
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to what action to take, you should consult your stockbroker, solicitor, accountant or other appropriate independent professional adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all your shares in Clipper Logistics plc, please forward this document and the accompanying Form of Proxy to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Numis Securities Limited is acting exclusively for the Company and no one else in connection with the Waiver and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Numis or for providing advice in relation to the Waiver.



CLIPPER LOGISTICS PLC

(Incorporated and registered in England and Wales with Registered Number 3042024)

Notice of Annual General Meeting

**Waiver of Rule 9 of the Takeover Code in respect of
the authority of Clipper to purchase its own shares,
the grant of up to 648,683 PSP Awards and
the grant of up to 11,842 Sharesave Awards**

The Annual General Meeting of Clipper Logistics plc will be held at the offices of the Company at Carlton Court, Gelderd Road, Leeds, West Yorkshire, LS12 6LT, on Monday 28 September 2015 at 11.00am. A Form of Proxy for the Annual General Meeting is enclosed and should be completed and returned as soon as possible. To be valid, the Form of Proxy together with any power of attorney or other authority under which it is signed (or a duly certified copy thereof) must be received by Clipper's registrars, Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, no later than 48 hours (ignoring non-working days) before the meeting, being 11.00am on Thursday 24 September 2015.

Completion and return of the Form of Proxy will not prevent you from attending and voting at the Annual General Meeting in person, should you so wish.

Alternatively, if you are a member of CREST, you may register the appointment of a proxy by using the CREST electronic proxy appointment service. Further details are contained in the Notice of Annual General Meeting contained in this document.

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Letter from the Chairman

Registered office:
Gelderd Road
Leeds
West Yorkshire
LS12 6LT

To all Shareholders of Clipper Logistics plc and persons enjoying information rights

Notice of Annual General Meeting

Dear Shareholder

17 August 2015

This document contains the Notice of the 2015 Annual General Meeting of Clipper Logistics plc ("**AGM**"). On behalf of the Board I am delighted to invite you to attend our AGM which will be held at the offices of the Company at Carlton Court, Gelderd Road, Leeds, West Yorkshire, LS12 6LT at 11:00am on Monday 28 September 2015. The formal notice of AGM is set out on pages 4 to 6 of this document. If you are unable to attend the meeting in person your vote is still important and I would ask you to complete, sign and return the enclosed form of proxy ("**Form of Proxy**") to register your vote. This document contains explanatory notes to the resolutions to be put to the AGM. At the AGM it is intended that the Company will take a poll on each of the resolutions put to Shareholders.

Further information

Your attention is drawn to the remainder of this document which contains further information relating to Clipper and the members of the Concert Party. Financial information on Clipper is set out in Clipper's Annual Report and Accounts for the year ended 30 April 2015. Further information relating to the resolutions contained in the Notice of AGM is provided in the explanatory notes to the resolutions on pages 7 to 13.

Recommendation

As Sean Fahey, David Hodkin and I are directly interested in the subject matter of Resolutions 14 and 15, which refer to the Waiver of Rule 9 of the Takeover Code in respect of the authority of Clipper to purchase its own shares and the grant of up to 648,683 PSP Awards and up to 11,842 Sharesave Awards (which are in addition to the Existing CP Awards granted following last year's Annual General Meeting), we have not participated in the recommendation to vote in favour of these resolutions.

The Independent Directors, who have been so advised by Numis, consider that the Waiver and the passing of the Waiver Resolutions (Resolutions 14 and 15) are fair and reasonable and in the best interests of Independent Shareholders and Clipper as a whole. In providing its advice as required by paragraph 4(a) of Appendix 1 to the Code, Numis has taken into account the Independent Directors' commercial assessments. Accordingly, the Independent Directors unanimously recommend that Independent Shareholders vote in favour of the Waiver Resolutions (Resolutions 14 and 15) at the AGM, as they intend to do in respect of their entire holdings which amount to 1,468,613 Ordinary Shares, representing approximately 1.47% of Clipper's issued share capital.

Letter from the Chairman

continued

Your Directors as a whole believe that the other proposals are most likely to promote the success of Clipper for the benefit of Shareholders as a whole and unanimously recommend that you vote in favour of Resolutions 1 to 13 (inclusive) as they intend to do in respect of their entire holdings which amount to 45,458,723 Ordinary Shares, representing approximately 45.46% of Clipper's issued share capital.

Adoption of Financial Reporting Standard (FRS) 101 — Reduced Disclosure Framework

Following the publication of FRS 100 'Application of Financial Reporting Requirements' by the Financial Reporting Council, Clipper is required to change its accounting framework for its entity financial statements (currently UK GAAP) for its financial year commencing 1 May 2015. The Board considers that it is in the best interests of the Group for Clipper to adopt FRS 101 'Reduced Disclosure Framework'. No disclosures in the current UK GAAP financial statements would be omitted on adoption of FRS 101. A shareholder or shareholders holding in aggregate 5% or more of the total allotted shares in Clipper may serve objections to the use of the disclosure exemptions on Clipper, in writing, to its registered office (Gelder Road, Leeds, LS12 6LT) not later than 25 September 2015.

Yours faithfully



Steve Parkin

Executive Chairman

Notice of the 2015 Annual General Meeting

Notice is hereby given that the Annual General Meeting of Clipper Logistics plc (the “**Company**”) will be held at the offices of the Company at Carlton Court, Gelderd Road, Leeds, West Yorkshire, LS12 6LT on 28 September 2015 at 11.00 a.m., to consider and, if thought fit, to pass the following resolutions. It is intended to propose resolutions 10-13 as special resolutions. Resolutions 1 to 9 will be proposed as ordinary resolutions. Resolutions 14 and 15 will be proposed as ordinary resolutions of Independent Shareholders only and only votes cast by Independent Shareholders will be counted. Steve Parkin, Sean Fahey and David Hodkin have confirmed that they (and any persons acting in concert with them) will abstain from voting on Resolutions 14 and 15. Voting on all resolutions will be conducted on a poll.

Defined terms used in this Notice are set out on pages 23 and 24 of this document.

