

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 adviser 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), 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 12.30PM ON WEDNESDAY 27 APRIL 2022  
AT etc.venues St Paul's, 200 Aldersgate, London EC1A 4HD

For shareholders, a Form of Proxy is enclosed with this document. Whether or not you propose to join the AGM remotely, you are requested to complete and submit a Form of Proxy to the Company's Registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA to arrive by no later than 12.30pm on Monday 25 April 2022.

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 12.30pm on Monday 25 April 2022.

# Contents and expected timetable of principal events 2022

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## Expected timetable of principal events 2022

Latest time for receipt of Forms of Proxy and CREST proxy instructions to be valid at the AGM	12.30pm on 25 April
AGM	12.30pm on 27 April
Ordinary shares marked ex-final dividend	28 April
Record date for entitlement to the final dividend	29 April
Dispatch of the final dividend warrants and tax vouchers	12 May
Payment date for the final dividend	13 May

# Part A

## Letter from the Chair

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Registered Office:  
Drax Power Station  
Selby  
North Yorkshire  
YO8 8PH  
Registered in England and Wales  
Number 5562053

### Directors

Philip Cox CBE (Chair)  
Will Gardiner (CEO)  
Andy Skelton (CFO)  
John Baxter CBE  
Nicola Hodson  
Kim Keating  
David Nussbaum  
Erika Peterman  
Vanessa Simms

17 March 2022

Dear Shareholder,

### Annual General Meeting (AGM)

I am pleased to enclose the Notice of the AGM of Drax Group plc (the Company or Drax), which will be held at 12.30pm on Wednesday 27 April 2022 at etc.venues St Paul's, 200 Aldersgate, London EC1A 4HD. The Notice of the AGM is set out in Part B on pages 3 and 4.

After two years where restrictions have prohibited us from holding a face-to-face AGM, I am very pleased to be able to invite you attend the meeting either in person or remotely by logging on to [web.lumiagm.com](http://web.lumiagm.com). A user guide detailing the arrangements to join and submit questions at the meeting remotely is set out in Appendix 3 on pages 17 and 18.

We remain vigilant to the continuing changes in response to the Covid-19 pandemic and therefore whilst we hope and plan for a face-to-face meeting, we accept this may be subject to change. As in the past, should that change, we would expect to provide updated information via RNS announcement, our website and where time permits through notification to shareholders in accordance with the usual means for advising you.

Your vote is important to us. All votes will be by poll, which means that each share carries one vote and all votes count, and we strongly encourage you to vote in advance or to appoint the Chair as your proxy by submitting your enclosed Form of Proxy by post or electronically as further detailed in Part D on pages 8 to 11.

### Explanatory notes

The explanatory notes to the Resolutions are set out in Part C on pages 5 to 7.

### Annual Report and Accounts

A copy of the Company's Annual Report and Accounts for the year ended 31 December 2021 is now available on our website at [www.drax.com](http://www.drax.com). Our website is one of the means by which we communicate with our shareholders. As well as the Annual Report and Accounts, you can find further information including information about our carbon negative ambitions and progress, our approach to sustainability, the latest news and press releases, investor presentations and dividend history. You can sign up for news alerts about Drax on our website [www.drax.com](http://www.drax.com) by selecting 'Subscribe'.

If you have requested to receive a hard copy of the Annual Report and Accounts, this is enclosed. If you no longer wish to receive a hard copy, and instead wish to receive communications electronically, please contact our Registrar, Equiniti, on 0371 384 2030 from within the UK or +44 121 415 7047 from outside the UK.

# Letter from the Chair continued

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## Action to be taken

### Ordinary shareholders

Whether or not you propose to attend the AGM in person or remotely, 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 12.30pm on Monday 25 April 2022; or
- (b) register the appointment of your proxy electronically at [www.sharevote.co.uk](http://www.sharevote.co.uk). You will need your Voting ID, Task ID and Shareholder Reference Number (this is the series of numbers printed on your Form of Proxy). Alternatively, if you have already registered with Equiniti's online portfolio service, Shareview, you can submit your Form of Proxy at [www.shareview.co.uk](http://www.shareview.co.uk) using your usual user ID and password. Full instructions are given on both websites and instructions must be received by no later than 12.30pm on Monday 25 April 2022.

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 12.30pm on Monday 25 April 2022.

## Voting arrangements

Voting on each of the Resolutions to be put to the AGM will be by poll so that all votes are included whether or not the shareholder is able to attend the meeting.

The results of the voting at the meeting will be announced to the London Stock Exchange as soon as practicable following the meeting and will also appear on the Company's website [www.drax.com](http://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 shareholders at 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

**Philip Cox CBE**  
Chair

# 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 12.30pm on Wednesday 27 April 2022 at etc.venues St Paul's, 200 Aldersgate, London EC1A 4HD.

The shareholders of the Company are asked to consider and, if thought fit, pass Resolutions 1 to 16 and Resolutions 19 and 20 as ordinary Resolutions, and to consider and, if thought fit, pass Resolutions 17, 18 and 21 as special Resolutions.

