July 2022, being the latest practicable date before publication of this Notice, the Company held no treasury shares in the Company. The Directors intend to seek renewal of this authority at future annual general meetings.

Resolution 14 – Disapplication of Statutory Pre-Emption Rights

This special resolution, if passed, would renew the authority given to the Directors at the Company's 2021 Annual General Meeting to allot, pursuant to the authority given by resolution 13, equity securities (such as ordinary shares) for cash, or sell treasury shares for cash, without first offering them to existing shareholders pursuant to statutory pre-emption rights. The authority would be limited to allotments of equity securities:

- to ordinary shareholders in proportion to their existing shareholdings;
- to holders of other equity securities as required by the rights attaching to those securities or as the Directors consider necessary; and
- for cash up to a maximum amount of £109,464 representing a maximum number of 10,946,437 ordinary shares, or approximately 5 per cent. of the issued ordinary share capital of the Company as at 7 July 2022, 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 14 would also disapply the application of section 561 of the Act from a sale of treasury shares to the extent specified in that resolution.

This authority will, if approved, expire at the conclusion of the annual general meeting of the Company to be held in 2023, or, if earlier, on 30 September 2023. 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 15 – Authority to Purchase Own Shares

This special resolution, if passed, would authorise the Company to make market purchases of its own ordinary shares. If resolution 15 is approved, the Directors may utilise the authority to continue to make market purchases of the Company's shares within the meaning of section 693 of the Act. The maximum number of shares which may be purchased if resolution 15 is approved is 21,892,874 representing approximately 10 per cent. of the Company's issued ordinary share capital (excluding treasury shares) as at 7 July 2022, 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 2023, or, if earlier, on 30 September 2023.

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 1 April 2022. 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 7 July 2022, being the latest practicable date before publication of this Notice, options over a total of 14,914,540 ordinary shares were outstanding and not exercised. That number of ordinary shares represents 6.813 per cent. of the Company's issued ordinary share capital as at 7 July 2022, being the latest practicable date before publication of this Notice. It would represent 8.42 per cent. of the issued ordinary share capital if the authority to purchase the Company's own shares granted at the Company's 2021 Annual General Meeting and the authority proposed to be granted under resolution 15 were both exercised in full and assuming no further ordinary shares are issued. As at 7 July 2022, being the latest practicable date before publication of this Notice, the Company held no treasury shares in the Company and no warrants over ordinary shares in the capital of the Company existed.

Resolution 16 – Notice of Meetings other than Annual General Meetings

This special resolution, if passed, would allow the Company to continue to call general meetings on 14 clear days' notice pursuant to the Act, which provides that the notice period for general meetings of the Company must be 21 clear days unless shareholders approve a shorter period (which cannot be less than 14 clear days). This approval was given at the Company's 2021 Annual General Meeting and the Company would like to continue to have the flexibility to convene general meetings (other than annual general meetings) on 14 clear days' notice. The Directors do not intend to use this authority as a matter of routine, but only when time-sensitive matters are to be discussed and where they consider it to be merited in the interests of shareholders as a whole and will have regard to other best practice recommendations as regards its use. If approved, the authority will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed in order to renew this power. The Company will need to meet the requirements for electronic voting under the Act in order to call a general meeting on 14 days' notice. Annual general meetings must continue to be held on at least 21 clear days' notice.

Resolution 17 – Deferred Bonus Plan 2022

This ordinary resolution seeks shareholder approval for the Halfords Group Deferred Bonus Plan 2022 (the “DBP”). The DBP, if passed, will update and replace the Deferred Bonus Plan which was established by approval of the Board of Directors on 27 June 2013 (the “Existing DBP”) to reflect developments in best practice and, in doing so, will provide greater flexibility such that Awards (as defined below) made under the DBP may be satisfied by any of (i) the transfer of existing Shares, (ii) the issue of new Shares (whether direct to participants or via an employee benefit trust), or (iii) the transfer of treasury Shares. In line with the Investment Association’s Principles of Remuneration, the DBP will operate within the 5% and 10% in 10 years dilution limits which apply to the Company’s other share plans, and the Company will manage its capacity within this limit carefully.