Ordinary Resolutions

1. To receive the accounts for the financial year ended 30 April 2015, together with the reports of the Directors and of the auditors thereon.
(Resolution 1)
2. To approve the Directors’ Remuneration Report as set out in pages 56 to 66 of the annual report and accounts for the financial year ended 30 April 2015.
(Resolution 2)
3. To declare a final dividend of 3.2 pence per Ordinary Share due and payable on 30 September 2015 to holders of Ordinary Shares on the Company’s register of shareholders at 6pm on 4 September 2015.
(Resolution 3)
4. To re-appoint Ernst & Young LLP as auditors of the Company to hold office until the conclusion of the Company’s next annual general meeting to be held in 2016.
(Resolution 4)
5. To authorise the Directors to set the remuneration of the auditors.
(Resolution 5)
6. To re-elect Mr David Arthur Hodkin as a director of the Company.
(Resolution 6)
7. To re-elect Mr Steve Parkin as a director of the Company.
(Resolution 7)
8. To re-elect Mr Tony Mannix as a director of the Company.
(Resolution 8)
9. To authorise the Directors generally and unconditionally pursuant to section 551 of the Act to exercise all of the powers of the Company to allot shares in the Company and grant rights to subscribe for, or convert any security into, shares in the Company:
 - (a) up to an aggregate nominal amount of £16,666.50 (such amount to be reduced by the nominal amount allotted or granted under paragraph (b) of this Resolution in excess of such sum); and
 - (b) comprising equity securities (within the meaning of section 560(1) of the Act) up to an aggregate nominal amount £33,333.00 (such amount to be reduced by any allotments or grants made under paragraph (a) of this Resolution) in connection with an offer by way of a rights issue:
 - (i) to holders of Ordinary Shares in proportion (or nearly as may be practicable) to their existing holdings; and
 - (ii) to holders of other equity securities as required by the rights attached to those securities or as the Directors otherwise consider necessary,and so that the Directors may impose any limits or restrictions and make any arrangements as the Directors deem necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, any legal, regulatory or practical problems in, or under the laws of, any territory, or any other matter,provided that these authorisations will expire at the conclusion of the next annual general meeting of the Company (or if earlier on 31 October 2016), save that 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 convert securities into shares to be granted after such expiry and the Directors may allot shares or grant rights to subscribe for or convert securities into shares in pursuance of such an offer or agreement as if the authority had not expired.
(Resolution 9)

Notice of the 2015 Annual General Meeting

continued

Special Resolutions

10. To authorise the Company, subject to and in accordance with the provisions of the Act, to send, convey, or supply all types of notices, documents or information to shareholders by electronic means, including making such notices, documents or information available on a website.

(Resolution 10)

11. To authorise the Company generally and unconditionally (subject to the passing of Resolution 14) for the purposes of section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of any of its Ordinary Shares on such terms and in such manner as the Directors may from time to time determine provided that:

(a) the maximum number of Ordinary Shares which may be purchased is 10,000,000;

(b) the minimum price which may be paid for each Ordinary Share is 0.05 pence which amount shall be exclusive of expenses, if any;

(c) the maximum price (exclusive of expenses, if any) which may be paid for each Ordinary Share is an amount equal to the higher of:

(i) 105% of the average of the middle market quotations for the Ordinary Shares of the Company as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which such Ordinary Share is contracted to be purchased, and

(ii) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange Official List at the time the purchase is agreed;

(d) unless previously renewed, revoked or varied, this authority shall expire at the conclusion of the annual general meeting to be held in 2016 or 31 October 2016, whichever is the earlier; and

(e) under this authority the Company may make a contract to purchase Ordinary Shares which would or might be executed wholly or partly after the expiry of this authority, and may make purchases of Ordinary Shares pursuant to it as if this authority had not expired.

(Resolution 11)

12. To permit the calling of a general meeting of the Company, other than an annual general meeting, on not less than 14 clear days' notice.

(Resolution 12)

13. To empower the Directors to allot equity securities (within the meaning of section 560(1) of the Act) for cash pursuant to the authorities conferred by Resolution 9 above, pursuant to section 570 and/or section 573 of the Act as if section 561(1) of the Act did not apply to any such allotment, provided this power shall be limited to:

(a) the allotment of equity securities and sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (b) of Resolution 9, by way of a rights issue only):

(i) to holders of Ordinary Shares in proportion (or nearly as may be practicable) to their existing holdings; and

(ii) to holders of other equity securities as required by the rights attached to those securities or as the Directors otherwise consider necessary,

and so that the Directors may impose any limits or restrictions and make any arrangements as the Directors deem necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, any legal, regulatory or practical problems in, or under the laws of, any territory, or any other matter; and

(b) in the case of the authority granted under paragraph (a) of Resolution 9 and/or in the case of any sale of treasury shares for cash, the allotment (other than under paragraph (a) of this Resolution) of equity securities or sale of treasury shares up to an aggregate nominal amount of £5,000,

provided that these powers will expire at the conclusion of the next annual general meeting of the Company (or if earlier on 31 October 2016), save that the Company may before the end of such period make an offer or agreement which would or might require equity securities to be allotted (and/or treasury shares to be sold) after expiry of the power and the Directors may allot equity securities (and/or sell treasury shares) in pursuance of such an offer or agreement as if the power had not expired.

(Resolution 13)

Notice of the 2015 Annual General Meeting

continued

Ordinary Resolutions of the Independent Shareholders

14. To resolve that the waiver granted by the Panel on Takeovers and Mergers of any requirements under Rule 9 of the Takeover Code for members of the Concert Party to make a general offer to Shareholders by reason of any increase in the percentage of Ordinary Shares in which members of the Concert Party are interested as a result of purchases by the Company of up to 10,000,000 Ordinary Shares be and is hereby approved.

(Resolution 14)

15. To resolve that the waiver granted by the Panel on Takeovers and Mergers of any requirements under Rule 9 of the Takeover Code for members of the Concert Party to make a general offer to Shareholders by reason of any increase in the percentage of Ordinary Shares in which members of the Concert Party are interested as a result of the issue of up to 660,525 Ordinary Shares to members of the Concert Party pursuant to the grant and vesting and/or exercise of up to 648,683 PSP Awards and up to 11,842 Sharesave Awards (which are in addition to the Existing CP Awards) be and is hereby approved.

(Resolution 15)

By order of the Board

Guy Jackson

Company Secretary

17 August 2015

Registered Office:

Gelderd Road

Leeds

West Yorkshire

LS12 6LT

United Kingdom

Explanatory notes to the resolutions

Resolution 1: To receive the Annual Report and Accounts

The Directors are required to lay before the Company in general meeting their Annual Report and Accounts of the Company for the financial year ended 30 April 2015. The Directors ask that Shareholders receive the Company's Annual Report and Accounts, including the reports of the Directors and the auditor.

Resolution 2: Annual Directors' Remuneration Report

Shareholders are asked to approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) which is set out on pages 56 to 66 of the Annual Report and Accounts (available to download from the Clipper website at www.clippergroup.co.uk/investor-news). This vote will be held annually and is advisory in nature.

The Directors' Remuneration Policy was approved by shareholders at the 2014 Annual General Meeting and remains unchanged. Subject to the passing of Resolution 2, Shareholder approval of the Directors' Remuneration Policy is valid for three years and will therefore be put to a Shareholder vote no later than the Annual General Meeting to be held in 2017. However, if Resolution 2 is not passed the Directors will be required to put the Directors' Remuneration Policy to a shareholder vote at the 2016 Annual General Meeting. The summary policy table from the Directors' Remuneration Policy is included in this year's Annual Report and Accounts as an appendix to the Directors' Remuneration Report for ease of reference.

Resolution 3: Approval of final dividend

The Board proposes a final dividend of 3.2 pence per Ordinary Share for the year ended 30 April 2015. Resolution 3 is to approve this final dividend. If approved, the recommended final dividend will be paid on 30 September 2015 to all Shareholders who are on the register of members on 4 September 2015.

Resolution 4: Re-appointment of auditors

This resolution is to re-appoint Ernst & Young LLP as auditors of Clipper, to hold office from the end of the Annual General Meeting to the end of the next annual general meeting at which accounts are laid before Shareholders.

Resolution 5: Remuneration of auditors

This resolution is to authorise the Directors to fix the remuneration of the auditors.

