

# Annual General Meeting

Notice of the one hundred and seventh Annual General Meeting of the Company, to be held at the registered office of Grainger plc, Citygate, St. James' Boulevard, Newcastle upon Tyne NE1 4JE on 5 February 2020 at 12pm, is set out in this document.

Registered in England and Wales with registered number 125575

## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

**If you are in any doubt as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised pursuant to the Financial Services and Markets Act 2000 immediately.**

If you have sold or transferred all your ordinary shares in Grainger plc, please forward this document, together with the accompanying documents, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

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## DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

'Act'	the Companies Act 2006 as amended;
'Annual General Meeting'	the Annual General Meeting of the Company to be held on 5 February 2020 at 12pm at the registered office of the Company;
'Annual Report and Accounts'	the 2019 Annual Report and Accounts of the Company prepared in accordance the Act;
'Board' or 'Directors'	the Board of Directors of the Company (or a duly appointed committee thereof);
'Company'	Grainger plc;
'Directors' Remuneration report'	the Directors' Remuneration report for the year ended 30 September 2019 circulated to shareholders with this circular;
'FSMA'	the Financial Services and Markets Act 2000;
'London Stock Exchange'	London Stock Exchange Group plc;
'Notice'	the notice of the Annual General Meeting included in this circular;
'Official List'	the list maintained by the UKLA pursuant to Part VI of FSMA;
'PEG Principles'	the Pre-Emption Group's revised Statement of Principles, published on 12 March 2015;
'Shares'	ordinary shares in the capital of the Company;
'UK Corporate Governance Code'	the UK Corporate Governance Code (July 2018 edition) published by the Financial Reporting Council; and
'UKLA' or 'UK Listing Authority'	the Financial Conduct Authority, acting in its capacity as the competent authority for the purposes of Part VI of FSMA.

## DIRECTORS

<b>Mark Clare*</b> (Chairman)
<b>Helen Gordon</b> (Chief Executive)
<b>Vanessa Simms</b> (Chief Financial Officer)
<b>Andrew Carr-Locke*</b>
<b>Rob Wilkinson*</b>
<b>Justin Read*</b>
<b>Janette Bell*</b>

\* Non-Executive

**Registered and Head Office**

Citygate  
St James' Boulevard  
Newcastle upon Tyne  
NE1 4JE

# Letter from the Chairman

19 December 2019

## DEAR SHAREHOLDER

The next Annual General Meeting of the Company is to be held at the registered office of Grainger plc, Citygate, St. James' Boulevard, Newcastle upon Tyne NE1 4JE, on 5 February 2020. You will see from the Notice of Annual General Meeting, which is set out on page 6 of this document, that there are 20 resolutions which are proposed for approval, 13 of which relate to the ordinary business of the Annual General Meeting and 7 of which relate to special business.

Details of these resolutions are set out below and in the Notice. Resolutions 1 to 14, 19 and 20 will be proposed as ordinary resolutions. Resolutions 15 to 18 will be proposed as special resolutions.

## ORDINARY BUSINESS

Resolution 1 seeks approval of the Directors' report and the audited financial statements for the year ended 30 September 2019 which have been circulated to shareholders at the same time as this letter.

Resolution 2 seeks approval (on an advisory basis) of the Remuneration Committee Chairman's introductory letter (set out on pages 68 to 71 of the Annual Report and Accounts) and the Directors' Remuneration report (set out on pages 79 to 90 of the Annual Report and Accounts).

Resolution 3 seeks approval of the Directors' Remuneration Policy (the "Policy").

Following a review of the Directors' Remuneration Policy approved at the 2017 annual general meeting, a new Policy is being proposed to be applied for the current financial year onwards and is being put to a binding shareholder vote. The Policy is described on pages 72 to 78 of the Annual Report and Accounts and has been developed taking into account the principles of the 2018 UK Corporate Governance Code and the views of our major shareholders. If approved, the Policy will take formal effect from the date of the Annual General Meeting and shall be in place for the next three-year period unless a new policy is presented to shareholders before then.

Resolution 4 relates to the proposed payment of a dividend of 3.46p per share to be paid on 10 February 2020 to all holders of 5p Shares on the register of members of the Company at the close of business on 27 December 2019 in respect of all Shares then registered in their names.