Under the DBP, deferred share awards with a value linked to bonus outcome under the Company’s annual cash bonus plan for any financial year may be structured as: (i) conditional awards of shares in Halfords Group plc (“Shares”); (ii) options to acquire Shares; or (iii) immediate rights to acquire Shares but which are subject to restrictions on the sale or transfer of the Shares and to certain forfeiture conditions (together, “Awards”). The Remuneration Committee of the Board may also grant cash-based awards of an equivalent value to share-based awards, or settle share-based awards with cash, although the Remuneration Committee does not currently intend to do so. Awards vest after a deferral period of usually three years.

Where directors are participants in the DBP, the terms of their participation will be consistent with the Directors’ Remuneration Policy. The main provisions of the DBP are summarised in the Appendix to this Notice. A copy of the rules of the DBP will be available for inspection at the Company’s registered office and at the 2022 Annual General Meeting, as set out in paragraph 7 on page 9 of this Notice.

Action to be taken by Shareholders

Your vote is important to us and, whether or not you intend to attend the 2022 Annual General Meeting, we strongly encourage shareholders to vote on all resolutions by appointing the Chair of the meeting as your proxy in advance utilising one of the methods detailed below as soon as possible and, in any event, by no later than 3:00 pm on Monday 5 September 2022. 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 2022 Annual General Meeting and voting in person, should you wish to do so, although please note the potential precautions referred to above in light of the coronavirus pandemic. If you appoint anyone else as a proxy, then depending on the coronavirus situation in the UK at the time of the meeting, that person may not be able to attend the meeting and may not be able to vote on your behalf.

As in previous years, you will not receive a hard copy Form of Proxy for the 2022 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 3:00 pm on Monday 5 September 2022.

Voting by proxy prior to the 2022 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 2022 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.

Recommendation

The Directors consider that each of the resolutions set out in the Notice of the 2022 Annual General Meeting on pages 7 to 8 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

27 July 2022

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2022 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 7 September 2022 at 3:00 pm to consider the following resolutions, which in the case of resolutions 14, 15 and 16 will be proposed as special resolutions with the remainder being proposed as ordinary resolutions:

1. To receive the audited annual financial statements for the period ended 1 April 2022 and the reports of the Directors and auditors thereon.
2. To declare a final dividend for the period ended 1 April 2022 of 6.0 pence for each ordinary share, as recommended by the Directors, to be paid on Friday 16 September 2022 to ordinary shareholders whose name appears on the Company's register of members at the close of business on Friday 12 August 2022.
3. To approve the Directors' Annual Report on Remuneration (excluding the Directors' Remuneration Policy Summary Report), for the period ended 1 April 2022 as set out on pages 138 to 149 of the Company's 2022 Annual Report.
4. To elect Jo Hartley as a Director.
5. To re-elect Keith Williams as a Director.
6. To re-elect Helen Jones 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-appoint BDO LLP as Auditor of the Company to hold office from the conclusion of the 2022 Annual General Meeting until the conclusion of the next general meeting at which accounts are laid before the Company.
11. To authorise the Audit Committee for and on behalf of the board of Directors to determine the remuneration to be paid to the auditor of the Company.

Authority to Make Political Donations

12. That the Company and all companies that are its subsidiaries at any time during the period for which this resolution has effect, for the purposes of section 366 of the Companies Act 2006 (the "Act") be authorised to:
 - a) make political donations to political parties or independent election candidates (as such terms are defined in sections 363 and 364 of the Act), not exceeding £50,000 in aggregate;
 - b) make political donations to political organisations other than political parties (as such terms are defined in sections 363 and 364 of the Act), not exceeding £50,000 in aggregate; and
 - c) incur political expenditure (as such term is defined in section 365 of the Act), not exceeding £50,000 in aggregate, during the period beginning with the date of the passing of this resolution and ending on the earlier of the conclusion of the Company's next annual general meeting or close of business on 30 September 2023, unless previously removed, varied or revoked by the Company in a general meeting, provided that the maximum amounts referred to in (a), (b) and (c) above may comprise sums in different currencies, which shall be converted at such rate as the Directors may in their absolute discretion determine to be appropriate.