Resolution 6 – 8 (inclusive): Re-election of Directors

Resolutions 6, 7 and 8 deal with the re-election of David Hodkin, Steve Parkin and Tony Mannix as directors of the Company. In accordance with the Company's articles of association, one third of the Directors in office must retire by rotation at each annual general meeting of the Company and each Director must retire from office at least once every three years. Since all of the Directors were re-elected at the Company's 2014 Annual General Meeting, David Hodkin, Steve Parkin and Tony Mannix are retiring and offering themselves for re-election. Detailed biographies of each of those Directors seeking re-election are below:

Steve Parkin, Executive Chairman

Steve, a fashion logistics specialist, founded Clipper in 1992. As Executive Chairman, Steve is responsible for the strategic direction of the Group. Steve has extensive experience of retail logistics particularly in fashion. He holds and pursues strategic level discussions with major retailers and, in addition, drives the Group's acquisition strategy. Steve is the chairman of the Nomination Committee.

Tony Mannix, Chief Executive Officer

Tony was appointed Chief Executive Officer of the Group in May 2014 having joined Clipper in 2006 as Managing Director of the UK logistics division. Tony has over 25 years' experience in the logistics sector, and has held a number of senior roles with Roseby's plc (which became part of Homestyle Group plc) becoming Logistics Director. Tony has particular experience of operating in complex retail logistics environments, including the design and specification of both distribution centres and warehouse management systems. Tony began his career in logistics with the Burton Group, after working in the construction industry following his graduation with a degree in Architectural Engineering.

David Hodkin, Chief Financial Officer

David joined the Group as Group Chief Financial Officer in 2003. David has held a variety of board level roles prior to joining Clipper, including Group Finance Director of Symphony Group plc, Finance Director of Kunick Leisure Ltd, and a number of senior roles in Magnet Limited. David is a member of the Chartered Institute of Management Accountants.

The Board is of the view that each Director standing for re-election brings considerable and wide ranging skills and experience to the Board as a whole which will be invaluable as the Company continues to grow its business. Following the Board evaluation process the Board remains satisfied that each Director continues to make an effective and valuable contribution to the Board and demonstrates continued commitment to their role.

Explanatory notes to the resolutions

continued

Resolution 9: Authority to allot shares

The purpose of this resolution is to renew the Directors' power to allot shares in line with guidance issued by the Investment Association. Under section 549 of the Act, the Directors are prevented, subject to certain exceptions, from allotting shares in the Company or from granting rights to subscribe for or to convert any security into shares without the authority of the Shareholders in general meeting.

Paragraph (a) of Resolution 9 would give the Directors the authority to allot shares up to an aggregate nominal amount equal to £16,666.50. This amount represents approximately one-third of the issued ordinary share capital of Clipper as at the Latest Practicable Date.

Paragraph (b) of Resolution 9 would give the Directors authority to allot shares or grant rights to subscribe for or to convert any security into shares in connection with a rights issue in favour of Shareholders up to an aggregate nominal amount equal to £33,333.00, as reduced by the nominal amount of any shares previously issued under paragraph (a) of the resolution. This amount (before any reduction) represents approximately two-thirds of the issued ordinary share capital of Clipper as at the Latest Practicable Date.

The authorities sought under paragraphs (a) and (b) of Resolution 9 will expire at the earlier of 31 October 2016 (the last date by which Clipper must hold an annual general meeting in 2016) or the conclusion of the annual general meeting of Clipper to be held in 2016. The Directors have no immediate plans to allot or agree to allot shares, except to satisfy Share Awards under the Sharesave Plan and the PSP, but the Board wishes to ensure that the Company has maximum flexibility in managing the Group's capital resources.

Resolution 10: Electronic communications

This resolution seeks to allow the Company to take advantage of electronic communications rules in the Act. These rules concern communications between companies, shareholders and others. The resolution, if passed, would allow the Company to use electronic communications with Shareholders as the default position by placing documents such as the annual report and accounts on a website rather than having to send them in hard copy. The Company will notify Shareholders, by post or email if they have provided an email address, that the document is available on the website. Shareholders can, however, ask for a hard copy of any document at any time.

Under the Act, a company can write to shareholders asking for their consent to receive communications via the website, or by other electronic means. The request applies to all documents including, but not limited to, the annual report and accounts, notices of general

meetings, any documents which a company is required to send to shareholders under the Listing Rules, or other rules the company is subject to, and any documents sent pursuant to the articles of association. A shareholder who does not respond within 28 days of receiving the notice will be deemed to have consented to use of the website and receiving documents via electronic means. If this resolution is passed, the new arrangements are expected to result in potential administration, printing and postage cost savings for the Company, whilst preserving Shareholders' rights to receive hard copy documents if they wish.

Resolution 11: Authority for the Company to purchase its Ordinary Shares

Under Section 701 of the Act the directors of a company may make market purchases of that company's shares if authorised to do so by its shareholders. The Directors believe that granting such approval would be in the best interests of Shareholders in allowing the flexibility to react promptly to circumstances requiring market purchases and Resolution 11 seeks to grant that authority to the Directors subject to the passing of Resolution 14.

Resolution 11 will, if passed (and subject to Resolution 14 being passed), give the Directors authority to make one or more market purchases of the Company's Ordinary Shares up to a limit of 10,000,000 Ordinary Shares having an aggregate nominal value of £5,000 which represents 10% of the total issued ordinary share capital of the Company as at the Latest Practicable Date. The upper and lower limits on the price which may be paid for those shares are set out in the resolution itself.

Ordinary Shares purchased under this authority may be held as treasury shares. The Company may purchase and hold Ordinary Shares as treasury shares up to a maximum equal to 10% of the nominal value of the total issued ordinary share capital at the time, rather than cancelling them. Ordinary Shares held in treasury do not carry voting rights and no dividends will be paid on any such Ordinary Shares.

Treasury shares may only be used by the Company for limited purposes: it may cancel those shares, transfer them for the purposes of or pursuant to an employee share scheme or sell them for cash.

Treasury shares can be sold quickly and cost effectively, giving the Company additional flexibility in the management of its capital base. Any shares held in treasury and transferred for the purposes of the Company's employee share schemes will, so long as required under institutional guidelines, count towards the limits on the number of new shares which may be issued under the rules of those schemes.

Explanatory notes to the resolutions

continued

Shares will only be purchased if the Directors consider such purchases to be in the best interests of Shareholders generally and that they can be expected to result in an increase in earnings per share. The authority will only be used after careful consideration, taking into account prevailing market conditions, other investment opportunities, appropriate gearing levels and the overall financial position of the Group. Shares held as treasury shares will not automatically be cancelled and will not be taken into account in future calculations of earnings per share (unless they are subsequently resold or transferred out of treasury). Any purchases would be by means of market purchases through the London Stock Exchange.

As at the Latest Practicable Date, the total number of options over Ordinary Shares outstanding was 2,157,334 representing approximately 2.16% of the issued ordinary share capital of the Company. If the authority to buy back Ordinary Shares given under this Resolution 11 were used in full, the total number of options over Ordinary Shares outstanding as at the Latest Practicable Date would represent approximately 2.40% of the issued ordinary share capital of the Company.

At the Latest Practicable Date the Company held no shares in treasury.