Resolutions 5 to 11 relate to the election and re-election of the Directors of the Company.

Janette Bell joined the Board as Non-Executive Director after the Annual General Meeting in February 2019 and will offer herself for election by shareholders at this Annual General Meeting in accordance with the Articles of Association of the Company. In accordance with the UK Corporate Governance Code, all of the other Directors are offering themselves for re-election at this Annual General Meeting. It is considered by the Board that all of the Directors bring valuable skills and experience to the Board. Biographies of all of the current Directors can be found on pages 50 to 51 of the Annual Report and Accounts together with reasons why their contributions are, and continue to be, important to the Company's long-term sustainable success.

Resolutions 12 and 13 relate to the auditors of the Company. Ordinary resolutions are being proposed at this Annual General Meeting for their re-appointment as auditors and to authorise the Directors to approve their remuneration. An assessment of the effectiveness, independence and objectivity of the auditors has been undertaken by the audit committee which has recommended to the Board that the auditors of the Company be re-appointed as such.

## SPECIAL BUSINESS

### Resolution 14

This resolution, which will be proposed as an ordinary resolution, seeks shareholder approval for the Directors to be authorised to allot Shares.

Under the provisions of section 551 of the Act, the Directors are not permitted to allot shares unless authorised to do so by the shareholders. The Act provides for such authority to be granted either by the Company in general meeting or by the Articles of Association and, in both cases, such authority can only last for five years. Notwithstanding the statutory provisions, institutional best practice indicates that this authority should be renewed annually. Accordingly, all unexercised previous authorities (including that obtained at the Company's previous Annual General Meeting) are revoked by this new authority and this authority will expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, 15 months after the passing of the resolution except insofar as commitments to allot Shares have been entered into before that date.

In accordance with institutional guidelines, the Board considers it appropriate that the Directors be granted authority to allot Shares in the capital of the Company up to a maximum nominal amount of £20,400,000 representing the guideline limit of approximately two-thirds (ie 66.6%) of the Company's issued ordinary share capital (excluding treasury shares) as at 6 December 2019 (being the latest practicable date prior to publication of this circular). Of this amount, £10,200,000 (representing approximately one-third (ie 33.3%) of the Company's issued ordinary share capital (excluding treasury shares)) can only be allotted pursuant to a fully pre-emptive rights issue. The Board has no present intention of exercising this authority.

As at the date of this circular, the Company holds 1,506,300 treasury shares, being approximately 0.25% of the issued share capital of the Company (excluding treasury shares) as at 6 December 2019 (being the latest practicable date prior to publication of this circular).

### Resolutions 15 and 16

These resolutions, which will be proposed as special resolutions, supplement the Directors' authority to allot Shares in the Company proposed by resolution 14, and will disapply statutory pre-emption rights in relation to allotment of a limited number of Shares in the Company.

Section 561 of the Act requires a company proposing to allot equity securities to offer them first to existing shareholders in proportion to their existing shareholdings. The allotment of equity securities includes Shares (the only class of share capital the Company has at present) and selling Shares held in treasury, but

## Letter from the Chairman continued

the requirement does not apply to Shares issued under employee share schemes. If these resolutions are passed, the requirement imposed by section 561 will not apply to allotments by the Directors in two cases:

1. in connection with a rights (or similar) issue, where application of the principle in section 561 could (for example) either result in fractional entitlements to Shares arising or require the issue of Shares where this would be impractical because of legal or regulatory requirements in any given overseas jurisdiction; and
2. allotments of Shares for cash up to a total nominal value of £3,060,000 (representing approximately 10% of the Company's issued share capital (excluding treasury shares) as at 6 December 2019 (being the latest practicable date prior to publication of this circular)). This gives the Directors flexibility to take advantage of business opportunities as they arise, whilst the 10% limit ensures that existing shareholders' interests are protected in accordance with guidelines issued by institutional investors' bodies.