1. To receive the Annual Report and Accounts of the Company for the year ended 31 December 2021, including (i) the Directors' Report; (ii) the strategic report; and (iii) 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 Chair of the Remuneration Committee and the Annual Report on Remuneration for the year ended 31 December 2021 set out on pages 130 to 159, of the Annual Report and Accounts.
3. To approve the final dividend of 11.3 pence per share for the year ended 31 December 2021.
4. To elect Kim Keating as a Director of the Company.
5. To elect Erika Peterman as a Director of the Company.
6. To re-elect Philip Cox as a Director of the Company.
7. To re-elect Will Gardiner as a Director of the Company.
8. To re-elect Andy Skelton as a Director of the Company.
9. To re-elect John Baxter as a Director of the Company.
10. To re-elect Nicola Hodson as a Director of the Company.
11. To re-elect David Nussbaum as a Director of the Company.
12. To re-elect Vanessa Simms as a Director of the Company.
13. To re-appoint Deloitte LLP as auditor of the Company to hold office from the conclusion of the 2022 AGM until the conclusion of the next meeting at which accounts are laid before the Company.
14. To authorise the Directors to determine the auditor's remuneration.
15. That in accordance with Sections 366 and 367 of the Companies Act 2006 (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 to:
  - a. make political donations to political parties and/or independent election candidates, as defined in Sections 363 and 364 CA 2006, not exceeding £100,000 in total; and/or
  - b. make political donations to political organisations other than political parties, as defined in Sections 363 and 364 CA 2006, not exceeding £100,000 in total; and/or
  - c. incur political expenditure, as defined in Section 365 CA 2006, not exceeding £100,000 in total;

in each case provided that the aggregate amount of any such donations and expenditure shall not exceed £125,000.

This authority shall commence on the date of the passing of this Resolution and remain in force until the conclusion of the 2023 AGM (or, if earlier, until the close of business on 30 June 2023).

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 £15,372,523 (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 £15,372,523); and
  - b. comprising equity securities (within the meaning of Section 560 CA 2006) up to an aggregate nominal amount of £30,745,047 (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 commence on the date of the passing of this Resolution and remain in force until the conclusion of the 2023 AGM (or, if earlier, until the close of business on 30 June 2023), 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.

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

# Notice of the Annual General Meeting continued

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 £2,305,878

The powers conferred under paragraphs (a) and (b) above shall commence on the date of the passing of this Resolution and remain in force until the conclusion of the 2023 AGM (or, if earlier, until the close of business on 30 June 2023), 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 with nominal value of 11 16/29 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 41,306,803;
- b. the minimum price (exclusive of expenses) which may be paid for an ordinary share is its nominal value; and
- 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(6) of the Market Abuse Regulation (EU) No 596/2014 as onshored into UK law on 31 December 2020 by the European Union (Withdrawal) Act 2018.
- d. the authority hereby conferred shall commence on the date of the passing of this Resolution and remain in force until the conclusion of the 2023 AGM (or, if earlier, until the close of business on 30 June 2023), unless previously revoked, varied or renewed by the Company in general meeting; and
- e. the Company may at any time prior to the expiry of such authority enter into a contract or contracts under which a purchase of ordinary shares under such authority will or might be completed or executed wholly or partly after the expiration of such authority and the Company may purchase ordinary shares in pursuance of any such contract or contracts as if the authority conferred hereby had not expired.

19. That,

- a. the Drax Group plc 2022 Employee Stock Purchase Plan (the ESPP) the principal terms of which are summarised in Appendix 1 to this Notice of AGM and the rules of which are produced at the AGM and, for the purposes of identification, initialled by the Chair, be and is hereby approved and that the Directors be authorised to do all acts and things which they may consider necessary or expedient to carry the ESPP into effect; and
- b. the Directors be and are hereby authorised to establish such further plans based on the ESPP as they consider necessary or desirable but which have been modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further plans are treated as counting against any limits on individual or overall participation in the ESPP.

20. That the amendments to the rules of the Drax Group plc Long Term Incentive Plan 2020 (the LTIP) summarised in Appendix 2 to this Notice of AGM and the amended rules of which are produced at the AGM and, for the purposes of identification, initialled by the Chair, be and are hereby approved and that the Directors be authorised to do all acts and things which they may consider necessary or expedient to carry the amended LTIP rules into effect.

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

**Brett Gladden,**  
Group Company Secretary, Drax Group plc,  
Drax Power Station,  
Selby,  
North Yorkshire YO8 8PH  
17 March 2022

# 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 2021. This includes (i) the audited accounts; (ii) the Directors' report; (iii) the Strategic report; and (iv) the report of the auditor of the Company on the audited accounts and the auditable part of the Directors' Remuneration Report. A separate Resolution seeks approval by the shareholders of the Directors' Remuneration Report, which vote is advisory in nature.

### Resolution 2

#### Directors' Remuneration Report

Resolution 2 seeks shareholder approval for the annual statement to shareholders by the Chair of the Remuneration Committee and the Annual Report on Remuneration which can be found on pages 130 to 159 of the Annual Report and Accounts. The Annual Report on Remuneration gives details of the implementation of the Company's existing Directors' 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 2021. This vote is advisory and will not affect the way in which the Directors' 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 can be found on pages 169 to 177 of the Annual Report and Accounts.

### Resolution 3

#### To approve the final dividend

Resolution 3 seeks shareholder approval to pay the final dividend of 11.3 pence per ordinary share, which is recommended by the Directors for payment to those shareholders who are on the Register of the Company at 6.30pm on 29 April 2022. If approved by shareholders at the AGM, the final dividend will be paid on 13 May 2022.

