

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take you are recommended to seek your own financial advice from your stockbroker, solicitor, accountant or other professional advisor authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your holding of ordinary shares in Drax Group plc please forward this document and the accompanying documents (but not the personalised Form of Proxy or Form of Direction), as soon as possible, to the purchaser or the transferee or to the person through whom the sale or transfer was effected for transmission to the purchaser or the transferee.



Drax Group plc Notice of the Annual General Meeting ("AGM")

to be held at 11.30am on Wednesday 22 April 2015
at The Grocers' Hall, Princes Street, London EC2R 8AD

For shareholders, a Form of Proxy is enclosed with this document. Whether or not you propose to attend the AGM, you are requested to complete and submit a Form of Proxy to the Company's Registrars, Equiniti Limited, Proxy Department, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA to arrive by no later than 11.30am on 20 April 2015.

If you hold shares in CREST you may appoint a proxy by completing and transmitting a CREST proxy instruction to Equiniti Limited (CREST participant ID RA19) so that it is received by no later than 11.30am on 20 April 2015.

The return of a completed Form of Proxy or CREST proxy instruction will not prevent you from attending the AGM and voting in person if you wish to do so.

For Share Incentive Plan ("SIP") participants, a Form of Direction is enclosed with this document and, if used, should be sent to the Trustee, Equiniti Share Plan Trustees Limited, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA to arrive by no later than 11.30am on 17 April 2015. As a participant in the SIP you are unable to attend the meeting unless you hold shares registered in your own name.

Contents and expected timetable of principal events 2015

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Expected timetable of principal events 2015

Latest time for receipt of Forms of Direction from SIP participants to be valid at the AGM	11.30am on 17 April
Latest time for receipt of Forms of Proxy and CREST proxy instructions to be valid at the AGM	11.30am on 20 April
AGM	11.30am on 22 April
Ordinary shares marked ex-final dividend	23 April
Record date for entitlement to the final dividend	4.30pm on 24 April
Despatch of the final dividend warrants and tax vouchers	14 May
Payment date for the final dividend	15 May



PART A

Letter from the Chairman

Registered Office:
Drax Power Station
Selby
North Yorkshire
YO8 8PH

Registered in England and Wales
Number 5562053

Directors

Charles Berry (Chairman)
Dorothy Thompson CBE (Chief Executive)
Tim Cobbold
Phil Cox CBE
Peter Emery
Melanie Gee
David Lindsell
Tony Quinlan
Paul Taylor
Tony Thorne

13 March 2015

To:

Shareholders and participants in the Drax Group plc Approved Share Incentive Plan

For information only to:
Participants in the Drax Approved Savings-Related Share Option Plan and the Drax Bonus Matching Plan.

Dear Shareholder,

Annual General Meeting ("AGM") and Annual report and accounts

I am pleased to enclose the Notice of the AGM of Drax Group plc (the "Company" or "Drax"). A copy of the Company's Annual report and accounts for the year ended 31 December 2014 is enclosed, if you have requested to receive it, and is available on the Company's website at www.drax.com. The AGM will be held at 11.30am on Wednesday 22 April 2015 at The Grocers' Hall, Princes Street, London EC2R 8AD.

Notice of the AGM

The Notice of the AGM is set out in Part B on pages 3 to 4 of this document.

Explanatory notes

The explanatory notes to the Resolutions set out in the Notice of the AGM are in Part C on pages 5 to 7 of this document. There will also be an opportunity for shareholders to ask questions appropriate to the business of the AGM at the meeting.

Final dividend

The Board is proposing the payment of a final dividend of 7.2 pence per ordinary share.

Action to be taken

Ordinary shareholders

Whether or not you propose to attend the AGM, you are requested to:

- (a) complete and sign the enclosed Form of Proxy in accordance with the instructions printed thereon. Completed Forms of Proxy should be returned to Equiniti Limited, Proxy Department, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA as soon as possible and in any event so as to be received by Equiniti Limited no later than 11.30am on 20 April 2015; or
- (b) register the appointment of your proxy electronically via the internet at www.sharevote.co.uk, where full instructions are given. Please note that the personalised numbers printed at the top of the Form of Proxy will be required and instructions must be received by no later than 11.30am on 20 April 2015.

If you hold shares in CREST you may appoint a proxy by completing and transmitting a CREST proxy instruction to Equiniti Limited (CREST participant ID RA19) so that it is received by no later than 11.30am on 20 April 2015.

The return of a completed Form of Proxy or CREST proxy instruction will not prevent you from attending the AGM and voting in person if you wish to do so.

SIP participants

You are unable to attend the meeting unless you hold shares registered in your own name.

SIP participants are requested to:

- (a) complete and sign the enclosed Form of Direction in order to instruct Equiniti Share Plan Trustees Limited how you would like them to vote on your behalf. Completed Forms of Direction should be returned to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA as soon as possible and in any event so as to be received by Equiniti Limited no later than 11.30am on 17 April 2015; or
- (b) register their votes electronically via the internet at www.sharevote.co.uk. Please note that the personalised numbers printed at the top of the Form of Direction will be required to register your vote online and instructions must be received by no later than 11.30am on 17 April 2015.

If you are a SIP participant and you also own shares in your own right, then you will need to complete both the Form of Direction and the Form of Proxy and submit them both, either online or by post.

PART A

Letter from the Chairman (continued)

Voting arrangements

Voting on each of the Resolutions to be put to the AGM will be by poll, rather than on a show of hands, so that all votes are included whether or not the shareholder is able to attend the meeting. The Board believes this to be the most democratic procedure for voting on the Resolutions as member votes will be counted according to the number of shares held.

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 proposed at the meeting will be announced to the London Stock Exchange as soon as practicable following the meeting and will also be published on the Company's website www.drax.com.

The Company has included on the Form of Proxy, and the Form of Direction, a "Vote withheld" option in order for shareholders to abstain from voting on any particular Resolution. However, an abstention is not a vote in law and will not be counted in the calculation of the proportion of votes "For" or "Against" the relevant Resolution.