The authority to issue up to 10% of the Company's issued share capital (excluding treasury shares) is in accordance with the PEG Principles. These provide greater flexibility to undertake non-pre-emptive issuances in connection with acquisitions and specified capital investments. The Board confirms that it will not allot Shares with a nominal value of over £1,530,000 (representing 5% of its issued share capital (excluding treasury shares)) for cash unless such allotment is in connection with an acquisition or specified capital investment, in line with the PEG Principles, which will be announced at the same time as the allotment or will have taken place in the preceding six-month period and will be disclosed in the announcement of the allotment.

The Board also confirms its intention that equity securities equivalent to no more than 7.5% of the issued share capital of the Company (excluding treasury shares) will be allotted for cash on a non-pre-emptive basis during any rolling three-year period unless in connection with an acquisition or specified capital investment, again in line with institutional investor guidelines.

In the 12 years since the 2008 Annual General Meeting, the Company has not issued any Shares on a non-pre-emptive basis (excluding Shares issued under employee share schemes).

**As in recent years, this authority will expire at the conclusion of the next Annual General Meeting or, if earlier, 15 months after the passing of the resolutions except in so far as commitments to allot Shares have been entered into before that date and resolutions to renew the authority will be produced at each future Annual General Meeting.**

### Resolution 17

This resolution, which will be proposed as a special resolution, seeks to renew the authority for the Company to purchase its own Shares in the market up to a maximum of 61,200,000 Shares (being approximately 10% of the Company's issued ordinary share capital as at 6 December 2019 (excluding treasury shares), being the last practicable date prior to the publication of this circular).

The proposed resolution sets out the maximum and minimum prices which the Company may pay for its Shares. This authority will expire at the conclusion of next year's Annual General Meeting or, if earlier, 15 months after the passing of the resolution.

The Directors continually assess the Company's capital management position in accordance with its capital management framework. This authority gives the Company greater flexibility in managing its capital resources. The Board does not currently intend to exercise this authority during the year ahead. However, should it do so, it will only be following careful consideration, taking into account market conditions prevailing at the time, other investment opportunities, appropriate gearing levels, the overall position of the Company, the effects on earnings per share and the benefits for shareholders. Any purchase of Shares would be by means of market purchases. Any Shares purchased under the authority may be cancelled (and the number of the Shares in issue will be reduced accordingly) or may be held in treasury so as to be available to be sold at a later date, subject to the restrictions set out in resolution 14 or its equivalent in force at the time.

The extent of the authority sought is calculated in accordance with current governance practice.

In the 12 months prior to 6 December 2019, being the last practicable date prior to the publication of this circular, the Company had not exercised its right under its existing authority.

The total number options or warrants to subscribe for Shares that were outstanding as at 6 December 2019, being the latest practicable date prior to publication of this circular, was 851,015, representing 0.14% of the issued ordinary share capital of the Company excluding treasury shares (0.17% of the issued share capital of the Company if the Company's full authority to purchase Shares, both existing and being sought, is used).

### Resolution 18

The Companies (Shareholders' Rights) Regulations 2009 increased the notice period for all general meetings (including Annual General Meetings) of the Company, subject to any restrictions in its Articles of Association, to 21 days' notice. For general meetings other than Annual General Meetings, a company quoted on the Official List is allowed to hold such general meetings (but not Annual General Meetings) on 14 days' notice provided that two conditions are met. The first condition is that the company offers facilities for shareholders to vote by electronic means. This condition is met if there is a facility offered by the company and accessible to all members to appoint a proxy by means of a website. The second condition is that there is an annual resolution of shareholders approving the reduction in the minimum notice period from 21 days to 14 days. The Board is therefore proposing this resolution as a special resolution to approve 14 days as the minimum notice period for all general meetings of the Company other than Annual General Meetings. The approval will be effective until the Company's next Annual General Meeting, when it is intended that permission for the approval to be renewed will be sought. It is intended that the shorter notice period would not be used as a matter of routine for general meetings, but only where the flexibility is merited by the business of the meeting and is thought to be in the interests of shareholders as a whole.

### Resolution 19

The Company has a policy that it does not make donations or incur expenditure on behalf of political parties. However, the Act contains restrictions on companies making political donations or incurring political expenditure and it defines these terms very widely, such that activities that form part of the normal relationship between the Company and bodies concerned with policy review may be included.