### Resolutions 4 to 12

#### To elect, and re-elect, the Directors

The Company's articles of association provide that any new Director appointed by the Board during the year may hold office only until the next AGM, when that Director must retire but shall be eligible for election as a Director by the shareholders at that meeting. Erika Peterman and Kim Keating have joined the Board since the last AGM, having both been appointed by the Board on 21 October 2021, and are accordingly seeking appointment by shareholders.

In accordance with the Company's articles of association, and in line with the recommendations of the UK Corporate Governance Code (the Code), each of the other Directors will retire and offer themselves for re-election by shareholders.

The skills and experience for each of the Directors are set out in Part F of this Notice (and on pages 97 to 99 of the Annual Report and Accounts).

The Board has determined that all of the Non-Executive Directors being proposed for election or re-election are independent in character and judgement, and there are no relationships or circumstances which are likely to affect, or could appear to affect, their independence.

Following the internally conducted evaluations during 2021, the Board is satisfied that the performance of each Director standing for election or re-election continues to be effective and that each Director continues to demonstrate commitment to the role.

### Resolutions 13 and 14

#### Re-appointment of auditor and determination of their remuneration

The Company must appoint or re-appoint an 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.

The Board further recommend that Deloitte LLP be appointed as auditor of the Company for the year ending 31 December 2022. Deloitte LLP has advised its willingness to continue in office as auditor of the Company.

### Resolution 15

#### Political donations and expenditure

Part 14 of the Companies Act 2006 (CA 2006) contains restrictions on companies making political donations or incurring political expenditure.

Drax is a politically neutral organisation and did not make any political donations in 2021.

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, the CA 2006 defines political donations and political expenditure terms very widely. This means that activities that form part of the normal relationship between the Company and bodies concerned with policy review, law reform and other business matters affecting the Company, which might not be thought to be political expenditure in the usual sense, could require shareholders' consent under the Act.

In view of the broad wording adopted in the CA 2006, 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, provided that the aggregate amount of any such donations and expenditure shall not exceed £125,000, in order that the Company may continue to engage with regulators and policymakers without inadvertently breaching the applicable legislation. Further information on how the Company engaged with political parties in 2021 can be found on pages 39 and 162 of our Annual Report and Accounts, and our Political Engagement Policy is available on our website at [www.drax.com](http://www.drax.com).

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

# 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 CA 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 £15,372,523, which is approximately one-third of the issued ordinary share capital as at 1 March 2022 (being the latest practicable date before the publication of this Notice). This authority will expire immediately following the AGM in 2023 or on 30 June 2023, whichever is the earlier.

In addition, in accordance with the Investment Association Share Capital Management Guidelines (which set out the expectations of institutional investors in relation to, among other things, 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 £30,745,047, 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 issued ordinary share capital as at 1 March 2022 (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 2023, whichever is the earlier. As a result, if Resolution 16 is passed, the Directors could allot shares representing up to two-thirds of the Company's 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 1 March 2022, being the latest practicable date before publication of this Notice, the Company held 13,841,295 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 CA 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 (as nearly as may

be) to their shareholdings (subject to certain exclusions) and (iii) otherwise than under (i) or (ii), up to an aggregate nominal value of £2,305,878 which is equivalent to approximately 5% of the issued ordinary share capital of the Company on 1 March 2022 (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 2023. 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 (but they consider its approval 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 1 March 2022, being the latest practicable date before the publication of this Notice, the Company held 13,841,295 equity securities in treasury.

## Resolution 18

### To authorise the Company to purchase its own shares

Resolution 18 is to authorise the Company to buy back up to 41,306,803 ordinary shares. The authority would expire at the conclusion of the 2023 AGM or, if earlier, on 30 June 2023. The Directors intend to seek renewal of this power at subsequent AGMs in accordance with current best practice.

Resolution 18 specifies the maximum number of ordinary shares which may be purchased (representing 10% of the Company's issued ordinary share capital as at 1 March 2022) and the maximum and minimum prices at which they may be bought, exclusive of expenses, reflecting the requirements of the CA 2006 and the Listing Rules.

The Directors have no present intention of exercising this authority other than with a view for use in relation to employee share plans or where it is appropriate to conduct buy backs to return value to shareholders. The granting of this authority should not be taken to imply that any ordinary shares will be purchased, other than in relation to the above. Except in relation to the above, 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 shareholders.

Under the CA 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. The Company currently holds 13,841,295 shares in treasury following a buy back programme between April 2018 and January 2019.

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 1 March 2022, being the last practicable date before the publication of this Notice was 16,909,931. This represents approximately 4.09% 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 1 March 2022, would represent approximately 4.55% of the reduced share capital.

## **Resolutions 19 and 20**

### **To approve the new Drax Group plc 2022 Employee Stock Purchase Plan (ESPP) and amend The Drax Group plc Long Term Incentive Plan 2020 (LTIP)**

The Group has for many years operated employee share plans for employees, which have primarily been used for awards to employees in the United Kingdom. Given the expansion of the Group's operations internationally, and in particular its acquisition of Pinnacle Renewable Energy, Inc., the Company wishes to have greater flexibility to be able to make awards of shares (or cash-based equivalent awards) to employees outside the United Kingdom. The Board is therefore seeking shareholder approval for the establishment of a new all-employee share purchase plan (the ESPP) and for amendments to the LTIP.

Resolution 19 seeks shareholder approval for the ESPP, the principal terms of which are summarised in Appendix 1 to the Notice of AGM.