If granted, the authority will expire at the earlier of 31 October 2016 (the last date by which Clipper must hold an annual general meeting in 2016) or the conclusion of the annual general meeting of Clipper to be held in 2016.

Resolution 12: Notice period for general meetings

The Companies Act 2006 (as amended) increased the notice period required for general meetings of the Company to at least 21 clear days unless Shareholders approve a shorter notice period which cannot however be less than 14 clear days. Annual general meetings will continue to be held on at least 21 clear days' notice. Prior to these amendments to the Act, companies whose equity securities were admitted to the Official List were able to call general meetings, other than annual general meetings, on at least 14 clear days' notice without obtaining such shareholder approval. In order to preserve this ability, Resolution 12 seeks the necessary Shareholder approval. The approval will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed. The Company will also need to meet the requirements for electronic voting under the Act in order to be able to call a general meeting on 14 clear days' notice. The flexibility offered by this resolution will be used where, taking into account the circumstances, the Directors consider this appropriate in relation to the business to be considered at the meeting in question, and would not be used as a matter of routine.

Resolution 13: Disapplication of pre-emption rights

If the Directors wish to allot new Ordinary Shares and other equity securities (as defined in the Act), or sell treasury shares for cash (other than in connection with an executive or employee share scheme), the Act requires that these shares are offered first to Shareholders in proportion to their existing holdings.

The existing authority disapplying this pre-emption right conferred by a special resolution on 29 September 2014 will expire at the conclusion of the AGM. It is therefore proposed that it be renewed. Resolution 13 would give the Directors the authority to allot shares (or sell any shares which Clipper elects to hold in treasury) for cash without first offering them to existing Shareholders in proportion to their existing shareholdings. This authority is limited to allotments or sales in connection with pre-emptive offers and offers to holders of other equity securities if required by the rights of those shares or as the Board otherwise considers necessary, except under paragraph (b) of Resolution 13 which permits non-pre-emptive offers up to an aggregate nominal amount of £5,000 (representing 10,000,000 Ordinary Shares). This aggregate nominal amount represents approximately 10% of the issued ordinary share capital of Clipper as at the Latest Practicable Date.

Allotments made in connection with the authorisation in paragraph (a) of Resolution 13 would be limited to allotments by way of rights issues only (subject to the right of the Board to impose necessary or appropriate limitations to deal with, for example, fractional entitlements and regulatory matters).

The Board confirms that it will only allot shares representing more than 5% of the issued ordinary share capital of the Company (excluding treasury shares), for cash pursuant to the authority referred to in paragraph (b) of Resolution 13, where that allotment is in connection with an acquisition or specified capital investment (within the meaning given in the Pre-Emption Group's Statement of Principles) which is announced contemporaneously with the allotment, or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment. In respect of the authority referred to in paragraph (b), the Board also confirms its intention to follow the provisions of the Pre-Emption Group's Statement of Principles regarding cumulative usage of authorities within a rolling three-year period where the Principles provide that usage in excess of 7.5% of issued ordinary share capital of the Company (excluding treasury shares) should not take place without prior consultation with shareholders, except in connection with an acquisition or specified capital investment as referred to above.

Explanatory notes to the resolutions

continued

The authority will expire at the earlier of 31 October 2016 (the last date by which Clipper must hold an annual general meeting in 2016) or the conclusion of the annual general meeting of Clipper to be held in 2016. Your Directors do not have any present intention of exercising this authority, but consider it desirable to have the flexibility to use it should the need arise.

Resolution 14: Waiver of Rule 9 of Takeover Code - purchase of own Ordinary Shares

The purpose of this resolution is to seek the approval of Independent Shareholders to a waiver, which the Panel has agreed to give (subject to such approval, to be sought by way of a vote taken by poll), of the obligation that might otherwise arise under Rule 9 of the Takeover Code for any member of the Concert Party to make a mandatory offer for the Ordinary Shares not already owned by it as a result of a repurchase of Ordinary Shares by Clipper. Under Resolution 11 Clipper is seeking the authority to make market purchases of up to 10,000,000 Ordinary Shares.

As set out in the explanatory notes to Resolution 11 above, the Directors believe that it is advantageous for Clipper to have the flexibility to make market purchases of its own Ordinary Shares, and if that resolution is passed will only exercise this authority if they are satisfied that it would be in the interests of the Shareholders generally. The Concert Party currently holds 43.99% of Clipper's issued share capital (excluding their interests in Ordinary Shares under the Existing CP Awards). Were Clipper to exercise the buy-back authority to the exclusion of the Concert Party such that the Concert Party maintained its current shareholding, that would result in the percentage interest held by the Concert Party in Clipper's issued share capital increasing to 48.88% (assuming that no other Ordinary Shares are issued following the Latest Practicable Date including the exercise or vesting of any options or awards (including the Existing CP Awards) awarded under the PSP Awards and Sharesave Awards). Any percentage increase in its interest would, without the approval sought under this Resolution 14, trigger an obligation on the part of the Concert Party to make an offer for the entire share capital of Clipper pursuant to Rule 9 of the Takeover Code. Members of the Concert Party may attend the AGM but will not be entitled to vote on this Waiver Resolution.

Resolution 15: Waiver of Rule 9 of Takeover Code - PSP Awards and Sharesave Awards

The purpose of this resolution is to seek the approval of Independent Shareholders to a waiver, which the Panel has agreed to give (subject to such approval, to be sought by way of a vote taken by poll), of the obligation that might otherwise arise under Rule 9 of the Takeover Code for any member of the Concert Party to make a mandatory offer for the Ordinary Shares not already owned by it as a result of the grant (and subsequent exercise or vesting) of up to 648,683 2015/16 PSP Awards and up to 11,842 2015/16 Sharesave Awards. The members of the Concert Party currently holding shares may attend the AGM but will not be entitled to vote on this Waiver Resolution.

The maximum number of 2015/16 PSP Awards referred to above represents PSP Awards over Ordinary Shares with a value equal to one-and-a-half-times the base salary of each Executive Director and one-times the base salary of Guy Jackson calculated using the Company's share price on 30 April 2015, being the end of the Company's last financial year (£1.90 per Ordinary Share).

This represents a maximum number of Ordinary Shares over which 2015/16 PSP Awards may be granted pursuant to the approval being sought. In practice, subject to this maximum number, the actual number of Ordinary Shares subject to 2015/16 PSP Awards will be calculated using the three day average share price prior to the date on which 2015/16 PSP Awards are granted and, subject to the discretion of the Remuneration Committee, are not expected to exceed one-times base salary of each individual.

Similarly, the number of Ordinary Shares approved by this resolution for the grant of 2015/16 Sharesave Awards has been calculated using the Company's share price at 30 April 2015 (£1.90 per Ordinary Share), the maximum monthly savings which a member of the Concert Party may choose to make over a three-year savings contract (£500 per calendar month) and the maximum discount for the Sharesave Award price which the Company may choose to allow under HMRC legislation for sharesave plans (20% discount to share price). Each member of the Concert Party other than Guy Jackson has already reached their maximum amount of Sharesave Awards and, accordingly, the number of Ordinary Shares for which authority is sought for 2015/16 Sharesave Awards pursuant to this resolution (11,842 Ordinary Shares) represents a maximum number of Ordinary Shares over which Sharesave Awards may be granted to Mr Jackson (see page 11 of this document for an explanation of Mr Jackson's position in respect of Share Awards and his inclusion as a member of the Concert Party). In practice, subject to such maximum number, the extent to which Mr Jackson actually participates in the Sharesave Plan will be determined on the basis of the invitations which will be issued to all eligible employees on the same terms in 2015/16.