Such activities are not designed to support a particular political party.

The Company believes that the authority proposed under this resolution, which will be proposed as an ordinary resolution, is necessary to ensure that it does not commit any technical or inadvertent breach of the Act when carrying out activities in furtherance of its legitimate business interests.

The authority will lapse on the conclusion of the Company's next Annual General Meeting and will be limited to an aggregate amount of £50,000.

The Company neither made political donations nor incurred political expenditure in the financial year ended 30 September 2019.

### Resolution 20

The Company's existing long-term incentive arrangement for the Company's Executive Directors and selected senior management is the Grainger 2017 Long-Term Incentive Plan (the "2017 Plan").

The Company is seeking shareholder approval for proposed amendments to the 2017 Plan, to reflect proposed changes to the Directors' Remuneration Policy (as explained on pages 72 to 78 of the Annual Report and Accounts).

In particular the proposed amendments to the 2017 Plan:

- (a) increase the annual award limit from a face value of 175% of salary to 200% of salary. The exceptional award limit which permitted awards of up to 200% of salary has been removed.
- (b) introduce a discretion for the Remuneration Committee to reduce the vesting outcomes (including to zero): (i) if it considers the unaltered vesting outcome based on the result of testing the relevant performance condition to be inconsistent with the performance of the Company or the relevant individual or business; or (ii) by taking into account any other factors it considers relevant.
- (c) expand the scope of the malus and clawback provisions, and additional triggers have been included for:
  - the occurrence of an insolvency or administration event;
  - reputational damage; and/or
  - serious health and safety events.

A copy of the 2017 Plan, showing the proposed amendments are available for inspection as described on page 10 to this Notice of Annual General Meeting.

### RECOMMENDATION

The Directors believe that all the proposals referred to above are in the best interests of the Company and its shareholders as a whole and are most likely to promote the success of the Company for the benefit of its shareholders as a whole. The Directors unanimously recommend that you vote in favour of all the proposed resolutions, as they intend to do in respect of their own beneficial shareholdings.

Yours sincerely



**Mark Clare**  
Chairman

# Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of the Company will be held at the registered office of Grainger plc, Citygate, St. James' Boulevard, Newcastle upon Tyne, NE1 4JE on 5 February 2020 at 12pm for the following purposes:

As ordinary business, to consider and, if thought fit, pass the following resolutions 1 to 13, as ordinary resolutions of the Company:

1. That the Directors' report and the audited financial statements for the year ended 30 September 2019 be approved and adopted.
2. That the Remuneration Committee Chairman's introductory letter and the Directors' Remuneration report included within the Annual Report and Accounts be approved.
3. That the Directors' Remuneration Policy set out on pages 72 to 78 of the Annual Report and Accounts and which takes effect immediately after the end of this Annual General Meeting, be approved.
4. That a dividend of 3.46p per share be paid on 10 February 2020 to all holders of 5p Shares on the register of members of the Company at the close of business on 27 December 2019 in respect of all Shares then registered in their names.
5. That Mark Clare be re-elected as a Director.
6. That Helen Gordon be re-elected as a Director.
7. That Vanessa Simms be re-elected as a Director.
8. That Andrew Carr-Locke be re-elected as a Director.
9. That Rob Wilkinson be re-elected as a Director.
10. That Justin Read be re-elected as a Director.
11. That Janette Bell be elected as a Director.
12. That KPMG LLP be re-appointed as auditors of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
13. That the remuneration of KPMG LLP be fixed by the Directors.

To transact any other ordinary business of the Company.

As special business, to consider and, if thought fit, pass the following resolutions which in the case of resolutions 14, 19 and 20 shall be proposed as ordinary resolutions of the Company, and in the case of resolutions 15 to 18 shall be proposed as special resolutions of the Company:

14. That the Directors be generally and unconditionally authorised for the purpose of section 551 of the Act to exercise all the powers of the Company to:
  - a) allot or grant rights to subscribe for or to convert any security into Shares in the Company up to an aggregate nominal amount of £10,200,000, being approximately one-third of the Company's issued ordinary share capital (excluding treasury shares); and
  - b) allot equity securities (within the meaning of section 560 of the Act) up to a further aggregate nominal amount of £10,200,000, being approximately one-third of the Company's issued ordinary share capital (excluding treasury shares) provided that they are offered by way of a rights issue to holders of Shares on the register of members at such record date(s) as the Directors may determine, where the Shares or equity securities respectively attributable to the interests of the ordinary shareholders are proportionate (as nearly as may be practicable) to the respective number of Shares held or deemed to be held by them on any such record date(s), subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange or by virtue of Shares being represented by depositary receipts or any other matter,

provided that in both cases:

  - i) (except as provided in paragraph (ii) below) this authority shall expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, 15 months after the passing of this resolution; and
  - ii) the Company may before such expiry make an offer or agreement which would or might require Shares or equity securities, as the case may be, to be allotted or such rights granted after such expiry and the Directors may allot Shares or equity securities or grant such rights, as the case may be, in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

All unexercised authorities previously granted to the Directors to allot Shares or equity securities or to grant rights to subscribe for or to convert any security into Shares be and are hereby revoked.

15. That, subject to the passing of resolution 14 above, the Directors be empowered, pursuant to sections 570 and 573 of the Act, to allot equity securities (within the meaning of section 560 of the Act) for cash, either pursuant to the authority conferred by resolution 14 or by way of a sale of treasury shares (within the meaning of section 724(5) of the Act), as if section 561 of the Act did not apply to any such allotment provided that this power shall be limited to the allotment of equity securities:
- a) made in connection with an offer of securities, open for acceptance for a fixed period, by the Directors to ordinary shareholders of the Company on the register on a fixed record date in proportion (as nearly as may be) to their then holdings of such Shares (but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with treasury shares or any legal or practical problems under the laws or requirements of any recognised regulatory body or any stock exchange in any overseas territory or in connection with fractional entitlements) or by virtue of Shares being represented by depositary receipts or any other matter whatsoever; and
  - b) (otherwise than pursuant to paragraph (a) above) up to an aggregate nominal value of £1,530,000,
- provided that in both cases:
- i) (except as provided in paragraph (ii) below) this authority shall expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, 15 months after the passing of this resolution; and
  - ii) 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 notwithstanding that the authority conferred by this resolution has expired.
16. That, subject to the passing of resolution 14 above, the Directors be empowered, in addition to any authority granted under resolution 15, pursuant to sections 570 and 573 of the Act, to allot equity securities (within the meaning of section 560 of the Act) for cash, either pursuant to the authority conferred by resolution 14 or by way of a sale of treasury shares (within the meaning of section 724(5) of the Act), as if section 561 of the Act did not apply to any such allotment provided that this power shall be limited to the allotment of equity securities:
- a) up to an aggregate nominal value of £1,530,000; and
  - b) used only for the purposes of financing (or refinancing, if the power is used within six months of the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the PEG Principles,
- provided that:
- i) (except as provided in paragraph (ii) below) this authority shall expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, 15 months after the passing of this resolution; and
  - ii) 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 notwithstanding that the authority conferred by this resolution has expired.
- All unexercised authorities previously granted to the Directors to allot equity securities as if section 561 of the Act did not apply be and are hereby revoked.



# Notice of Annual General Meeting continued

17. That in accordance with the Act, the Company be generally and unconditionally authorised for the purposes of section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of Shares of 5p each in the capital of the Company provided that:
- a) the maximum aggregate number of Shares hereby authorised to be purchased is 61,200,000;
  - b) the minimum price which may be paid for such Shares is 5p per Share (exclusive of expenses);
  - c) the maximum price (exclusive of expenses) which may be paid for each Share is the higher of (i) 5% above the average market value of the Shares as derived from the London Stock Exchange's Daily Official List for the five business days immediately preceding the date on which the Shares are purchased, and (ii) an amount equal to the higher of the price of the last independent trade of a Share and the highest current independent bid for a Share on the trading venue where the purchase is carried out;
  - d) unless previously renewed, varied or revoked, the authority hereby conferred shall expire at the conclusion of the Company's next Annual General Meeting or 15 months from the date of this resolution (whichever is earlier); and
  - e) the Company may make a contract or contracts to purchase Shares under the authority conferred by this resolution prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of Shares in pursuance of any such contract or contracts.
18. That a general meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice.