A UK Sharesave plan has operated for many years in the UK and it is popular with employees and achieves strong participation. In order to have the flexibility to offer similar opportunities to employees internationally, in particular in the US and Canada, the Company is proposing to establish the new ESPP under which eligible employees of the Company and certain of its subsidiaries are awarded options to purchase ordinary shares of the Company with a 15% discount to market value. The ESPP has two parts: one part for employees in the US, which is designed to qualify under section 423 of the US Internal Revenue Code of 1986, as amended; and the other part for employees in Canada. The ESPP may also be used to make awards to employees of subsidiary undertakings, associated undertakings or related undertakings of the Company and to provide share-based awards in cash where the grant of shares is impracticable or not permitted.

If passed, Resolution 19 will also enable the Company to add subplans to the ESPP or establish further plans based on the ESPP to enable the grant of options and awards to employees in overseas territories, taking account of local tax, exchange control and securities law issues in the relevant jurisdiction.

Resolution 20 seeks shareholder approval to amend the rules of the LTIP to take account of the variety of entities with employees working for the Group, particularly outside the UK, which include limited liability companies, limited partnerships, joint ventures and associated entities. The proposed amendments to the LTIP rules are summarised in Appendix 2 to the Notice of AGM.

The rules of the LTIP currently permit awards to be granted to employees of the Company and its subsidiaries. In order to provide greater flexibility, the Company is seeking shareholder approval to amend the LTIP rules so that share awards (and share-based awards in cash) may also be granted to and held by employees of subsidiary undertakings, associated undertakings and related undertakings of the Company. The Board believes that this change will provide an opportunity to offer share-based incentives to attract, incentivise and retain relevant employees.

## **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.

The CA 2006 requires 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 19 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

### Attendance

1. We have made arrangements for shareholders to attend the AGM using the Lumi AGM platform. This will allow you to join the meeting electronically, watch the presentations, vote and ask questions during the meeting. This can be done by accessing the AGM website <https://web.lumiagm.com>. Further details on how you can join us live are set out in Appendix 3 of this Notice.
2. 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 at 6.30pm 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 6.30pm 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.
3. 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.

### Voting

4. Voting on each of the Resolutions to be put to the AGM will be by poll, so that all shares voted are included, whether or not the member is able to attend the meeting. The results of the voting at the meeting and the number of proxy votes cast for and against and the number of votes 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](http://www.drax.com).
5. Members are reminded of their right under section 360BA CA 2006 to request, within thirty days of a general meeting, information which enables them to determine that their vote on a poll at the general meeting was validly recorded and counted by the Company.

### Questions at the meeting

6. Questions for the Board can be submitted in advance or at the AGM through the Lumi platform. To enable the Board to address as many member questions as possible, we would request that where possible, questions are submitted in advance of the AGM.
7. If multiple questions on the same topic are received in advance of the AGM, the Chair may choose to provide a single answer to address member queries on the same topic.
8. Any member joining 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 joining 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.

### Appointment of proxies

9. If you are a member of the Company, at the time set out in note 2 above, you are entitled to appoint one or more proxies to exercise all or any of your rights to join and ask questions at the meeting. If a member appoints more than one proxy to join the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by that member.
10. 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 0371 384 2030 from within the UK or +44 121 415 7047 from outside the UK. Lines are open from 8.30am to 5.30pm, Monday to Friday – excluding public holidays in England and Wales.

11. 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) 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 13 below).
12. 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 Register in respect of the joint holding (the first-named being deemed the most senior).
13. 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](http://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.
14. 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 11 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.
15. 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](http://www.euroclear.com).
16. 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).
17. 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.
18. 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**
19. Alternatively, members may register the appointment of a proxy for the meeting electronically by accessing the website [www.sharevote.co.uk](http://www.sharevote.co.uk). **You will need your Voting ID, Task ID and Shareholder Reference Number (this is the series of numbers printed on your Form of Proxy).** Alternatively, if you have already registered with Company's Registrar's online portfolio service, Shareview, you can submit your Form of Proxy at [www.shareview.co.uk](http://www.shareview.co.uk) using your usual user ID and password. Full instructions are given on both websites, which are operated by the Company's Registrars.
20. 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](http://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 0371 384 2030 from within the UK or +44 121 415 7047 from outside the UK. Lines are open from 8.30am to 5.30pm, Monday to Friday – excluding public holidays in England and Wales.

# Administrative notes relating to the AGM continued

## Website giving information regarding the meeting

21. 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](http://www.drax.com).

## Changing proxy instructions

22. 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 0371 384 2030 from within the UK or +44 121 415 7047 from outside the UK. Lines are open from 8.30am to 5.30pm, Monday to Friday – excluding public holidays in England and Wales. Note that the cut-off time for receipt of Forms of Proxy (see note 20 above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

23. 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

24. Any person receiving a copy of this Notice of Meeting as a person nominated by a member to enjoy information rights under Section 146 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 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.

## Issued shares and total voting rights

25. As at 1 March 2022, being the latest practicable date prior to the publication of this Notice, the Company's issued share capital comprised 413,068,027 ordinary shares of 11 16/29 pence each. Each ordinary share carries the right to one vote at a general meeting of the Company. The Company holds 13,841,295 shares in treasury, therefore the total number of voting rights in the Company is 399,226,732.

26. 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 1 March 2022, being the latest practicable date prior to the publication of this Notice 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](http://www.drax.com).