Explanatory notes to the resolutions

continued

Information relating to Rule 9 of the Takeover Code

Takeover Code

The Takeover Code is issued and administered by the Panel and applies to Clipper because it is a public company which has its registered office in the United Kingdom and its securities admitted to the Official List. The Takeover Code and the Panel operate principally to ensure fair and equal treatment of shareholders in relation to takeovers, and also provide an orderly framework within which takeovers are conducted.

Under Rule 9 of the Takeover Code, any person who acquires an interest (as defined in the Takeover Code) in shares which, taken together with shares in which he is already interested and in which persons acting in concert with him are interested, carry 30% or more of the voting rights of a company which is subject to the Takeover Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares.

Similarly, when any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30% of the voting rights of such a company but does not hold shares carrying more than 50% of such voting rights, a general offer will normally be required if any further interests in shares are acquired by any such person.

An offer under Rule 9 must be made in cash and at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the relevant company during the 12 months prior to the announcement of the offer.

In 2014, the Panel agreed, with the approval of Independent Shareholders, to waive the requirement for the Concert Party to make a mandatory offer to Independent Shareholders as would otherwise have arisen under Rule 9 of the Takeover Code as a result of any purchase by the Company of Ordinary Shares under the authority to make market purchases granted at the 2014 Annual General Meeting and the grant and subsequent exercise or vesting of up to 735,000 PSP Awards and 67,500 Sharesave Awards. Following such approval, the Existing CP Awards were granted to members of the Concert Party (see tables at page 12 and paragraph 3.1 on page 16 of this document).

This year the Company has again applied to the Panel for a waiver of Rule 9 in order to permit the authority to repurchase shares to be exercised by the Board (subject to Resolutions 11 and 14 being passed) and the 2015/16 Share Awards to be made (subject to Resolution 15 being passed) without triggering an obligation on the

part of any member of the Concert Party to make a general offer to all Shareholders. The waiver granted by the Panel (which is conditional on the passing of the Waiver Resolutions by the Independent Shareholders on a poll) relates only to any increase in the percentage of Ordinary Shares held by the members of the Concert Party as a result of the purchase by the Company of Ordinary Shares under the authority proposed to be granted by Resolution 11 and/or the exercise or vesting of 2015/16 Share Awards in favour of members of the Concert Party proposed to be approved under Resolution 15.

Following any exercise by the Board of the authority to repurchase shares and the exercise or vesting of Share Awards (including the Existing CP Awards), the Concert Party will continue to be interested in shares which carry more than 30% but will not hold more than 50% of the Company's voting share capital, and any further increase in the number of shares in which members of the Concert Party are interested (other than a further exercise of the authority to repurchase shares or a further exercise or vesting of Share Awards (including the Existing CP Awards), in each case subject to the maximum amounts approved) will be subject to the provisions of Rule 9 of the Takeover Code.

The Concert Party

Steve Parkin (as the ultimate controller of Carlton Court Investments Limited) holds 34,797,100 Ordinary Shares which, at the Latest Practicable Date, represented approximately 34.80% of the issued share capital of Clipper. David Hodkin, Sean Fahey and, since February 2015, Guy Jackson have been deemed by the Panel to be acting in concert with Steve Parkin and with each other.

Guy Jackson was appointed as General Counsel and Company Secretary to the Company on 9 February 2015 and, in his capacity as a solicitor, has known Steve Parkin since 1999, having advised Mr Parkin and the Group on various corporate and investment-related legal matters whilst in private practice. In February 2015 the Panel ruled that Mr Jackson should be included in the Concert Party in view of the length of time over which Mr Jackson has acted for Mr Parkin as a solicitor and his continuing role as a trustee of Mr Parkin's family trusts. As a result of this ruling, the Company decided not to make any Share Awards to Mr Jackson in respect of the last financial year so as to avoid the possibility of triggering a requirement for the Concert Party to make a mandatory offer or having to seek a specific waiver from Independent Shareholders in general meeting. Accordingly, the Remuneration Committee intends that, subject to the Waiver Resolutions being passed, a cumulative award is made to Mr Jackson in 2015/16.

Explanatory notes to the resolutions

continued

Steve Parkin (Executive Chairman)

Steve, a fashion logistics specialist, founded the Group in 1992. As Executive Chairman, Steve is responsible for the strategic direction of the Group. Steve is the ultimate controller of Carlton Court Investments Limited which holds 34.80% of the issued share capital of the Company. Steve has extensive experience of retail logistics, particularly in fashion. He holds and pursues strategic level discussions with major retailers. In addition, Steve drives the Group's acquisition strategy and is the chairman of the Nomination Committee.

David Hodkin (Chief Financial Officer)

David joined the Group as Group Chief Financial Officer in 2003. David has held a variety of board level roles prior to joining Clipper, including Group Finance Director of Symphony Group plc, Finance Director of Kunick Leisure Limited, and a number of senior roles in Magnet Limited. David is a member of the Chartered Institute of Management Accountants.

Sean Fahey (Chief Information Officer)

Sean joined Clipper in 1992, initially as the director responsible for accounting and IT. Sean has extensive experience of designing and implementing complex logistics solutions, based on many years of direct operational management experience, which complement his skills as an IT specialist. As the Group has grown, Sean has held positions of Development Director, Project Director, and now has responsibility for the IT, projects and implementation functions as Chief Information Officer, along with his responsibilities on the Board.

Guy Jackson (General Counsel and Company Secretary)

Guy is a qualified solicitor. Prior to joining Clipper he was a corporate partner at DWF LLP specialising in M&A and equity capital markets. He has advised the Group in that capacity for 15 years.

The following table shows the number of ordinary shares owned by each member of the Concert Party at the Latest Practicable Date and, on the assumptions indicated, the percentage of the enlarged share capital which would be held by them assuming maximum 2015/16 Share Awards are granted to the Concert Party.

Name of Concert Party member	Number of issued Ordinary Shares	Percentage of issued Ordinary Shares	Existing PSP Awards	Existing Sharesave Awards	Max. no. of Ordinary Shares from 2015/16 PSP Awards	Max. no. of Ordinary Shares from 2015/16 Sharesave Awards	Enlarged number of Ordinary Shares	Percentage of Enlarged Share Capital (Share Awards) ¹	Percentage of Enlarged Share Capital (Share Awards and Buy Back) ²
Steve Parkin ³	34,797,100	34.80	229,682	12,820	319,736	Nil	35,359,338	34.97	38.81
David Hodkin ⁴	1,358,613	1.36	102,081	12,820	142,105	Nil	1,615,619	1.60	1.77
Sean Fahey ⁵	7,834,397	7.83	85,067	12,820	118,421	Nil	8,050,705	7.96	8.83
Guy Jackson	Nil	Nil	Nil	Nil	68,421	11,842	80,263	0.08	0.09
TOTAL	43,990,110	43.99	416,830	38,460	648,683	11,842	45,105,925	44.61	49.50

¹ Assumes that the maximum number of 2015/16 Share Awards are granted to members of the Concert Party and, together with the Existing CP Awards (each as detailed in the table), vest or are exercised in full, and are retained, and no other Ordinary Shares are issued, including in respect of options or warrants held by other people.