19. That the Company and all companies that are its subsidiaries at any time during the period for which this resolution is effective are hereby authorised to:
- a) make political donations to political parties and/or to independent election candidates not exceeding £50,000 in total;
  - b) make political donations to political organisations other than political parties not exceeding £50,000 in total; and
  - c) incur political expenditure not exceeding £50,000 in total,

during the period commencing on the date of this resolution and ending on the date of the Company's next Annual General Meeting, provided that in any event the aggregate amount of any such donations and expenditure made or incurred by the Company and its subsidiaries pursuant to this resolution shall not exceed £50,000.

For the purposes of this resolution, the terms 'political donations', 'political parties', 'independent election candidates', 'political organisation' and 'political expenditure' have the meanings set out in sections 363 to 365 of the Act.

20. That the amendments to the 2017 Plan, as summarised on page 4 to this Notice of Annual General Meeting, are approved.

By order of the Board



**Adam McGhin**  
Company Secretary

19 December 2019

CRN: 125575  
Citygate  
St James' Boulevard  
Newcastle upon Tyne  
NE1 4JE



# General notes

## Entitlement to attend and vote

The Company specifies that only those shareholders registered in the register of members of the Company as at close of business on 3 February 2020 (or, if the meeting is adjourned, close of business on the day two days prior to the adjourned meeting) shall be entitled to attend or vote at the Annual General Meeting in respect of the number of Shares registered in their name at that time. Changes to entries on the relevant register of members after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

A member entitled to attend and vote at the Annual General Meeting may appoint one or more proxies (who need not be a member of the Company) to attend and to speak and to vote on his or her behalf whether by show of hands or on a poll.

A member can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form. A member can appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attaching to different Shares held by him. In order to be valid, an appointment of proxy (together with any authority under which it is executed or a duly certified copy of the authority) must be returned by one of the following methods and in each case must be received by the Company's registrars not less than 48 hours before the time of the meeting:

- a) in hard copy form by post, by courier or by hand to the Company's registrars, Link Asset Services at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU;
- b) via [www.signalshares.com](http://www.signalshares.com). If you have not previously registered for electronic communications you will first be asked to register as a new user for which you will require your investor code (which can be found on your share certificate or dividend tax voucher), family name and postcode to log in. Once registered, a proxy voting link will be provided. You do not need to wait for an activation code; or
- c) in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

Completion and return of the form of proxy, or completion of the online voting process, will not preclude shareholders from attending and voting at the meeting. The form of proxy includes a vote withheld option. Please note that a vote withheld is not a vote in law and will not be counted in the calculation of the proportion of the votes for and against any particular resolution.

Each shareholder entitled to attend the Annual General Meeting as above, and each proxy appointed in accordance with the above, has one vote for each resolution voted on by a show of hands. If a proxy has been appointed by more than one member entitled to vote, and one of those members has instructed the proxy to vote for the resolution and one or more other of those members has instructed the proxy to vote against it, the proxy has one vote for and one vote against the resolution on a show of hands. In the event of a poll the proxy can exercise the respective voting rights of each appointing member.

Under section 324A of the Act, a proxy must vote in accordance with any instructions given by the member by whom they are appointed.

A copy of this Notice has been sent for information only to persons who have been nominated by a member to enjoy information rights under section 146 of the Act (each a "**Nominated Person**"). The rights to appoint a proxy cannot be exercised by a Nominated Person; they can only be exercised by the member. However, a Nominated Person may have a right under an agreement between him and the member by whom he was nominated to be appointed as a proxy for the meeting or to have someone else so appointed. If a Nominated Person does not have such a right or does not wish to exercise it, he may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.

Shareholders entitled to attend and vote as above, have a right to ask questions related to the business put to the meeting as set out in this document. The Directors will endeavour to answer all such questions as fully as possible, however, they are not required to answer if:

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

## General notes continued

### Corporate representatives

A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

### CREST members

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. 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 (“**EUI**”) 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 (ID RA10) by the latest time(s) for receipt of proxy appointments specified in the Notice. 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.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI 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.