## Website publication of audit concerns

27. 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.

28. 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

29. 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.

### Electronic address

30. 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.

### Documents available for inspection

31. A copy of each of the Executive Directors' service contracts and the Non-Executive Directors' appointment letters and conditions of appointment will be available for inspection at the Company's registered office. So that appropriate arrangements can be made for members wishing to inspect documents, we request that members contact the Company Secretary by email at [companysecretary@drax.com](mailto:companysecretary@drax.com) in advance of any visit to ensure that access can be arranged.

The draft rules of the Drax Group plc 2022 Employee Stock Purchase Plan (ESPP) and the amended rules of the Drax Group plc Long Term Incentive Plan 2020 (LTIP) will be available for inspection on the National Storage Mechanism at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism> from the date of sending this document. The draft rules of the ESPP and the amended rules of the LTIP will also be on display at the place of the AGM for at least 15 minutes before the AGM and during the AGM

### Members' right to have a matter of business dealt with at the meeting

32. Under Section 338 and 338A CA 2006 members meeting the threshold requirements in those Sections have the right to require the Company to:

- give, to members of the Company entitled to receive notice of the meeting, notice of a Resolution which may properly be moved and is intended to be moved at the meeting; and/or
- include in the business to be dealt with at the meeting any matter (other than a proposed Resolution) which may be properly included in the business. A Resolution may properly be moved or a matter may properly be included in the business unless (a) (in the case of a Resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious.

33. Such a request may be in hard copy form or in electronic form, must identify the Resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than the date which is six clear weeks before the meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

### Processing your personal data

34. Personal data provided by or on behalf of members in connection with the AGM may be processed by the Company and any third party to whom it discloses such data in connection with the holding of the AGM (including the Company's Registrars) for the purposes of compiling and updating the Company's records in connection with the AGM, fulfilling its legal obligations and handling the rights exercised by members. The Company shall process such personal data in accordance with its privacy policy, a copy of which is available at [www.drax.com/privacy-notices/site-visitor-privacy-notice/](http://www.drax.com/privacy-notices/site-visitor-privacy-notice/).

### General enquiries

35. 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 0371 384 2030; 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 telephone helpline service will be available between 8.30am and 5.30pm Monday to Friday – excluding public holidays in England and Wales.

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, unless the context requires otherwise:

"Annual General Meeting" or "AGM" or "meeting"	the Annual General Meeting of the Company to be held at 12.30pm on 27 April 2022 (and any adjournment thereof)
"Board" or "Directors"	the Directors of Drax Group plc
"CA 2006"	Companies Act 2006
"Code"	UK Corporate Governance Code 2018
"Company" or "Drax Group" 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)
"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 with nominal value of 11 <sup>16</sup> / <sub>29</sub> 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" or "members"	holders of ordinary shares
"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
"UK"	the United Kingdom of Great Britain and Northern Ireland

# Part F

## Skills and experience of the Board

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### **Philip Cox CBE** **Chair**

#### **Contribution and Experience**

Philip is an experienced leader of large businesses, having held both executive and non-executive roles, including in the energy sector. As Chair, Philip cultivates a culture of openness, transparency and honesty in which constructive debate and challenge occurs and in which all directors contribute fully. His responsibilities at Drax include Board composition and succession, Board governance and stakeholder engagement.

He was previously CEO of International Power plc, having formerly been CFO. Prior to this he held a senior operational position at Invensys plc and was CFO at Siebe plc. As a non-executive he was previously Chair of Kier Group plc, the Senior Independent Director at Wm Morrison Supermarkets plc, Chair of Global Power Generation and a member of the boards of Talen Energy Corporation, PPL, Meggitt plc and Wincanton plc. Philip is a Fellow of the Institute of Chartered Accountants and has an MA from Cambridge University.

Appointment to the Board: January 2015

Appointment as Chair: April 2015

### **Will Gardiner** **CEO**

#### **Contribution and Experience**

Will has a strong track record of building and leading well-managed companies and creating value. He has been a key architect of our purpose and strategy, driving the sustainability agenda from the top, including Drax's response to the climate change crisis, and ensuring that we are delivering for our stakeholders. He provides leadership of the executive team and takes responsibility for important external relationships and stakeholder management. Will is also a non-executive board member of the Sustainable Biomass Program.

Will joined Drax in 2015 as CFO and was appointed as CEO in January 2018. He has a wealth of experience in finance and technology, having held CFO and divisional Finance Director roles at a number of major companies, including CSR plc (acquired by Qualcomm, Inc in 2015) and Sky. He has dual US-UK citizenship and has lived and worked in the UK since 1998.

Appointment to the Board: November 2015

### **Andy Skelton** **CFO**

#### **Contribution and Experience**

Andy has over 20 years of strong finance and commercial skills, alongside substantial experience in the technology sector. Since joining Drax three years ago he has driven efficiency and operational excellence across the Group to provide a sound framework from which we can deliver our purpose and strategy. Andy is responsible for financial control and planning, corporate finance, investor relations, tax, IT, procurement, strategy, mergers and acquisitions, risk, and internal audit. He also represents Drax as a board member of the Northern Powerhouse Partnership.

Andy was previously CFO at Fidessa Group plc and has held a number of senior finance positions at CSR plc, Ericsson and Marconi, including two years as CFO of Ericsson Nikola Tesla. Andy has a BA in accounting and finance and qualified as a chartered accountant in 1994.