Recommendation

The directors of the Company consider that the Resolutions to be put to the AGM are in the best interests of the Company and its members as a whole.

Accordingly, the directors unanimously recommend that you vote in favour of all the proposed Resolutions as they intend to do so in respect of their own beneficial interests.

Yours sincerely



Charles Berry
Chairman
13 March 2015

PART B

Notice of the Annual General Meeting

Notice is hereby given that the Annual General Meeting ("AGM") of Drax Group plc (the "Company") will be held at 11.30am on Wednesday 22 April 2015 at The Grocers' Hall, Princes Street, London EC2R 8AD.

Ordinary business

To consider and, if thought fit, pass Resolutions 1 to 14 as ordinary resolutions.

1. To receive the Annual report and the audited accounts of the Company for the year ended 31 December 2014, including (i) the directors' report; (ii) the directors' remuneration report (iii) the strategic report; and (iv) the report of the auditor of the Company on those audited accounts and the auditable part of the directors' remuneration report.
2. To approve the Annual statement to shareholders by the Chairman of the Remuneration Committee and the Annual report on remuneration for the year ended 31 December 2014 set out on pages 79 to 80 and 87 to 96, respectively, of the Annual report and accounts.
3. To declare the final dividend of 7.2 pence per share for the year ended 31 December 2014.
4. To elect Phil Cox as a director of the Company.
5. To re-elect Tim Cobbold as a director of the Company.
6. To re-elect Peter Emery as a director of the Company.
7. To re-elect Melanie Gee as a director of the Company.
8. To re-elect David Lindsell as a director of the Company.
9. To re-elect Tony Quinlan as a director of the Company.
10. To re-elect Paul Taylor as a director of the Company.
11. To re-elect Dorothy Thompson as a director of the Company.
12. To re-elect Tony Thorne as a director of the Company.
13. To reappoint Deloitte LLP as auditor of the Company to hold office from the conclusion of the meeting until the conclusion of the next meeting at which accounts are laid before the meeting.
14. To authorise the directors to determine the auditor's remuneration.

Special business

To consider and, if thought fit, pass Resolutions 15 and 16 as ordinary resolutions and Resolutions 17 to 21 as special resolutions.

15. That in accordance with Sections 366 and 367 of the CA 2006, the Company and all of the companies that are or become subsidiaries of the Company from time to time during the period for which this Resolution is effective are authorised, in aggregate:
 - a. to make political donations to political parties and/or independent election candidates, as defined in Sections 363 and 364 CA 2006, not exceeding £50,000 in total; and/or
 - b. to make political donations to political organisations other than political parties, as defined in Sections 363 and 364 CA 2006, not exceeding £50,000 in total; and/or
 - c. to incur political expenditure, as defined in Section 365 CA 2006, not exceeding £100,000 in total,

and in each case during the period beginning with the date of the passing of this Resolution and ending at the conclusion of the next AGM of the Company or, if earlier, on 22 April 2016.

16. That in substitution for all subsisting authorities, to the extent unused, the directors be and they are hereby generally and unconditionally authorised in accordance with Section 551 CA 2006 to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company:
 - a. up to an aggregate nominal amount of £15,627,806 (such amount to be reduced by the nominal amount of any equity securities (as defined in Section 560 CA 2006) allotted or granted under paragraph (b) of this Resolution in excess of £15,627,806); and
 - b. comprising equity securities (within the meaning of Section 560 CA 2006) up to a further aggregate nominal amount of £31,255,612 (such amount to be reduced by the aggregate nominal amount of any shares allotted or rights granted under paragraph (a) of this Resolution) in connection with an offer by way of a rights issue:
 - I. to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - II. to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,

and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements or securities represented by depositary receipts, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or the requirements of any regulatory body or stock exchange or any other matter.

The authorities conferred on the directors under paragraphs (a) and (b) above shall expire at the conclusion of the next AGM of the Company after the passing of this Resolution or 30 June 2016, whichever is the earlier, save that under each authority the Company may, before such expiry, make an offer or agreement 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 such expiry and the directors may allot shares or grant rights to subscribe for, or to convert any security into, shares (as the case may be) in pursuance of such an offer or agreement as if the relevant authority conferred hereby had not expired.

PART B

Notice of the Annual General Meeting (continued)

17. That subject to the passing of Resolution 16 above and in substitution for all subsisting authorities, to the extent unused, the directors be and they are hereby empowered pursuant to Section 570 and Section 573 CA 2006 to allot equity securities (within the meaning of Section 560 CA 2006) for cash either pursuant to the authority conferred by Resolution 16 or by way of a sale of treasury shares, as if Section 561(1) CA 2006 did not apply to any such allotment, provided that this power:
 - a. shall be limited to the allotment of equity securities in connection with an offer of equity securities (but in the case of the authority granted under paragraph (b) of Resolution 16, 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 required by the rights of those securities or as the directors otherwise consider necessary,

and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with any treasury shares, fractional entitlements or securities represented by depositary receipts, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or the requirements of any regulatory body or stock exchange or any other matter; and

 - b. in the case of the authority granted under paragraph (a) of Resolution 16 and/or in the case of any sale or transfer of treasury shares which is treated as an allotment of equity securities under Section 560(3) CA 2006, shall be limited to the allotment (otherwise than under paragraph (a) of this Resolution 17) of equity securities up to an aggregate nominal amount of £2,344,171.