Authority to Allot Securities

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

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 2023 (unless previously renewed, revoked or varied by the Company in general meeting) but, in each case, so that the Company may make offers and enter into agreements before the authority expires which would, or might, require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after the authority expires and the Directors may allot shares or grant such rights under any such offer or agreement as if the authority had not expired. References in this resolution 13 to the nominal amount of rights to subscribe for or to convert any security into shares (including where such rights are referred to as equity securities as defined in section 560(1) of the Act) are to the nominal amount of shares that may be allotted pursuant to the rights.

For the purposes of this resolution 13 "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

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

- a) to the allotment of equity securities and/or sale of treasury shares for cash in connection with an offer of equity securities (but in the case of an allotment pursuant to the authority granted by paragraph (b) of resolution 13, by way of a 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 13 and/or sale of treasury shares for cash (in each case otherwise than in the circumstances set out in paragraph (a) of this resolution 14) up to a nominal amount of £109,464 (calculated, in the case of equity securities which are rights to subscribe for, or to convert securities into, ordinary shares by reference to the aggregate nominal amount of relevant shares which may be allotted pursuant to such rights),

such authority to apply until the earlier of the conclusion of the Company's next annual general meeting or close of business on 30 September 2023 (unless previously renewed, revoked or varied by the Company in general meeting) but, in each case, so that the Company may make offers and enter into agreements before the authority expires which would, or might, require equity securities to be allotted (and/or treasury shares to be sold) after the authority expires and the Directors may allot equity securities (and/or sell treasury shares) under any such offer or agreement as if the authority had not expired.

For the purpose of this resolution 14, "rights issue" has the same meaning as in resolution 13 above.

Authority to Purchase Own Shares

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

- a) the maximum aggregate number of ordinary shares hereby authorised to be purchased is 21,892,874 (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 2023), but a contract of purchase may be made before such expiry which will or may be executed wholly or partly thereafter and a purchase of shares may be made in pursuance of any such contract as if the authority had not expired.

Authority to call general meetings on 14 days' notice

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

Deferred Bonus Plan 2022

17. That the Directors be and are hereby authorised to:

- a) establish the Halfords Group Deferred Bonus Plan 2022 (the "DBP"), a copy of the draft rules of which has been produced to the 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 the Appendix to this Notice; and
- b) do all such acts and things as may be necessary or expedient to give effect to the DBP and to establish schedules to, or other plans based on, the DBP but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such plans are treated as counting against the limits on individual and overall participation contained in the DBP.

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

By Order of the Board

Tim O'Gorman
Company Secretary
27 July 2022

Important notes for Shareholders

The following notes explain your general rights as a shareholder and your rights to attend and vote at the 2022 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. However, noting the potential for the situation to change with regards to UK Government guidance and precautions relating to the coronavirus pandemic at the time of the meeting, we strongly encourage you to vote by appointing the Chair of the meeting as your proxy in advance of the meeting in accordance with the procedures set out below. 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, 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. If you appoint anyone else as a proxy, then depending on the coronavirus situation in the UK at the time of the meeting, that person may not be able to attend the meeting and may not be able to vote on your behalf. 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 3:00 pm on Monday 5 September 2022. 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. 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 3:00 pm on Monday 5 September 2022. Voting by proxy prior to the 2022 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.
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 2022 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.
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 close of business on Monday 5 September 2022 (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 2022 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 5 September 2022 (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.
7. Copies of the service contracts and letters of appointment of the Directors, the Articles of Association and the rules of the proposed Halfords Group Deferred Bonus Plan ("**DBP**") will be available for inspection at the registered office of the Company (in each case, to the extent permitted under any applicable UK government guidance that may be in force at the relevant time) during normal business hours on each business day from the date of this document until the date of the 2022 Annual General Meeting and, together with the register of Directors' interests, will be available for inspection at the place of the 2022 Annual General Meeting from 15 minutes prior to its commencement until its conclusion. The rules of the DBP 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.

8. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the 2022 Annual General Meeting to be held on Wednesday 7 September 2022 at 3:00 pm and any adjournment(s) thereof by utilising the procedures described in the CREST Manual (available via 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). The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer’s agent (ID RA10) by 3:00 pm on Monday 5 September 2022. 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 2022 Annual General Meeting. Shareholders will be able to submit questions to the Directors in advance of the 2022 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 2022 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. Notifiable interests of significant shareholders representing 3% or more of the Company's issued share capital as at 1 April 2022, as disclosed to the Company in accordance with DTR 5 of the FCA's Disclosure Guidance and Transparency Rules, are set out on page 90 of the Company's 2022 Annual Report. Between 1 April 2022 and 30 June 2022 (being the latest practicable date before publication of this Notice) the Company had been notified of changes in the notifiable interests as follows:

Manager	% at 30-Jun-2022	Shares
Fidelity International	9.83	21,520,617
BlackRock	5.69	12,454,817
Janus Henderson Investors	5.18	11,348,151
Dimensional Fund Advisors	4.47	9,796,895
abrdn	4.40	9,637,689
Columbia Threadneedle Investments	4.00	8,767,207
Jupiter Asset Management	3.97	8,688,671
Vanguard Group	3.68	8,055,079
Rathbones	3.08	6,738,960

15. The Directors' interests in, and options over, ordinary shares in the Company as at 7 July 2022 (being the latest practicable date prior to the date of the Company's 2022 Annual Report), are shown in the Directors' Remuneration Report on pages 144 and 145 of the Company's 2022 Annual Report. Between 16 June 2022 and 7 July 2022 (being the latest practicable date before publication of this Notice) there have been no changes to such interests.
16. As at 7 July 2022, 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 7 July 2022 was 218,928,736.
17. A copy of this Notice and other information required by section 311A of the Act can be found at www.halfordscompany.com.
18. 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

Summary of the principal terms of the Halfords Group Deferred Bonus Plan 2022

1. General

The Halfords Group Deferred Bonus Plan 2022 (the “**DBP**”) is intended to facilitate the deferral of a portion of any annual bonus which is paid to selected employees of Halfords Group plc (the “**Company**”) and any company which is for the time being a subsidiary (as defined in section 1159 of the Companies Act 2006) (the “**Group**”) into awards over shares in the Company (the “**Awards**”). The DBP has been designed to align with prevailing best practice and the terms of the Directors’ Remuneration Policy which was approved by shareholders at the 2020 Annual General Meeting.

The operation of the DBP will be overseen by the Remuneration Committee of the Board of Directors of the Company (the “**Remuneration Committee**”).

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

No payment shall be required for the grant of an Award.

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

2. Eligibility

All employees of the Group are eligible to participate in the DBP and receive Awards at the discretion of the Remuneration Committee.

The DBP will primarily be operated to defer the bonuses of Executive Directors, who shall usually be required to defer at least one third (or such other amount as is specified in the Company’s prevailing shareholder-approved Directors’ Remuneration Policy) of their annual bonus for any year into an Award. The Remuneration Committee may also select other employees of the Group to participate in the DBP at its discretion.

3. Structure of Awards

Awards may be structured as: (i) conditional awards of shares at nil cost for the participant; (ii) as options to acquire shares; or (iii) as immediate rights to acquire shares for nil cost but which are subject to restrictions on the sale or transfer of the shares and to certain forfeiture conditions.

The Remuneration Committee may also grant cash-based awards of an equivalent value to share-based awards, or to settle share-based awards with cash, although the Remuneration Committee does not currently intend to do so.

4. Timing of grants of Awards

Awards may be granted:-

- in the period of six weeks following approval of the DBP by the Company’s shareholders at the 2022 Annual General Meeting;
- in the period of six weeks immediately following the end of a Closed Period (as defined in the Market Abuse Regulation (EU 596/2014) as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended by the Financial Services Act 2021);
- in the period of six weeks commencing on the dealing day following the determination of the relevant employee’s bonus for any period; and
- on any other day on which the Remuneration Committee determines that exceptional circumstances exist that justify the grant of an Award.

If regulatory or statutory restrictions prevent Awards from being granted in these periods, Awards may be made in the period immediately after the removal of all such restrictions.

5. Size of Awards

Awards shall be granted over such number of shares as have a market value equal to the value of the proportion of the employee’s bonus (including up to 100%) that the Remuneration Committee has determined is required to be deferred into an Award.

In the case of Executive Directors, the proportion of any bonus which is required to be deferred into an Award shall be consistent with the Company’s prevailing shareholder-approved Directors’ Remuneration Policy in force at the time that the Award is granted. The Remuneration Committee has discretion to specify that a higher proportion (including up to 100%) of an Executive Director’s annual bonus shall be required to be deferred into an Award.