Appointment to the Board: January 2019

### **John Baxter CBE,** **Independent Non-Executive Director**

#### **Contribution and Experience**

John brings to Drax highly valuable engineering, health and safety, and energy generation experience, with over 45 years working across the nuclear, electricity, oil and gas sectors.

John was previously at BP plc, most recently as Group Head of Engineering & Process Safety, prior to which he worked at the UK utility Powergen plc as Group Engineering Director, as well as roles as a UKAEA Board member and also as a nuclear submarine engineer officer. He is a non-executive Director of Sellafield Ltd and chairs the Sellafield Board Committee on Environment, Health, Safety & Security.

He is a Chartered Engineer, Fellow of both the Royal Academy of Engineering and the Royal Society of Edinburgh. John was President of both the Institution of Mechanical Engineers and The Welding Institute.

Appointment to the Board: April 2019

### **Nicola Hodson** **Independent Non-Executive Director**

#### **Contribution and Experience**

Nicola brings valuable technology expertise, as well as having extensive experience in business and digital transformation, sales and IT in leading global companies. As Chair of the Remuneration Committee Nicola brings to the role a wide range of experience of international business, government organisations, and dealing with a variety of stakeholders.

She is currently Vice-President, Global Sales and Marketing, Field Transformation at Microsoft, and was Chief Operating Officer of Microsoft UK. Previously she had P&L and sales roles at Siemens, CSC (now DXC) and EY. Nicola is a Non-Executive Director of Beazley plc.

Appointment to the Board: January 2018

## Skills and experience of the Board continued

### **David Nussbaum** **Senior Independent Non-Executive Director** **Contribution and Experience**

David's extensive experience in international development and environmental matters, in addition to his prior experience as Finance Director of a UK listed industrial company, is of significant value to Drax and contributes to the Board's discussions and understanding in the perspectives of and engagement undertaken with stakeholders.

David holds a portfolio of other Board appointments, including at the Value Reporting Foundation and the International Budget Partnership, and is a member of the Ethical Investment Advisory Group of the Church of England, and is Chair of the Advisory Council of Transparency International UK.

His executive career has included being the Chief Executive of The Elders, of WWF-UK and of Transparency International. He was previously Finance Director and Deputy CEO of Oxfam, and Finance Director of Field Group plc. In a non-executive capacity, David has been Deputy Chair of Shared Interest Society, Chair of Traidcraft plc and a non-executive director of Low Carbon Accelerator Limited.

David is a chartered accountant, and has Masters in Theology from both Cambridge and Edinburgh universities and a Masters in Finance from the London Business School.

Appointment to the Board: August 2017

### **Vanessa Simms** **Independent Non-Executive Director** **Contribution and Experience**

Vanessa has extensive experience in senior finance roles across several different, and capital intensive, industries, including real estate, medical devices and telecommunications.

Her broad and varied experience in strategic capital allocation, finance, risk and internal control is invaluable in her role as Chair of the Audit Committee.

Vanessa is CFO of Land Securities Group plc, and has worked in finance for over 20 years. Prior to her role at Land Securities Group plc, Vanessa was CFO of Grainger plc, held a number of senior positions within Unite Group plc, including Deputy Chief Financial Officer, and was UK finance director at SEGRO plc.

Vanessa is a Fellow of the Association of Chartered Certified Accountants and has an Executive MBA from Ashridge.

Appointment to the Board: June 2018

### **Kim Keating** **Independent Non-Executive Director** **Contribution and Experience**

Kim is a Professional Engineer with 25 years of broad international experience in the oil and gas, nuclear, hydropower, and mining sectors. Most recently, Kim was the Chief Operating Officer of the Cahill Group, one of Canada's largest multi-disciplinary construction companies with operations across the country.

Prior to joining the Cahill Group in 2013, Kim held a variety of progressive leadership roles from engineering design through to construction, commissioning, production operations and offshore field development with Petro-Canada (now Suncor Energy Inc.).

Kim is currently a non-executive director of Yamana Gold Inc. and Major Drilling International Inc. She has led a range of innovative growth initiatives including climate change and renewable energy strategies. Kim is a Fellow of the Canadian Academy of Engineering, holds a Bachelor of Civil Engineering degree and an MBA. She also holds the Canadian Registered Safety Professional (CRSP) designation.

Kim is also a founding member of Makwa-Cahill Limited Partnership, a nuclear qualified indigenous fabrication company. She graduated from the Rotman-Institute of Corporate Directors Education Program and was awarded her ICD.D designation.

Appointment to the Board: October 2021

### **Erika Peterman** **Independent Non-Executive Director** **Contribution and Experience**

Erika brings extensive experience gained from more than 25 years working in global organisations, enabling the delivery of change and growth in complex, world-leading businesses. She brings broad knowledge serving various parts of the chemicals industry, across a range of sectors from plastics, petrochemicals, agriculture and pharma.

Erika is currently Senior Vice President at BASF Corporation where she leads the North American Chemical Intermediates business. Erika has held a number of management and senior executive roles with BASF, covering manufacturing and production, engineering, strategy, and commercial business management roles. She actively supports BASF's talent and workforce development programmes as well as a range of their diversity and inclusion initiatives.