The powers conferred under paragraphs (a) and (b) above shall expire at the conclusion of the next AGM of the Company after the passing of this Resolution or 30 June 2016, whichever is the earlier, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.
 18. That the Company be and is hereby generally and unconditionally authorised for the purposes of Section 701 CA 2006, to make market purchases (within the meaning of Section 693(4) CA 2006) of ordinary shares of 11¹⁶/₂₉ pence each in the capital of the Company ("ordinary shares") on such terms and in such manner as the directors of the Company shall from time to time determine, provided that:
 - a. the maximum aggregate number of ordinary shares hereby authorised to be purchased is 40,585,730;
 - b. the minimum price (exclusive of expenses) which may be paid for an ordinary share is its nominal value;
 - c. the maximum price (exclusive of expenses) which may be paid for an ordinary share is not more than the higher of
 - (i) an amount equal to 105% of the average of the middle market quotations of an ordinary share (as derived from the London Stock Exchange Daily Official List) for the five business days immediately preceding the date on which that ordinary share is contracted to be purchased and
 - (ii) the amount stipulated by Article 5(1) of the Buy Back and Stabilisation Regulation 2003;
 19. To approve, for the purposes of satisfying the requirements of US tax legislation:
 - a. the establishment of the Drax Group plc US Employee Stock Purchase Plan (the "US ESPP") the terms of which shall apply to grants of options to US tax resident option holders; and
 - b. the maximum number of shares which may be issued pursuant to options granted under the US ESPP. Such number shall be 10% of the Company's issued share capital on 13 March 2015 (being the latest practicable date before the date of this document) and therefore 40,585,730 Shares, and to authorise the board of directors to do all such acts and things as may be necessary or expedient to give effect to the establishment of the US ESPP.
 20. To approve the establishment of the Drax Group plc Sharesave Plan (the "Sharesave Plan"), a summary of the main provisions of which is set out in Appendix 2 to this Notice of Annual General Meeting, and to authorise the board of directors to do all such acts and things as may be necessary or expedient to give effect to the establishment of the Sharesave Plan.
 21. That a general meeting of the Company, other than an AGM, may be called on not less than 14 clear days' notice.
- By order of the Board
- 
- Philip Hudson**
Company Secretary
Drax Group plc, Drax Power Station, Selby, North Yorkshire YO8 8PH
13 March 2015

PART C

Explanatory notes to the Notice of the AGM

Resolution 1

To receive and adopt the Company's Annual report and accounts

The directors are required to present to the meeting the Annual report and accounts for the financial year ended 31 December 2014. This includes (i) the audited accounts (ii) the directors' report; (iii) the directors' remuneration report; (iv) the strategic report; and (v) the report of the auditor of the Company on the audited accounts and the auditable part of the directors' remuneration report. Resolution 1 seeks shareholder approval to receive and adopt the Company's Annual report and accounts.

Resolution 2

Directors' remuneration report

Resolution 2 seeks shareholder approval for the Annual statement to shareholders by the Chairman of the Remuneration Committee and the Annual report on remuneration which can be found on pages 79 to 96 of the Annual report and accounts. The Annual report on remuneration gives details of the implementation of the Company's current Remuneration Policy in terms of the payments and share awards made to the directors in connection with their performance and that of the Company during the year ended 31 December 2014. This vote is advisory and will not affect the way in which the Remuneration Policy has been implemented.

The Company's auditor during the year, Deloitte LLP, has audited those parts of the directors' remuneration report that are required to be audited and their report may be found on pages 97 to 99 of the Annual report and accounts.

Resolution 3

To approve the final dividend

Resolution 3 seeks shareholder approval to declare the final dividend of 7.2 pence per ordinary share, which is recommended by the directors for payment to shareholders on the register of members of the Company at 4.30pm on 24 April 2015. If approved by shareholders at the AGM, the final dividend will be paid on 15 May 2015.

Resolutions 4 to 12

To elect the directors

The Company's Articles of Association require that all directors retire at least every three years and that all newly-appointed directors retire at the first AGM following their appointment. However, and in accordance with the recommendations of the UK Corporate Governance Code, the directors have resolved that they will all retire and that those wishing to serve again shall submit themselves for re-election by the shareholders. Accordingly, each of the directors will retire at the forthcoming AGM and, being eligible, each will offer themselves for re-election (or, in the case of Phil Cox who was appointed since the last AGM, election) through separate Resolutions numbered 4 to 12. Each of the director's biographical notes are set out on pages 58 to 61 of the Annual report and accounts.

The Board has determined that, in its judgement, all of the non-executive directors being proposed for election or re-election meet the independence criteria prescribed in the UK Corporate Governance Code as all are independent in character and judgement and there are no relationships or circumstances which are likely to affect, or could appear to affect, their judgement.

During the year, the Board completed an annual performance evaluation of its performance and that of its Committees and individual directors. Following that evaluation, the Chairman is satisfied that the performance of each director standing for re-election continues to be effective and that each director continues to demonstrate commitment to the role. More information about these matters can be found on page 66 of the Annual report and accounts.

Resolutions 13 and 14

Reappointment of auditor and determination of their remuneration

The Company must appoint or re-appoint the auditor at every general meeting at which accounts are presented and it is normal practice for the company's directors, acting through the Audit Committee, to be authorised to determine the auditor's remuneration.

Deloitte LLP has advised its willingness to continue in office as auditor of the Company.

Resolution 15

To give authority to make certain expenditure in accordance with the Political Parties, Elections and Referendums Act 2000

The Political Parties, Elections and Referendums Act 2000 (the "2000 Act") imposed restrictions on companies making donations to EU political organisations or incurring EU political expenditure without shareholders' consent. It is not the policy of the Company to make donations to political parties and the directors have no intention of changing that policy.

However, it is possible that normal business activities and certain types of expenditure, which might not be thought to be political expenditure in the usual sense, could require shareholders' consent under the 2000 Act. For example, activities such as communicating with government and political parties at local, national and European level, expenditure on organisations concerned with policy review, law reform and representation of the business community and making provisions for employees to take time off work to campaign for and hold public office could fall within the wide definition of EU political expenditure. In view of the broad wording adopted in the 2000 Act, and the Board's wish to avoid any inadvertent infringement of it, it is seeking shareholders' consent for the Company, and any wholly-owned subsidiary company, to incur total annual expenditure for such purposes of not more than £200,000 in the 12-month period ending on the anniversary of the conclusion of the 2015 AGM. This authority will not be used to make political donations as they are normally understood; including contributions towards any general political party expenses or in connection with general election campaigns.