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.

### Documents available for inspection

Copies of the contracts of service of the Directors employed by the Company, the letters of appointment of the Non-Executive Directors, and rules of the 2017 Plan showing the proposed amendments referred to in Resolution 20 are each available for inspection by members of the Company at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this Notice until the close of the Annual General Meeting.

The documents mentioned above will also be available for inspection at the place of the Annual General Meeting where they will be made available from at least 15 minutes prior to the Annual General Meeting until the close of the Annual General Meeting.

### Share capital

As at 6 December 2019 (being the latest practicable date prior to publication of this circular), the Company’s issued share capital comprised 613,795,017 Shares of 5p each. Each Share carries the right to one vote at a general meeting of the Company. The Company holds 1,506,300 Shares in treasury and is not permitted to exercise voting rights in respect of these Shares. Therefore, the total number of voting rights in the Company as at 6 December 2019 is 612,288,717.

### Audit concerns

Pursuant to Chapter 5 of Part 16 of the Act, where requested by either a member or members having a right to vote at the Annual General Meeting and holding at least 5% of total voting rights of the Company or at least 100 members having a right to vote at the meeting and holding, on average, at least £100 of paid up share capital, the Company must publish on its website a statement setting out any matter that such members propose to raise at the meeting 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 Annual General Meeting. Where the Company is required to publish such a statement on its website, it may not require the members making the request to pay any expenses incurred by the Company in complying with the request, it must forward the statement to the Company’s auditors and the statement may be dealt with as part of the business of the meeting. A member wishing to request publication of such a statement on the Company’s website must send the request to the Company either in hard copy form to the Company’s registered office marked for the attention of the Company Secretary (and sign the request), by email to [amcghin@graingerplc.co.uk](mailto:amcghin@graingerplc.co.uk) or by fax to 0191 269 5901 marked for the attention of the Company Secretary. Whichever form of communication is chosen, the request must either set out the statement in full or, if supporting a statement sent by another member, clearly identify the statement which is being supported, be received by the Company at least one week before the Annual General Meeting and be appropriately authenticated in accordance with section 527(4)(c) of the Act.

### Members' further rights

Members of the Company have the right, under section 338 of the Act, to require, subject to certain conditions, the Company to give its members notice of a resolution which the shareholders wish to be moved at the Annual General Meeting of the Company. Additionally, members of the Company have the right under section 338A of the Act to require, subject to certain conditions (including that the matter is not defamatory of any person, frivolous or vexatious) the Company to include a matter (other than a proposed resolution) in the business to be dealt with at the Annual General Meeting. The Company is required to give such notice of a resolution or include such matter once it has received requests from members representing at least 5% of the total voting rights of all the members who have a right to vote at the Annual General Meeting or from at least 100 members with the same right to vote who hold Shares in the Company on which there has been paid up an average sum, per member, of at least £100. This request must (1) be received by the Company not later than six weeks before the Annual General Meeting or, if later, the time at which notice is given of the Annual General Meeting, (2) identify the resolution of which notice is to be given or the matter of business by either setting it out in full or, if supporting a resolution or statement sent by another member, clearly identify the resolution or matter of business which is being supported, (3) be authenticated by the person or persons making it, and (4) be sent either in hard copy form to the Company's registered office marked for the attention of the Company Secretary (and signed), by email to [amcghin@graingerplc.co.uk](mailto:amcghin@graingerplc.co.uk) or by fax to 0191 269 5901 marked for the attention of the Company Secretary. In the case of a request relating to section 338A of the Act, the request must be accompanied by a statement setting out the grounds for the request.

### Website

A copy of this Notice and other information required by section 311A of the Act can be found at [www.graingerplc.co.uk](http://www.graingerplc.co.uk)

### Communication

Except as provided above, members who have general queries about the Annual General Meeting should contact the Company Secretary at Grainger plc, Citygate, St. James' Boulevard, Newcastle upon Tyne NE1 4JE or on 0191 269 5934 (no other methods of communication will be accepted).

You may not use any electronic address provided either in this Notice or any related documents (including the Chairman's letter and proxy form), to communicate with the Company for any purposes other than those expressly stated.

