

8 April 2020

Drax Group plc

(the "Company")

Director Disclosure s. 430(2B) of the Companies Act

The following information is provided in accordance with section 430(2B) of the Companies Act 2006.

The Company announced today that Andy Koss, Chief Executive, Generation, Drax Group, stepped down from the Board on 7 April 2020. Andy will continue to be employed until 30 June 2020 (the "Termination Date") as special adviser to the Chief Executive Officer of the Company in order to provide support on a programme of works and to ensure an orderly transition.

As Andy's employment will be terminated on the grounds of redundancy, he will automatically be treated as a good leaver under the rules of the Annual Bonus Plan, Deferred Share Plan ("DSP") and Performance Share Plan ("PSP"), as set out in the Remuneration Policy.

The following remuneration arrangements will apply and are in line with the provisions of the Remuneration Policy:

- Salary of £80,371.15, pension payments of £16,074.23 and contractual benefits (being car allowance and continued coverage under the Company's private medical and insured benefits plans) valued at £3,707.78 for the period from 8 April 2020 up to the Termination Date;
- In accordance with the relevant provisions of his service agreement, payment in lieu of the remainder of his 12 months' notice period which has not elapsed as at the Termination Date, in respect of salary, pension payments and contractual benefits (excluding private medical cover which will be dealt with separately) (the "PILON payment"). The PILON payment will be of £334,122.48, comprising £268,860.65 in respect of salary, £53,772.13 in respect of pension contributions and £11,489.70 in respect of contractual benefits (being car allowance and insured benefits) for the period from 1 July 2020 to 7 April 2021. In accordance with the terms of the service agreement, the PILON payment will be made in instalments, with an initial payment of 50% of the PILON payment within 30 days of the Termination Date, a second instalment of 25% to be paid within six months of the Termination Date and a third instalment of 25% to be paid within nine months of the Termination Date. The amount of the PILON payment will be reduced by an amount equal to the aggregate cash equivalent of the remuneration or consideration (of whatever type) payable to or received by Andy in respect of any alternative employment or engagements for any unexpired period of the 12 months' notice period;

- In accordance with his service contract, Andy will be entitled to payment in respect of the cost incurred in obtaining private medical cover for the unexpired period of the 12 months' notice period. The maximum amount which Andy will be entitled to will be capped at £5,000, on an after-tax basis;
- For the period up to the Termination Date during which he will have been in active employment, Andy will be eligible for a pro rata annual bonus in respect of 2020, to be determined in accordance with the Annual Bonus Plan and Remuneration Policy and payable in March 2021 on the normal timetable. A proportion (currently expected to be 40%) of any bonus payment will, in accordance with the Remuneration Policy in effect at the time that the amount of the bonus is determined, be deferred as an award under the DSP and will vest in accordance with the rules of the DSP and applicable Remuneration Policy;
- Pro-rata vesting of PSP awards to the extent that any such awards vest, subject to fulfilling performance conditions, in accordance with the Rules of the PSP. These awards will vest on the normal vesting dates. PSP awards are subject to a two year post-vesting holding period in accordance with the Remuneration Policy and the PSP rules;
- DSP awards will vest in full on the normal vesting date in accordance with the Rules of the DSP and applicable Remuneration Policy;
- Andy's options over 8,551 shares under the Company's Sharesave Plan will be treated in accordance with the terms of the plan rules; and
- Redundancy payment of £10,222, calculated in accordance with the statutory formula.

PSP and DSP awards will remain subject to malus and clawback provisions.

The table below sets out an estimate of the value of currently outstanding PSP and DSP awards:

Plan and type of awards	Date of grant	Vesting date	Number of shares subject to award	Estimate of value at vesting
PSP	15 May 2017	15 May 2020	34,914	£61,308
	5 March 2018	5 March 2021	163,547	£287,188
	28 March 2019	28 March 2022	64,110	£112,577
DSP	5 March 2018	5 March 2021	32,055	£56,288
	28 March 2019	28 March 2022	22,617	£39,715

	30 March 2020	30 March 2023	47,741	£83,833
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Notes:

- A share price of £1.756 has been used to estimate the value at vesting based on the closing share price on 7 April 2020.
- Except for the PSP award granted in 2017, outstanding PSP awards have been pro-rated up to the Termination Date and the awards remain subject to performance conditions;
- The Remuneration Committee has assessed the performance conditions which apply to the PSP award granted in 2017 and determined that it will vest in respect of 34,914 shares. This award will not be subject to time pro-rating as it will vest before the Termination Date;
- The estimated value of the PSP awards granted in 2018 and 2019 assumes 50% of maximum vesting;
- Outstanding DSP awards will vest in full.

Subject to receipt of evidence reasonably satisfactory to the Company, the Company will meet the costs of Andy's legal adviser in advising solely in connection with the termination of his employment and the settlement terms agreed with him, subject to a maximum of £5,000 excluding VAT. The Company will provide outplacement support in line with its normal programme, subject to a maximum cost to the Company of £10,000.

No other remuneration payment, or payment for loss of office has been or will be made.

Full details of all payments made to and receivable by Andy for service performed as a director and all loss of office payments will be disclosed in the Remuneration Report within the Company's Annual Report and Accounts for the year ending 31 December 2020.