It is the intention that the Company will seek to renew this authority, if appropriate, at each subsequent AGM.

PART C

Explanatory notes to the Notice of the AGM (continued)

Resolution 16

Authority of directors to allot shares

The authority given to the directors to allot further shares in the capital of the Company requires the prior authorisation of the shareholders in general meeting under Section 551 Companies Act 2006. Upon the passing of Resolution 16, the directors will have authority (pursuant to paragraph (a) of the Resolution) to allot shares up to an aggregate nominal value of £15,627,806, which is approximately one-third of the current issued ordinary share capital as at 13 March 2015 (being the latest practicable date before the publication of this Notice). This authority will expire immediately following the AGM in 2016 or on 30 June 2016, whichever is the earlier.

In addition, in accordance with the guidance from the Association of British Insurers on the expectations of institutional investors in relation to the authority of directors to allot shares, upon the passing of Resolution 16, the directors will have authority (pursuant to paragraph (b) of the Resolution) to allot ordinary shares in connection with a rights issue in favour of ordinary shareholders up to a maximum nominal value of £31,255,612, as reduced by the nominal amount of any shares issued under paragraph (a) of Resolution 16. This amount (before any reduction) represents approximately two-thirds of the Company's current issued ordinary share capital as at 13 March 2015 (being the latest practicable date before the publication of this Notice). This authority will also expire immediately following the next AGM or on 30 June 2016, whichever is the earlier. As a result, if Resolution 16 is passed, the directors could allot shares representing up to two-thirds of its current issued share capital pursuant to a rights issue.

The directors will continue to seek to renew these authorities at each AGM, in accordance with current best practice from time to time.

The directors have no current plans to exercise this authority except in connection with employee share plans.

As at 13 March 2015, being the latest practicable date before publication of this Notice, the Company held no equity securities in treasury.

Resolution 17

Disapplication of pre-emption rights

If the directors wish to exercise the authority under Resolution 16 and offer shares (or sell any shares which the Company may purchase and elect to hold as treasury shares) for cash, the Companies Act 2006 requires that, unless shareholders have given specific authority for the waiver of their statutory pre-emption rights, the new shares must be offered first to existing shareholders in proportion to their existing shareholdings. In certain circumstances, it may be in the best interests of the Company to allot new shares (or to grant rights over shares) for cash without first offering them to existing shareholders in proportion to their holdings.

Resolution 17 would authorise the directors to do this by allowing the directors to allot shares for cash (i) by way of a rights issue (subject to certain exclusions), (ii) by way of an open offer or other offer of securities (not being a rights issue) in favour of existing shareholders in proportion to their shareholdings (subject to certain exclusions) and (iii) otherwise than under (i) or (ii), up to an aggregate nominal value of £2,344,171 which is equivalent to approximately 5% of the issued ordinary share capital of the Company on 13 March 2015 (being the latest practicable date prior to the publication of this Notice). The Resolution also applies to the sale and re-issue of ordinary shares held as treasury shares by the Company.

If approved by the shareholders, the authority contained in Resolution 17 will expire on the earlier of the conclusion of the next AGM or on 30 June 2016. The directors intend to renew such power at successive AGMs in accordance with current best practice.

The directors have no current plans to exercise this authority except in connection with employee share plans and any scrip dividend plan (but they consider its grant to be appropriate in order to preserve maximum flexibility for the future).

In addition, and in line with best practice, the Company has not issued more than 7.5% of its issued share capital on a non-pre-emptive basis over the last three years. In accordance with the Pre-Emption Group's Statement of Principles regarding cumulative usage of authorities, the directors do not intend to issue more than 7.5% of the issued ordinary share capital of the Company (excluding treasury shares) for cash on a non-pre-emptive basis in any rolling three-year period without prior consultation with shareholders.

As at 13 March 2015, being the latest practicable date before the publication of this Notice, the Company held no equity securities in treasury.

Resolution 18

To authorise the Company to purchase its own shares

This Resolution is to authorise the Company to buy back up to 40,585,730 ordinary shares. The authority would expire at the conclusion of the 2016 AGM or, if earlier, on 22 October 2016. The directors intend to seek renewal of this power at subsequent AGMs in accordance with current best practice.

The Resolution specifies the maximum number of ordinary shares which may be purchased (representing 10% of the Company's issued ordinary share capital as at 13 March 2015) and the maximum and minimum prices at which they may be bought, exclusive of expenses, reflecting the requirements of the Companies Act 2006 and the Listing Rules.

The directors have no present intention of exercising this power other than with a view for use in relation to the Company's share plans and the granting of this authority should not be taken to imply that any ordinary shares will be purchased, other than in relation to share plans. Except in relation to share plans, no purchase of ordinary shares will be made unless it is expected that the effect will be to increase earnings per share and the directors consider it to be in the best interests of all shareholders.

Under the Companies Act 2006, the Company is allowed to hold its own shares in treasury following a buy back, instead of having to cancel them. This gives the Company the ability to re-issue treasury shares quickly and cost-effectively (including pursuant to the authority under Resolution 16 above) and provides the Company with additional flexibility in the management of its capital base.

Such shares may be re-sold for cash but all rights attaching to them, including voting rights and any right to receive dividends, are suspended whilst they are held in treasury. If the directors exercise the authority conferred by Resolution 18, the Company will have the option of either holding in treasury or of cancelling any of its own shares purchased pursuant to this authority and will decide at the time of purchase which option to pursue.

The total number of options to subscribe for, and awards over, shares outstanding at 13 March 2015, being the latest practicable date before the publication of this Notice, was 6,652,852. This represents approximately 1.64% of the issued share capital at that date. If the Company was to buy back the maximum number of ordinary shares permitted pursuant to this Resolution then the total number of options to subscribe for ordinary shares, outstanding at 13 March 2015, would represent approximately 1.82% of the reduced issued share capital.