² Assuming no member of the Concert Party sells any Ordinary Shares in a re-purchase by the Company and the Existing CP Awards and maximum number of 2015/16 Share Awards are granted to members of the Concert Party, and vest or are exercised in full and are retained, and no other Ordinary Shares are issued, including in respect of options or warrants held by other people.

³ Registered in the name of Carlton Court Investments Limited, of which Steve Parkin is the ultimate controller.

⁴ Registered in the name of David Hodkin's nominee, Wolds Investments Limited.

⁵ Registered in the name of Sean Fahey's nominee, SOMLIE Limited.

Proposed PSP Awards

Clipper believes that the PSP Awards enable it to provide a competitive incentive and retention tool which is also cost effective in respect of both Shareholder dilution and income statement expense. The Remuneration Committee intends to make annual PSP Awards to members of the senior management team, including the Executive Directors. Each PSP Award has performance conditions attached which demonstrates the Remuneration Committee's desire to correlate incentive arrangements with the achievement of substantial performance.

In 2015/16 the Remuneration Committee may, subject to the approval of the Shareholders, grant Steve Parkin a PSP Award over up to 319,736 Ordinary Shares, David Hodkin a PSP Award over up to 142,105 Ordinary Shares, Sean Fahey a PSP Award over up to 118,421 Ordinary Shares and Guy Jackson a PSP Award over up to 68,421 Ordinary Shares (each a member of the Concert Party). As stated earlier, the actual number of shares subject to PSP Awards will be calculated using the three day average share price prior to the date on which 2015/16 PSP Awards are

Explanatory notes to the resolutions

continued

granted and, subject to the discretion of the Remuneration Committee, are not expected to exceed one-times base salary of each individual. Should Shareholders approve the Waiver, Clipper may grant these Share Awards in the 42 day period following the announcement of the Company's results for any period, or otherwise in accordance with the scheme rules.

Proposed Sharesave Awards

Clipper introduced the Sharesave Plan in 2014 to give all eligible staff the opportunity to participate in a share plan and thus to align themselves with the interests of Shareholders in a straightforward and low-risk manner. Members of the Concert Party must be invited to participate in the Sharesave Plan on the same terms as all other eligible employees under HMRC's rules for sharesave plans. Clipper is accordingly seeking authority to allow Guy Jackson to participate in the Sharesave Plan should he wish to do so but subject to his Sharesave Awards being over a maximum of 11,842 Ordinary Shares as explained above.

Effects of the Share Awards

Each of Steve Parkin, Sean Fahey, David Hodkin and Guy Jackson are members of the Concert Party and consequently the receipt by them of Ordinary Shares on vesting or exercise of Share Awards could give rise to an obligation pursuant to Rule 9 of the Takeover Code to make a mandatory offer to acquire the Ordinary Shares not owned by the Concert Party. The Independent Directors consider that it would undermine the purpose for which the Share Awards are granted to require such an offer to be made and accordingly are seeking a waiver of that obligation from Independent Shareholders for 2015/16 PSP Awards to be granted to Steve Parkin, Sean Fahey, David Hodkin and Guy Jackson in respect of up to 648,683 Ordinary Shares in aggregate and for Sharesave Awards to be granted to Guy Jackson in respect of up to 11,842 Ordinary Shares in aggregate.

Assuming that 2015/16 Share Awards are made in respect of the full number of Ordinary Shares referred to above, that all such grants vest or are exercised in full and that all Existing CP Awards vest or are exercised in full and the resulting Ordinary Shares were in each case retained by the Concert Party members, the Concert Party would hold, in aggregate, 45,105,925 Ordinary Shares, representing 44.61% of the issued share capital of Clipper (as enlarged by the issue of Ordinary Shares pursuant to the 2015/16 Share Awards referred to above and the Existing CP Awards, but assuming no other issue of Ordinary Shares) versus 43.99% of the issued share capital of Clipper prior to the grant of such 2015/16 Share Awards, and prior to the vesting or exercise of the Existing CP Awards.

Interaction of Share Awards and purchase of own Ordinary Shares

The maximum vesting or exercise of the 2015/16 Share Awards and the Existing CP Awards could increase the aggregate shareholding of the Concert Party in Clipper by a total of 1,115,815 Ordinary Shares, with the effect of increasing the holding of the Concert Party to 44.61%. Subject to any extraordinary discretionary decision by the Remuneration Committee, the earliest date on which the Share Awards may vest is the third anniversary of the grant of the Share Awards.

If the maximum repurchase of Ordinary Shares authorised under Resolution 11 was made and the Concert Party did not sell any Ordinary Shares in the repurchase, this would increase the aggregate shareholding of the Concert Party in Clipper to 48.88% (assuming that no 2015/16 Share Awards were granted and the Existing CP Awards had not vested or were not exercised (as applicable)).

If the maximum repurchase of Ordinary Shares authorised was carried out by Clipper and also the maximum number of 2015/16 Share Awards and the Existing CP Awards vested and were exercised, these changes would increase the aggregate shareholding of the Concert Party in Clipper to 49.50% (assuming that the Concert Party did not sell any Ordinary Shares in the repurchase of Ordinary Shares and assuming no other issue of Ordinary Shares to any other person).

Intentions of the members of the Concert Party

The members of the Concert Party have confirmed that it would be their intention that, following any increase in their proportionate shareholding as a result of the grant of the Share Awards referred to above, the business of Clipper would be continued in substantially the same manner as at present, with no likely redeployment of Clipper's fixed assets and no likely repercussions on employment and the location of Clipper's business. The members of the Concert Party are also not intending to terminate the continued employment of or make any material changes to the existing employment rights, including pension rights, of any of the employees of Clipper. The members of the Concert Party have no intention to cause Clipper to cease to maintain any of the trading facilities in respect of the Ordinary Shares of Clipper.

In the event that the Waiver Resolutions are approved at the Annual General Meeting, the Concert Party will not be restricted from making an offer for all of the Ordinary Shares in Clipper.

The members of the Concert Party have confirmed that they do not intend to make a general offer to the shareholders of Clipper.

For additional information required by the Takeover Code please see the information on pages 16 to 22 of this circular.

Notes to the Notice of Annual General Meeting

Proxies

1. Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this Notice. If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact the Company's Registrar, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA or by telephone on 0871 384 2030. Lines are open 8.30am to 5.30pm Monday to Friday; calls to this number are charged at 8p per minute plus network extras. Overseas telephone: +44 121 415 7047. To appoint more than one proxy you may photocopy the Form of Proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned to Equiniti at the above address together in the same envelope.
2. Shareholders who are CREST members may use the electronic proxy voting service provided by Euroclear UK and Ireland Limited ("**Euroclear**") as described below.
3. To be valid, any Form of Proxy or other instrument appointing a proxy, together with any power of attorney or other authority under which it is signed (or a duly certified copy thereof), must be received by post or (during normal business hours only) by hand at the Company's registrar Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA no later than 11.00am on Thursday 24 September 2015.
4. The return of a completed Form of Proxy, other such instrument or any CREST Proxy Instruction (as described in paragraph 6 below) will not prevent a shareholder attending the AGM and voting in person if he/she wishes to do so.