Erika serves on the University of Houston's Engineering Leadership Advisory Board and chairs the Planning Committee as Board Trustee at Chatfield College in Cincinnati, Ohio. She is a member of the Executive Leadership Council, a non-profit whose mission is to globally accelerate the development of successful black executives across the lifecycle of their careers. Erika holds a BSc in chemical engineering from the Georgia Institute of Technology and an MBA from the University of Houston.

Appointment to the Board: October 2021

# Appendix 1

## Employee Stock Purchase Plan

### Resolution 19

#### To approve the new Employee Stock Purchase Plan (ESPP)

This appendix sets out the principal terms of the Drax Group plc 2022 Employee Stock Purchase Plan ("ESPP") which is being put to shareholders at the AGM for approval by Resolution 19.

The ESPP is an all-employee stock purchase plan under which eligible employees are awarded options over ordinary shares of the Company ("ESPP Options"). The ESPP has two parts; one part for employees in the US (the "US ESPP"); and the other part for employees in Canada (the "Canada ESPP"). The US ESPP is designed to qualify under section 423 of the US Internal Revenue Code of 1986, as amended (the "Code"), giving eligible US participants certain tax benefits on gains made under the ESPP. The Board of Directors of the Company or a duly authorised committee (the "Board") will supervise the operation of the ESPP.

Defined terms in this explanation are derived from the rules of the ESPP, which members are being asked to approve.

#### Eligibility and invitations to participate

Generally, all employees of any US or Canadian subsidiary of the Company which is designated by the Board as a participating company in the ESPP, meeting any relevant service requirement specified under the ESPP, will be eligible to participate in the ESPP and to receive an ESPP Option. Employees of a subsidiary undertaking, associated undertaking or related undertaking or entity of the Company designated as a participating employer (a "related employer") may also be offered participation in the ESPP.

Employees who are citizens or residents of a non-US jurisdiction may be excluded from participation in the US ESPP if such employees' participation would violate the laws of the applicable jurisdiction or if complying with the laws of the applicable jurisdiction would cause the US ESPP to violate section 423 of the Code. The Board may impose additional eligibility requirements to the extent permitted by law. From time to time, the Company may invite eligible employees to take part in an Offering under the ESPP. Invitations and grants of ESPP Options may be made at any time, subject to any applicable restrictions under relevant legislation or regulations.

#### Grant of ESPP Options and individual limits

Where the Company makes offers under the ESPP, ESPP Options are granted at the beginning of a specific offering period to those employees who have enrolled in the ESPP for that Offering Period. The Offering Period cannot exceed 27 months. The Board may not grant ESPP Options more than 10 years after the date of the approval of the ESPP by shareholders.

The price payable for each share underlying an ESPP Option shall be determined by the Board, provided that the purchase price is not less than 85 per cent of the fair market value of a share on the first day of the Offering Period or on the date at the end of the Offering Period on which the shares are purchased, whichever is the lower.

Participants enrol in the ESPP by authorising payroll deductions from their salary during the relevant Offering Period. For the US ESPP, under section 423 of the Code, participants may not be granted ESPP Options in any 12-month period over shares worth in excess of US\$25,000 (measured at the time of grant). For the Canada ESPP, participants may not be granted ESPP Options in

any 12-month period over shares worth in excess of the Canadian equivalent of US\$25,000 (measured at the time of grant). The Company may for any given Offering Period at the time of invitation set a lower limit and may on receipt of applications for participation, scale back salary deductions. Participants are entitled to cease their payroll deductions at any time during an Offering Period and may in certain circumstances be permitted to change the amount of their payroll deductions.

#### Plan limits

The ESPP may operate over new issue shares, treasury shares or shares purchased in the market. The rules of the ESPP provide that, in any period of 10 calendar years, not more than 10% of the Company's issued ordinary share capital may be issued under the ESPP and under any employees' share scheme operated by the Company. Shares issued out of treasury under the ESPP will count towards this limit for so long as this is required under institutional shareholder guidelines. Options and awards which are renounced or lapse shall be disregarded for the purposes of this limit.

In addition, the maximum total number of shares which may be used in connection with the ESPP, whatever the source of the shares, is 20,000,000 ordinary shares. This figure corresponds to approximately 5% of the Company's issued share capital as at 1 March 2022 but the actual number of ordinary shares which will be used under the ESPP is expected to be substantially less than this number. This number may be subject to adjustment in the event of certain changes to the corporate structure of the Company.

#### Exercise of ESPP Options

Provided the participant is still an eligible employee of a participating subsidiary or relevant participating related employer at the end of an offering period, the participant's ESPP Option may be exercised using the accumulated payroll deductions to purchase the maximum whole number of shares possible.

If a participant ceases to be employed by the Company or a participating subsidiary or relevant participating related employer of the Company for any reason, their ESPP Options will lapse and any accumulated payroll deductions that have not been used to buy shares under the ESPP during the offering period shall be returned to the participant or, in the case of cessation of employment due to death, returned to the personal representatives of the participant.

#### Corporate events

In the event of a change of control, winding-up or merger of the Company and certain other corporate events, the Board may decide whether the offering period shall be shortened and the date of exercise and subsequent purchase of shares will be brought forward or ESPP Options shall be cancelled and the accumulated payroll deductions returned to the participants. In certain circumstances, the ESPP Options may be replaced with options of an equivalent value in the relevant acquiring company.

#### Non-transferability of ESPP Options

The opportunity to be granted an ESPP Option is personal to participants and neither the opportunity nor any rights granted in relation to it may be transferred, assigned, pledged, charged or otherwise disposed of.