Resolutions 19 and 20

Resolution 19 – Drax Group plc US Employee Stock Purchase Plan (the "US ESPP")

Grants of options under the US ESPP to US tax-resident employees are intended to qualify for beneficial tax treatment pursuant to Section 423 of the United States Internal Revenue Code 1986 (as amended). One of the conditions for options granted under the US ESPP to qualify for the intended beneficial tax treatment is that the establishment of the US ESPP, and specifically the maximum number of shares which may be the subject of options pursuant to the US ESPP, be approved by the Company's shareholders.

Shareholder approval is being sought to approve (i) the establishment of the US ESPP and (ii) the maximum limit on the number of shares which may be issued pursuant to options granted under the US ESPP (which shall be 10% of the Company's issued share capital on 13 March 2015 (being the latest practicable date before the date of this document) and therefore 40,585,730 Shares in order to satisfy the requirements of the relevant US legislation.

The US ESPP operates within the overall 10% dilution limit which applies to the other share plans operated by the Company. The Company will manage its capacity within this limit carefully and may use new issue shares, treasury shares and shares purchased in the market to satisfy options.

The main provisions of the US ESPP are summarised in Appendix 1 to this Notice of Annual General Meeting.

Resolution 20 – Drax Group plc Sharesave Plan (the "Sharesave Plan")

The Company has operated a sharesave plan since listing in 2005. The Company's authority to grant sharesave options expires on 20 October 2015. It is, therefore, proposed that shareholder approval be sought for the Sharesave Plan to enable the Company to continue to grant sharesave options.

The Sharesave Plan will be a tax advantaged all-employee scheme under which all participants are eligible to participate on the same basis. Under the Sharesave Plan, an eligible employee who enters into an approved savings contract for a period of three or five years will be granted an option to acquire ordinary shares in the Company at the end of that period using the proceeds of his savings contract (and, if applicable, any bonus or interest payable in relation to the savings contract). The exercise price of an option is fixed at the time the invitation to apply for an option is issued and will not be less than 80% of the market value of a share at that time.

The Sharesave Plan will operate within the overall 10% dilution limit which applies to the other share plans operated by the Company. The Company will manage its capacity within this limit carefully and may use new issue shares, treasury shares and shares purchased in the market to satisfy options.

The main provisions of the Sharesave Plan are summarised in Appendix 2 to this Notice of Annual General Meeting.

If passed, Resolution 20 will also enable the Board to add schedules to the Sharesave Plan or to adopt share plans based on the Sharesave Plan to enable the grant of options and awards to employees outside of the UK, taking account of local tax, exchange control and securities laws issues in the relevant jurisdiction.

Resolution 21

To allow general meetings to be held on 14 clear days' notice in certain circumstances

Resolution 21 is a resolution to allow the Company to hold general meetings (other than AGMs) on 14 clear days' notice. The Shareholders' Rights Regulations state that the notice period required for general meetings of the Company is 21 days, unless shareholders approve a shorter notice period, which cannot, however, be less than 14 clear days. AGMs will continue to be held on at least 21 clear days' notice.

In order to preserve the Company's ability to call general meetings (other than an AGM) on 14 clear days' notice, Resolution 21 seeks such approval. The shorter notice period would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole.

Note that changes to the Companies Act 2006 mean that, in order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting. The Company provides this facility (see paragraph 11 of Part D on page 9 of this document for the Company's arrangements for electronic proxy appointments).

PART D

Administrative notes relating to the AGM

Entitlement to attend and vote

1. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001 (as amended) and for the purposes of Section 360B CA 2006, the Company specifies that only those shareholders registered on the Register of Members at 6.00pm on the day two business days before the date of the meeting (the "Specified Time") (or if the meeting is adjourned to a time more than 48 hours after the Specified Time, by 6.00pm on the day which is two business days prior to the time of the adjourned meeting) shall be entitled to attend and vote thereat in respect of the number of shares registered in their name at that time. If the meeting is adjourned to a time not more than 48 hours after the Specified Time, that time will also apply for the purposes of determining the entitlement of members to attend and vote (and for the purposes of determining the number of votes they may cast) at the adjourned meeting. Changes to the Register after the relevant deadline shall be disregarded in determining rights to attend and vote.
2. If you have sold or transferred all your shares, this booklet and any accompanying documents (but not the personalised Form of Proxy or Form of Direction) should be passed to the person through whom the sale or transfer was made for transmission to the purchaser or transferee.

Appointment of proxies

3. If you are a member of the Company, at the time set out in note 1 above, you are entitled to appoint one or more proxies to exercise all or any of your rights to attend, speak and vote at the meeting. Completion and return of a Form of Proxy will not prevent a member from attending in person and voting at the meeting. If a member appoints more than one proxy to attend the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by that member.

If a member wishes to appoint more than one proxy and so requires additional proxy forms, the member should contact the Company's Registrars, Equiniti Limited, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA or by using their telephone helpline service on 0871 384 2030 from within the UK (calls to this number cost 8 pence per minute plus network charges). Lines are open from 8.30am to 5.30pm, Monday to Friday – excluding Bank Holidays; or +44 121 415 7047 from outside the UK.
4. A proxy does not need to be a shareholder of the Company but must attend the meeting for the member's vote to be counted. Your proxy could be the Chairman, another director of the Company or another person who has agreed to attend to represent you. Details of how to appoint the Chairman or another person (or persons) as your proxy using the Form of Proxy are set out in the notes to the Form of Proxy. Appointing a proxy does not preclude you from attending the meeting and voting in person.
5. You can only appoint a proxy using the procedures set out in these notes and the notes on the Form of Proxy. A Form of Proxy is enclosed. To be effective, the Form of Proxy must be completed and signed and, together with the power of attorney or authority, if any, under which it is signed (or a duly certified copy of any such power or authority) or any adjournment thereof must be lodged with the Company's Registrars not later than 48 hours, excluding non-business days, before the time of the meeting or must be lodged using the CREST proxy voting services, see note 7 below. Return of a completed Form of Proxy will not preclude a member from attending and voting personally at the meeting.

6. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register in respect of the joint holding (the first-named being deemed the most senior).
7. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof utilising the procedures described in the CREST Manual (available via www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual.

The message, 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 (Equiniti Limited CREST participant ID RA19) by the latest time(s) for receipt of proxy appointments specified in note 5 above. For this purpose the time of receipt will be taken to be the time (as determined by the timestamp 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.

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 messages. 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 or her 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 (www.euroclear.com).

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 (as amended).

8. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the Resolution. If you either select the "discretionary" option or if no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

9. If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure and Transparency Rules, the Chairman will make necessary notifications to the Company and the Financial Services Authority. As a result, any member holding 3% or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure and Transparency Rules, need not make a separate notification to the Company and the Financial Services Authority.
10. If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in this "Appointment of proxies" section. Please read the section "Nominated persons" below.

Appointment of proxy electronically

11. Alternatively, members may register the appointment of a proxy for the meeting electronically by accessing the website www.sharevote.co.uk where full details of the procedure are given. This website is operated by the Company's Registrars.

The proxy appointment and any power of attorney or other authority under which the proxy appointment is made must be received by the Company's Registrars not less than 48 hours, excluding non-business days, before the time for holding the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used. Please note that any electronic communication sent to the Company or to the Company's Registrars that is found to contain a computer virus will not be accepted. The use of the internet service in connection with the AGM is governed by the Company's Registrars' conditions of use set out on the Sharevote website, www.sharevote.co.uk, and may be read by logging on to that site. If you want to appoint more than one proxy electronically please contact the Company's Registrars on 0871 384 2030 from within the UK (calls to this number cost 8 pence per minute plus network charges). Lines are open from 8.30am to 5.30pm, Monday to Friday – excluding Bank Holidays; or +44 121 415 7047 from outside the UK.

Website giving information regarding the meeting

12. A copy of this Notice and other information required by Section 311A CA 2006 can be found on the Company's website (www.drax.com).

Changing proxy instructions

13. To change your proxy instructions simply submit a new proxy appointment. You will need to request a new Form of Proxy from the Company's Registrars, Equiniti Limited, by contacting them at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA or by using their telephone helpline service on 0871 384 2030 from within the UK (calls to this number cost 8 pence per minute plus network charges). Lines are open from 8.30am to 5.30pm, Monday to Friday – excluding Bank Holidays; or +44 121 415 7047 from outside the UK. Note that the cut-off time for receipt of Forms of Proxy (see note 5

above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded and you will be required to vote at the meeting, if you wish to change your vote.

14. If you submit more than one valid proxy appointment in respect of a single share, the appointment received last before the latest time for the receipt of proxies will take precedence.

Nominated persons

15. Any person receiving a copy of this Notice of Meeting as a person nominated by a member to enjoy information rights under Section 146 of the Companies Act 2006 ("CA 2006") (a "Nominated Person") should note that the provisions in this Notice concerning the appointment of a proxy or proxies to attend the meeting in place of a member, do not apply to a Nominated Person as only shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as a proxy for the meeting. If a Nominated Person has no such proxy appointment right, or does not wish to exercise it, he or she may have a right under such an agreement to give instructions to the member as to the exercise of voting rights at the meeting. If you are a person who has been nominated under Section 146 of CA 2006 to enjoy information rights:
 - you may have a right under an agreement between you and the member of the Company who has nominated you to have information rights ("Relevant Member") to be appointed or to have someone else appointed as a proxy for the meeting; and
 - if you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights. Nominated Persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy information rights (or, perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from a Nominated Person.

Voting

16. Voting on each of the Resolutions to be put to the AGM will be by poll, rather than a show of hands, so that all shares voted are included, whether or not the shareholder is able to attend the meeting. The Board believes this to be the most democratic procedure for voting on resolutions as member votes will be counted according to the number of shares held.

The results of the voting at the meeting and the number of proxy votes cast for and against and the number of votes actively abstained in respect of each of the Resolutions proposed at the meeting will be announced to the London Stock Exchange as soon as practicable following the meeting and also will be published on the Company's website www.drax.com.

PART D

Administrative notes relating to the AGM (continued)

Issued shares and total voting rights

17. As at 13 March 2015, being the latest practicable date prior to the publication of this document, the Company's issued share capital comprised 405,857,302 ordinary shares of 11¹⁶/₂₉ pence each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company is the same as the number of shares in issue. The Company does not hold any shares in treasury.
18. This Notice, together with information about the total numbers of shares in the Company in respect of which members are entitled to exercise voting rights at the meeting as at 13 March 2015, being the latest practicable date prior to the publication of this document and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this Notice, will be available on the Company's website www.drax.com.

Website publication of audit concerns

19. Under Section 527 CA 2006, 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 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 any circumstance 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 CA 2006.

The Company may not require the members requesting any such website publication to pay its expenses in complying with Sections 527 or 528 CA 2006. Where the Company is required to place a statement on a website under Section 527 CA 2006, 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 under Section 527 CA 2006 to publish on a website.

Corporate representatives

20. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that it does not do so in relation to the same shares.

Questions at the meeting

21. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any question relating to the business being dealt with at the meeting put by a member attending the meeting. However, members should note that no answer need be given in the following circumstances:

- ➔ if to do so would interfere unduly with the preparation of the meeting or would involve a disclosure of confidential information;
- ➔ if the answer has already been given on a website in the form of an answer to a question; or
- ➔ if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Electronic address

22. Any electronic address provided either in this Notice or in any related documents (including the Form of Proxy) may not be used to communicate with the Company for any purposes other than those expressly stated.