Instructions for electronic proxy appointment through CREST

5. CREST members who wish to appoint a proxy or proxies through CREST electronic proxy appointment service may do so for the AGM, and any adjournment(s) thereof, by using the procedures and to the address described in the CREST Manual (available via www.euroclear.com) subject to the provisions of the Company's articles of association. 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.

6. 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's specifications, and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is 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 number RA19) no later than 11.00am on Thursday 24 September 2015. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which Equiniti 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.
7. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear 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 members concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his/her CREST sponsor or voting service provider(s) takes(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 sponsor or voting system provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
8. 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 (the "**Regulations**").

Documents on display

9. Copies of service agreements under which the Executive Directors of Clipper are employed together with copies of the terms and conditions of appointment of Non-Executive Directors are available for inspection at Clipper's registered office during normal business hours from the date of this Notice until the date of the AGM (Saturdays, Sundays and public holidays excepted) and will be available for inspection at the place of the AGM for at least 15 minutes prior to and during the meeting.

Notes to the Notice of Annual General Meeting

continued

10. A copy of this Notice, and other information required by section 311A of the Act, can be found at: www.clippergroup.co.uk/investor-news.

Nominated persons

11. The right to appoint proxies does not apply to any person to whom this Notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a “Nominated Person”). Nominated Persons are hereby informed that they may, under an agreement between him/her and the shareholder by whom he/she is nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights.

Voting at the AGM

12. It is intended that voting on all resolutions at the AGM will be conducted on a poll, rather than a show of hands. The Directors believe that this produces more democratic results, as all shares represented at the AGM and those lodged before the AGM are included in the results of the voting on a one share, one vote basis.

Right to attend and vote

13. Pursuant to Regulation 41 of the Regulations and section 360B(2) of the Act, the Company has specified that in order to have the right to attend and vote at the meeting (and also for the purpose of determining how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the Company at 6.00pm on Thursday 24 September 2015, or in the event of any adjournment, at 6.00pm on the date which is two days before the day of the adjourned meeting. Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

Total number of shares and voting rights

14. As at 13 August 2015 (the latest practicable date before publication of this Notice), the Company’s issued share capital comprised 100,000,000 ordinary shares of 0.05 pence each, of which 100,000,000 carry voting rights in relation to all circumstances at general meetings of the Company. Therefore, the total voting rights in the Company as at 13 August 2015 (being the latest practicable date prior to publication of this Notice) were 100,000,000.

Website publication of audit concerns

15. Under section 527 of the Act, Shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on its website a statement setting out any matter relating to: (i) the audit of the Company’s accounts (including the auditor’s report and the conduct of the audit) that are to be laid before the AGM; or (ii) 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 of the Act (in each case) that the members propose to raise at the AGM. The Company may not require the Shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company’s auditor not later than the time when it makes the statement available on its website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Act to publish on its website.

Corporate Shareholders

16. A Shareholder which is a corporation may authorise a person or persons to act as its representative(s) at the AGM. In accordance with the provisions of the Act, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual Shareholder, provided that they do not do so in relation to the same shares. It is no longer necessary to nominate a designated corporate representative.

Right to ask questions

17. Any shareholder attending the AGM has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Communication

18. You may not use any electronic address (within the meaning of section 333(4) of the Act) provided in this Notice (or in any related documents including the Annual Report and Accounts and the Form of Proxy) to communicate with Clipper for any purposes other than those expressly stated.

Additional information

1. Responsibility

1.1 The Directors, whose names appear in paragraph 2 below, and the Company accept responsibility individually and collectively for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

1.2 The members of the Concert Party accept responsibility individually and collectively for the information contained in this document relating to them. To the best of the knowledge and belief of the members of the Concert Party (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. The Directors

The current Directors of the Company are:
 Steven (Steve) Parkin (Chairman)
 Antony (Tony) Mannix (Chief Executive Officer)
 David Arthur Hodkin (Chief Financial Officer)
 Sean Eugene Fahey (Chief Information Officer)
 Paul Nigel Hampden Smith (Senior Independent Non-Executive Director)
 Stephen Peter Robertson (Independent Non-Executive Director)
 Ronald (Ron) Charles Series (Independent Non-Executive Director)
 Michael (Mike) John Russell (Independent Non-Executive Director)

3. Interests and dealings

The Directors

3.1 As at the close of business on the Latest Practicable Date, the interests of the Directors and of their immediate families and of persons connected with the Directors (within the meaning of Section 252 of the CA 2006) in Ordinary Shares were as follows:

Name	Number of Ordinary Shares	Percentage of current issued share capital	Number of share options granted under the PSP on 14 January 2015	Number of share options granted under the Sharesave Plan on 10 February 2015
Steve Parkin	34,797,100	34.80	229,682	12,820
Tony Mannix	1,358,613	1.36	127,601	6,410
David Hodkin	1,358,613	1.36	102,081	12,820
Sean Fahey	7,834,397	7.83	85,067	12,820
Paul Hampden Smith	100,000	0.10	Nil	Nil
Stephen Robertson	Nil	Nil	Nil	Nil
Ron Series	10,000	0.01	Nil	Nil
Mike Russell	Nil	Nil	Nil	Nil

3.2 On 5 February 2015 Ron Series acquired 10,000 Ordinary Shares representing approximately 0.01% of Clipper's share capital.

3.3 In addition to the options granted to the Directors as detailed in paragraph 3.1 above, the following options have been granted in the 12 months prior to the date of this document to senior managers other than Directors:

Name	Number of share options granted under the PSP on 14 January 2015	Number of share options granted under the Sharesave Plan on 10 February 2015	Number of share options granted under the PSP on 26 March 2015
Sean Hallows	85,067	5,128	Nil
Andrew Gary Walker	22,684	12,820	Nil
Richard Crofton	22,053	Nil	Nil
Edward Johnson	27,217	12,820	Nil
Nigel Hinds	27,083	7,692	Nil
Carl Moore	25,520	12,820	Nil
Roger Peel	24,415	6,410	Nil
David Aspin	25,126	12,820	Nil
Paul White	22,897	6,410	Nil
Tim Owrid	Nil	Nil	19,402

Additional information

continued

- 3.4** An aggregate amount of 1,231,056 options were granted under the Sharesave Plan since the 2014 annual general meeting to other employees of the Company.
- 3.5** As at the Latest Practicable Date, no share capital of the Company is under option or agreed, conditionally or unconditionally, to be put under option save for the options disclosed in paragraphs 3.1, 3.3 and 3.4 and the option over shares in favour of Numis as described at paragraph 5.7.2 below (Material Contracts).
- 3.6** Save as disclosed in paragraphs 3.1 and 3.2, no dealings by the Directors, their immediate families or persons connected with the Directors (within the meaning of Section 252 of the CA 2006) have taken place in the 12 months prior to the date of this document.