#### Variation of capital

If there is a variation of share capital of the Company, the Board may make such adjustments to the number of shares underlying ESPP Options and the price payable for each share underlying such ESPP Options in such manner as the Board determines appropriate.

#### Rights attaching to shares

Shares issued and/or transferred under the ESPP will not confer any rights on any participant until the relevant ESPP Option has been exercised and the participant in question has received the underlying shares. Any shares allotted when an ESPP Option is exercised will rank equally in all respects and as one class with shares then in issue (except for rights arising by reference to a record date prior to their issue).

#### Cash-based awards

The Board may establish a sub-plan to the ESPP to permit the grant of cash awards to employees in jurisdictions where the Board determines it is not practicable to offer shares on the basis that participants will receive a cash payment by reference to a number of notional shares. The provisions of the ESPP rules will apply to such cash awards subject to consequential modifications.

#### Amendments

Amendments to the ESPP rules may be made at the discretion of the Board. However, the provisions governing eligibility requirements, individual or overall limits, the basis for determining a participant's entitlement to shares and the terms on which they are acquired and the adjustments that may be made following a rights issue or any other variation of capital and the limitations on the number of shares that may be issued or made available under the ESPP cannot be altered to the advantage of participants without prior shareholder approval, except for minor amendments to benefit the administration of the ESPP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for the Company or any member of its Group.

Amendments may not normally materially adversely affect the rights of participants except where participants are notified of such amendment and the majority of participants approve such amendment.

#### Overseas plans

The Board may, at any time, establish further plans based on the ESPP for overseas territories but modified to take account of local tax, exchange control or securities laws. Any shares made available under such further overseas plans must be treated as counting against the limits on individual and overall participation under the ESPP.

#### Benefits not pensionable

Any ESPP Options granted, shares purchased or income recognised in connection with the ESPP are non-pensionable.

#### Resolution 20

##### To approve amendments to the Drax Group plc Long Term Incentive Plan 2020 (LTIP)

Resolution 20 seeks shareholder approval to amend the rules of the LTIP to take account of the variety of entities with employees working for the Group, particularly outside the UK, which include limited liability companies, limited partnerships, joint ventures and associated entities.

The rules of the LTIP currently permit awards to be granted only to employees of the Company and its subsidiaries. In order to provide greater flexibility, the Company is seeking shareholder approval to amend the LTIP rules so that share awards (and share-based awards in cash) may also be granted to and held by employees of subsidiary undertakings, associated undertakings and related undertakings and entities of the Company.

In addition, it is proposed that the rules of the LTIP will be amended so that participants who remain in employment with any such employing entities will be treated as remaining in employment with the Group.

# Appendix 3 – Information for the Day

## User Guide to joining the AGM remotely

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### Electronic meeting

For the Annual General Meeting, Drax Group plc will be enabling members to join the meeting electronically, should they wish to do so. This can be done by accessing the AGM website, <https://web.lumiagm.com>.

### Accessing the AGM Website

Lumi AGM can be accessed online using most well-known internet browsers such as Edge, Chrome, Firefox and Safari on a PC, laptop or internet-enabled device such as a tablet or smartphone. If you wish to join the AGM using this method, please go to <https://web.lumiagm.com> on the day.

### Logging in

On accessing the AGM website, you will be asked to enter a Meeting ID which is 129-877-982.

You will then be prompted to enter your unique Shareholder Reference Number (SRN) and PIN which is the first two and last two digits of your SRN. These can be found printed on your form of proxy. Access to the meeting via the website will be available from 11:30am on 27 April 2022.

### Broadcast

The meeting will be broadcast with presentation slides. Once logged in, and at the commencement of the meeting, you will be able to listen to the proceedings of the meeting on your device, as well as being able to see the slides of the meeting which will include the Resolutions to be put forward to the meeting, these slides will progress automatically as the meeting progresses.

### Questions

Members joining electronically may ask questions via the website by typing and submitting their question in writing. Select the messaging icon from within the navigation bar and type your question at the top of the screen, once finished, press the 'send' icon to the right of the message box to submit your question.

### Requirements

An active internet connection is required in order to allow you to submit questions and listen to the audiocast. It is the user's responsibility to ensure you remain connected for the duration of the meeting.

### Duly appointed proxies and corporate representatives

Please contact the Company's Registrar before 12:30pm on 25 April 2022 on 0371 684 2030 or +44(0) 121 415 7047 if you are calling from outside the UK for your SRN and PIN.

Lines are open 8.30am to 5.30pm Monday to Friday (excluding public holidays in England & Wales).

Meeting ID: 129-877-982  
To login you must have your SRN and PIN

1



Open the Lumi AGM website and you will be prompted to enter the Meeting ID. If a shareholder attempts to login to the website before the meeting is live\*, a pop-up dialogue box will appear.

\* 12:30pm on 27 April 2022

2



After entering the Meeting ID, you will be prompted to enter your unique SRN and PIN (see "Logging In" on page 17).

3



When successfully authenticated, you will be taken to the Home Screen.

4



To view the meeting presentation, expand the "Broadcast Panel", located at the bottom of your device. If viewing through a browser, it will appear automatically.

This can be minimised by pressing the same button.



5



If you would like to ask a question, select the messaging icon.



Type your message within the chat box at the bottom of the messaging screen.

Click the send button to submit.