Meeting arrangements

23. The doors of the AGM venue will open at 10.30am and the AGM will start promptly at 11.30am. Please bring the Attendance Card which is attached to the Form of Proxy with you if you attend the meeting. It will authenticate your right to attend, speak and vote and will speed up your admission to the meeting.
24. You may be asked to provide proof of identity, as well as your attendance card from your Form of Proxy. If you do not have your attendance card, you may be asked to provide two forms of identity (which may require photo identity and verification of your address). If you have been appointed as proxy for a shareholder entitled to vote, please let the admission staff know. You should bring proof of identity with you and you will be asked to confirm the details of the shareholder you are representing.

Documents available for inspection

25. There will be available for inspection at the offices of Pinsent Masons LLP, 30 Crown Place, London EC2A 4ES during normal business hours Monday to Friday (excluding Bank Holidays) from the date of this Notice of Annual General Meeting until the close of the AGM and at the place of the AGM from 10.30am until the close of the Meeting:
 - ➔ this document;
 - ➔ a copy of the rules of the US ESPP;
 - ➔ a copy of the rules of the Sharesave Plan; and
 - ➔ a copy of each of the executive directors' service contracts and the non-executive directors' appointment letters.

General enquiries

26. If you have any queries about voting or about your shareholding you can contact Equiniti Limited, who maintain the Register as follows:
 - ➔ by using their telephone helpline service:
 - ➔ from within the UK on 0871 384 2030 (calls to this number cost 8 pence per minute plus network charges); or
 - ➔ from outside the UK on +44 121 415 7047; or
 - ➔ by writing to them at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.
 - ➔ the helpline for SIP participants is: UK 0871 384 2040, Overseas +44 121 415 7161.

The telephone helpline service will be available between 8.30am and 5.30pm Monday to Friday – excluding Bank Holidays.

The telephone helpline service will not be able to provide legal, financial or personal taxation advice. Calls may be recorded and randomly monitored for security and training purposes.

PART E

Definitions

The following definitions apply throughout this document and in the accompanying Form of Proxy (or in the case of SIP participants, the Form of Direction), unless the context requires otherwise:

"Annual General Meeting" or "AGM" or "meeting"	the Annual General Meeting of the Company to be held at 11.30am on 22 April 2015 (and any adjournment thereof)
"Articles of Association"	the current Articles of Association of the Company as at the date of this Notice
"Board" or "directors"	the directors of Drax Group plc
"CA 2006"	Companies Act 2006
"Company" or "Drax"	Drax Group plc
"Company's Registrars"	Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA
"CREST"	the relevant systems (as defined in the CREST Regulations) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in such regulations)
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
"Director"	a director of the Company from time to time
"Form of Direction"	the form enclosed with this document specifically for SIP participants, who may then use it to instruct the Trustee how to vote on resolutions to be put to the AGM
"Form of Proxy"	the proxy form enclosed with this document for use by shareholders to vote on resolutions to be put to the AGM
"London Stock Exchange"	London Stock Exchange plc
"Official List"	the official list of the UK Listing Authority
"ordinary shares"	ordinary shares of 11 ¹⁶ / ₂₉ pence each in the capital of the Company
"Register"	the register of members of the Company
"Resolutions"	the resolutions set out in the notice convening the AGM
"shareholders"	holders of ordinary shares
"share plans"	the SIP, the Drax Sharesave Plan, the Drax Bonus Matching Plan and the Drax Group plc US Employee Stock Purchase Plan
"SIP"	the Drax Group Approved Share Incentive Plan
"Trustee"	Equiniti Share Plan Trustees Limited as trustee of the SIP
"UK Listing Authority"	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland

Appendix 1

Summary of the principal terms of the Drax Group plc US Employee Stock Purchase Plan ("US ESPP")

1. Tax Treatment

The US ESPP is intended to qualify as a tax-favoured US employee stock purchase plan under Section 423 of the US Internal Revenue Code 1986, (as amended) (the "Code").

2. Eligibility

Any employee of the Company or other participating company as designated by the Board and pursuant to Section 423 of the Code) who complies with Section 424 of the Code in respect to Company share ownership may participate in the US ESPP.

3. Issue of invitations

Invitations to apply for options under the US ESPP ("Options") will normally be issued within a period of 42 days beginning with the day following the date on which shareholders of the Company approve the US ESPP or on any day on which invitations may be made under a UK sharesave plan operated by the Company. Invitations may be issued at other times if the Board sees fit. No Options may be granted after 22 April 2025.

4. Exercise price

The price per share at which ordinary shares in the Company ("Shares") may be acquired upon exercise of an Option is determined by the Board before Options are granted on any occasion. It must not be less than the higher of:

- 85% of the market value of a Share on the date of grant; and
- in the case of Options to subscribe for new Shares, the nominal value of a Share.

5. Limits

The maximum number of Shares that may be issued pursuant to Options granted under the US ESPP will be 10% of the Company's issued share capital on 13 March 2015 (being the latest practicable date before the date of this document (being 40,585,730 Shares).

6. Monthly savings

Any employee who applies for an Option must enter into a savings contract for a fixed period of time of up to 24 months and make monthly savings contributions of a fixed amount (as determined by the Board). The optionholder may elect to apply the proceeds of the savings contract to exercise the Option and acquire Shares. Alternatively, the optionholder may choose to withdraw the proceeds of the savings contract.

7. Exercise of Options

Options will normally be exercisable within the period commencing on the date specified by the Board at invitation (being no later than the second anniversary of the date of grant) and ending 27 months from the date of grant (the "Option Term"), after which an Option will lapse.

8. Leaving employment

Early exercise is permitted following death or cessation of employment by reason of injury, disability, redundancy, retirement or where the optionholder's employer or the business in which the optionholder is employed is sold outside of the Company's group or any other reason as determined by the Board (to the extent permitted under Section 423 of the Code).

In such cases, Options may be exercised within three months of leaving (or, if earlier, the last day of the Option Term). In the case of death, the optionholder's personal representatives may exercise the deceased optionholder's Option within 12 months of the date of death (or, if earlier, the last day of the Option Term).

In other circumstances, Options will lapse on cessation of employment.

9. Corporate events

Early exercise of Options is permitted in the event of a takeover, reconstruction or voluntary winding-up of the Company.