Market value for the purposes of the above limit shall generally be taken to be the market value of shares prior to the grant of the relevant Award calculated using such reasonable basis as the Remuneration Committee decides.

6. Dilution limits

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

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

A similar 5% in 10 years limit applies to awards granted under any Company discretionary share plans (which would include the DBP).

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

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

7. Vesting of Awards

Awards granted under the DBP will not ordinarily be capable of vesting until the third anniversary of their grant date, except in exceptional circumstances such as corporate events (see paragraph 10 below). Shorter vesting periods may apply to Awards at the Committee's discretion.

The vesting of Awards will not ordinarily be subject to the achievement of any performance conditions.

8. Exercise periods (applicable only to options)

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

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

9. Leaving employment

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

However, if a participant ceases to be employed within the Group due to their: (i) death; (ii) ill-health, injury or disability; (iii) redundancy (iv) retirement; (v) the sale of the member of the Group or business unit which is the participant's employer company out of the Group; or (vi) in any other circumstances at the Remuneration Committee's discretion, then the participant will be treated as a "good leaver", in which case their Award will remain capable of vesting in full on its normal vesting timetable, unless the Remuneration Committee determines that any such Awards held by good leavers shall vest at an earlier date.

10. Corporate events

In the event of:- (i) a takeover of the Company; (ii) a scheme of arrangement; (iii) a winding-up of the Company; (iv) a demerger of the Company; or (v) another corporate event in the Remuneration Committee's discretion, unvested Awards shall vest immediately and in full.

Alternatively, on the occurrence of a corporate event as referred to in the preceding paragraph, the Remuneration Committee may specify that Awards shall not vest on the occurrence of such event and instead participants shall be required to 'roll-over' their Awards into equivalent new awards over shares in a new holding company.

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

11. Variations of share capital

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

12. **Malus and clawback**

All Awards are subject to malus and clawback provisions which apply if, at any point prior to the second anniversary of the date on which an Award vests:-

- it is discovered that there has been a material misstatement of the Company's (or any member of the Group's) financial results for any period;
- the participant has committed misconduct;
- the participant has contributed to a material failure of risk management of the Company or any member of the Group;
- the participant has contributed to an instance of corporate failure (e.g. the appointment of a liquidator or administrator);
- the participant has contributed to serious reputational damage to the Company or any member of the Group; or
- such other exceptional circumstances have occurred that, in the Remuneration Committee's absolute discretion, justify such reimbursement being imposed.

Any application of malus and clawback may be satisfied by way of a reduction in the amount of any future bonus or subsisting award or future share awards (whether granted under the DBP or any other discretionary share plan adopted by any member of the Group) and/or make a cash payment.

13. **Rights attaching to shares**

Awards which are structured as conditional awards over shares or as options over shares will not confer any shareholder rights, such as the right to vote the shares or to receive any dividend, until a participant has received the shares after vesting or exercise (as applicable).

Awards which are structured as immediate rights to receive shares subject to certain restrictions shall not ordinarily confer any shareholder rights, such as the right to vote the shares or to receive any dividend, until the restrictions applicable to the shares have ceased to apply following the vesting of the Award.

Except as referred to in the preceding sub-paragraphs, shares allotted or transferred under the DBP will rank alongside shares of the same class then in issue.

14. **Dividend equivalent payments**

The Remuneration Committee may determine that a participant is entitled to receive a payment (in cash or shares) when they receive their vested shares of an amount equivalent to any dividends that would have been payable in relation to the vested shares between the date of grant and the vesting date of the Award.

Any dividend equivalent payment may exclude the amount of any special dividends or other dividends and/or may assume re-investment of dividends in further Company shares, in each case at the discretion of the Remuneration Committee

15. **Amendments**

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

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

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

16. **International**

By approving the DBP, shareholders will also authorise the Remuneration Committee to adopt schedules to, or establish further plans based on, the DBP 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 plans are treated as counting against the limits on overall participation in the DBP (described at paragraph 6 of this Appendix respectively).

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

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

The Directors reserve the right up to the time of the 2022 Annual General Meeting to make such amendments and additions to the rules of the DBP as may be necessary or as they consider appropriate and provided that such amendments do not conflict in any material respect with this summary.