Alternatively, by agreement with the acquiring company, optionholders may release their Options in consideration of the grant of options over shares in the acquiring company.

10. Variation in share capital

If there is a rights or capitalisation issue, sub-division, consolidation, reduction or other variation of the share capital of the Company, the Board may adjust the number of Shares subject to, and the exercise price of, an Option.

11. Amendments

The Board may amend the rules of the US ESPP. However, no amendments may be made to the benefit of optionholders in respect of (i) eligibility (ii) the number of Shares which may be issued under the US ESPP (iii) individual limits on the grant of Options (iv) the basis on which Shares may be acquired and (v) the adjustment of Options following a variation in share capital without prior approval of the shareholders of the Company, unless such amendments are minor and made for the purposes of benefitting the administration of the US ESPP, to comply with or take account of any proposed or existing legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment.

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

Appendix 2

Summary of the principal terms of the Drax Group plc Sharesave Plan (the "Sharesave Plan")

1. General

The Sharesave Plan is a tax advantaged plan under Schedule 3 of the Income Tax (Earnings and Pensions) Act 2003 ("Schedule 3").

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

Options may be satisfied by newly issued shares, shares purchased in the market by an employees' trust or by the transfer of treasury shares.

Operation of the Sharesave Plan is overseen by the Board.

2. Eligibility

Any UK based employee (including any full-time director) of the Company or other participating subsidiary who has been employed at a relevant grant date for a qualifying period of such length as the Board may determine from time to time (subject to the time limit set out in paragraph 6(2)(b) of Schedule 3) and any other employee or full-time director who is nominated by the Board is eligible to participate in the Sharesave Plan.

3. Issue of invitations

Invitations to apply for options under the Sharesave Plan ("Options") will normally be issued within a period of 42 days beginning with the day following (i) the date on which shareholders of the Company approve the Sharesave Plan (ii) the announcement of the Company's results for any period (iii) the date on which any amendment of the Sharesave Plan takes effect (iv) the date on which an announcement is made of amendments to be made to applicable legislation. Invitations may be issued at other times in circumstances considered by the Board to be exceptional. No Options may be granted after 22 April 2025.

4. Exercise price

The price per share at which ordinary shares in the Company ("Shares") may be acquired upon exercise of an Option is determined by the Board before Options are granted on any occasion. It must not be less than the higher of:

- 80% of the market value of a Share when invitations are issued to eligible employees; and
- in the case of Options to subscribe for new Shares, the nominal value of a Share.

5. Monthly savings

Any employee who applies for an Option must enter into an HMRC approved "save as you earn" contract (the "Savings Contract").

The employee agrees to enter a Savings Contract for a period of three or five years and to make monthly savings contributions of a fixed amount, currently of not less than £10 nor more than £500, over three or five years. Upon expiry of the Savings Contract, the participant may be entitled to receive a tax-free bonus in addition to repayment of the savings contributions. The participant may elect to apply the proceeds of the Savings Contract to exercise the Option and acquire Shares. Alternatively, the participant may choose to withdraw the proceeds of the Savings Contract.

6. Exercise of Options

Options will normally be exercisable only during the period of six months following the maturity of the related Savings Contract.

7. Leaving employment

Early exercise is permitted following death or cessation of employment by reason of injury, disability, redundancy, retirement or where the participant's employer or the business in which the participant is employed is sold outside of the Company's group or where a participant who has held an option for more than three years ceases employment other than in circumstances of misconduct.

In such cases, Options may be exercised within six months of leaving, to the extent that the funds then available in the participant's Savings Contract permit. In the case of death, personal representatives may exercise the deceased participant's Option within twelve months of the date of death.

In other circumstances, Options will lapse on cessation of employment.

8. Corporate events

Early exercise of Options is permitted in the event of a takeover, reconstruction or voluntary winding-up of the Company.

Alternatively, by agreement with the acquiring company, participants may, as specified in the rules of the Sharesave Plan, release their Options in consideration of the grant of Options over Shares in the acquiring company.

9. Dilution limit

Options may be granted over unissued or existing Shares. The number of new Shares issued or remaining capable of being issued pursuant to Options under the Sharesave Plan and the Company's other executive and employee share schemes in any period of ten years will not exceed 10% of the ordinary share capital of the Company in issue from time to time.

If awards are to be satisfied by a transfer of existing Shares, the percentage limit stated above will not apply. Insofar as it is necessary to ensure compliance with the guidelines issued from time to time by the Investment Association, the percentage limit stated above will apply to awards satisfied by the transfer of treasury shares.

10. Rights attaching to Shares

Shares allotted or transferred under the Sharesave Plan will rank equally in all respects with all other Shares then in issue (except for any rights attaching to Shares by reference to a record date preceding the allotment or transfer of such Shares). The Company will apply to the Financial Conduct Authority for the listing of any newly issued Shares.

Appendix 2 (continued)

11. Variation of share capital

If there is a variation in the ordinary share capital of the Company, the Board may make such adjustments as they consider appropriate to the number or description of shares subject to any option and the exercise price payable upon the exercise of any option, provided that the market value and exercise price are substantially the same before and after the variation in capital.

12. Alteration of the Sharesave Plan

The Board may amend the rules of the Sharesave Plan. However, no amendments may be made to the benefit of optionholders in respect of (i) eligibility (ii) the number of Shares which may be issued under the Sharesave Plan (iii) individual limits on the grant of Options (iv) the basis on which Shares may be acquired and (v) the adjustment of Options following a variation in share capital without prior approval of the shareholders of the Company, unless such amendments are minor and made for the purposes of benefitting the administration of the Sharesave Plan, to comply with the requirements of Schedule 3, take account of any proposed or existing legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment.

13. Overseas plans

The Board may also establish further schedules to or new plans based on the Sharesave Plan for non-UK participants, provided that the individual limits and dilution limits of the Sharesave Plan apply to any awards made thereafter.

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