The Concert Party

- 3.7** Save as disclosed in paragraph 3.1, no dealings by members of the Concert Party have taken place in the 12 months prior to the date of this document.
- 3.8** Save as disclosed in this document, neither any member of the Concert Party, nor any person acting in concert with any member of the Concert Party, has any interests in the issued share capital of the Company or any rights to subscribe or short positions in any Ordinary Shares nor have they had any dealings in or borrowed or lent relevant securities in the 12 months prior to the date of this document.

Other interests and dealings

- 3.9** Other than the holdings as set out in paragraph 3.1, no Director nor any person acting in concert with the Company is interested in any relevant securities of the Company or has any rights to subscribe or short positions in any relevant securities of the Company nor have any of them borrowed or lent any such relevant securities.
- 3.10** Other than as disclosed above or referred to in this document, as at the close of business on the Latest Practicable Date no loan or guarantee has been granted or provided by the Company to any Director or any person connected with them.

4. Directors' service agreements

- 4.1** The Company entered into service contracts with Steve Parkin, Tony Mannix, David Hodkin and Sean Fahey, the Executive Directors of the Company, on 30 May 2014. The principal terms of these contracts, are set out below:

(a) General terms

Steve Parkin, Tony Mannix, David Hodkin and Sean Fahey are paid annual salaries of £405,000, £225,000, £180,000 and £150,000 respectively which are reviewed, but not necessarily increased, annually, and are subject to the Company's remuneration policy. They will each be entitled to an annual contribution to their personal pension scheme (or a cash allowance in lieu of pension contribution) equal to either 6% (in the case of Steve Parkin), 10% (in the case of Tony Mannix and Sean Fahey) or 15% (in the case of David Hodkin) of their respective annual salaries. Tony Mannix has surrendered part of his salary in return for additional employer's pension contributions.

Each Executive Director will be entitled to be reimbursed for all reasonable expenses incurred by him in the course of his duties and shall be provided with a mobile phone. The Executive Directors also have the benefit of indemnity insurance maintained by the Group on their behalf indemnifying them against liabilities they may potentially incur to third parties as a result of their office as Director. In addition, each of Steve Parkin and Tony Mannix will be provided with a car for the duration of his employment and Sean Fahey will be provided with a car allowance of £13,716 per annum for the use of his own car. The Executive Directors will be entitled to 25 days' paid holiday per annum.

(b) Termination provisions

The Executive Directors' service contracts can be terminated by not less than 12 months' prior notice given in writing by either party to the contract.

The Executive Directors may be put on garden leave during their notice period, and their employer can elect to terminate their employment by making a payment in lieu of notice equivalent to up to 12 months' salary and associated benefits.

The employment of each Executive Director will be terminable with immediate effect without notice in certain circumstances, including where such Executive Director is disqualified from acting as a director or ceases to be a director of the Company without the consent or the concurrence of the Board, is guilty of gross misconduct or gross incompetence affecting the business of the Group, commits any serious or repeated breach of any of the provisions of his service contract, is declared bankrupt or enters

Additional information

continued

into an agreement with his creditors, is convicted of a criminal offence (other than an offence which in the Board's reasonable opinion, does not affect such Executive Director's position under his service contract), prejudices or because of his behaviour is likely to prejudice the interests or reputation of the Executive Director, the Company or any member of the Group, is guilty of a serious breach of the rules or regulations of the UKLA, the FCA or any regulatory authorities relevant to any member of the Group or is unable to perform his duties for an aggregate period of 26 weeks in any 12 month period.

The service contracts of the Executive Directors also contain post-termination restrictions. These include restrictions on competition with the Group for a period of 3 months and solicitation of certain employees or customers of the Group for a period of 12 months. In addition, the Executive Directors must refrain from using in connection with any business any name which includes the name of the Company or the Group or any imitation thereof at any time following termination.

4.2 The Board appointed four Non-Executive Directors on 16 May 2014. Paul Hampden Smith, Stephen Robertson, Ron Series and Mike Russell are Independent Non-Executive Directors.

The Non-Executive Directors are appointed by letters of appointment and do not have service contracts. The principal terms of these letters of appointment are set out below:

(a) General terms

Each Non-Executive Director will be entitled to an annual fee.

The levels of these fees will be reviewed on an annual basis by the Board. The fee levels that will apply from 1st May 2015 are set out in the table below:

Name	Committee Membership	Annual Fee
Paul Hampden Smith	Audit Committee (Chair) Remuneration Committee	£60,000
Stephen Robertson	Audit Committee	£40,000
Ron Series	Remuneration Committee Nomination Committee	£40,000
Mike Russell	Remuneration Committee (Chair) Audit Committee Nomination Committee	£40,000

Each Non-Executive Director will be entitled to be reimbursed for all reasonable expenses incurred by him in the course of his duties to the Company and has the benefit of indemnity insurance maintained by the Group on his behalf indemnifying him against liabilities he may potentially incur to third parties as a result of his office as Director.

(b) Term of office

The appointment of each of the Non-Executive Directors is for an initial period of three years and is terminable by either the Non-Executive Director or the Company on three months' notice.

4.3 None of the Directors service contracts have been amended or entered into in the last six months.

5. Material contracts

5.1 Other than detailed in paragraphs 5.2 to 5.9 below, no contracts have been entered into by the Company (or any of its subsidiaries) or any member of the Concert Party, other than in the ordinary course of business, within the period of two years prior to the publication of this document which are or may be material.

5.2 A shareholding sale and contract of assignment dated 27 September 2013 ("**Geist SPA**"), entered into by Clipper Logistics GmbH (a company which has since been merged into Clipper Geist Logistics GmbH & Co. KG pursuant to the German Reorganisation described below) with (1) Christian Lutterbeck, (2) Mike Stephan Lutterbeck, (3) Ralph Michael Geist and (4) R. Geist Speditionsgesellschaft mbH in relation to the purchase by Clipper Logistics GmbH of R. Geist Spedition GmbH & Co. KG and R. Geist Speditionsgesellschaft mbH. The total consideration paid under the Geist SPA was €250,000, of which €212,731.96 was payable for the limited liability capitals of R. Geist Spedition GmbH & Co. KG (a company which was subsequently renamed Clipper Geist Logistics GmbH & Co. KG as part of the German Reorganisation) and €37,268.04 was payable for the shares in R. Geist Speditionsgesellschaft mbH (a company which has since been merged into Clipper Geist Logistics GmbH & Co. KG pursuant to the German Reorganisation). The Geist SPA contained usual and customary guarantees given by (1) Christian Lutterbeck, (2) Mike Stephan Lutterbeck and (3) Ralph Michael Geist which remain in place for two years for the legal and commercial guarantees and three years for the tax guarantees. Pursuant to the Geist SPA, Clipper Logistics GmbH was obliged to release personal guarantees given by (1) Christian Lutterbeck, (2) Mike Stephan Lutterbeck and (3) Ralph Michael Geist, and prior to execution of the Geist SPA, Clipper Logistics GmbH had deposited the sum of €400,000 in escrow.

Additional information

continued

5.3 The subsidiaries of the Group registered in Germany were the subject of a reorganisation (the **"German Reorganisation"**) as follows:

5.3.1 Geist Personalservice GmbH agreed to merge into Clipper Geist Logistics GmbH & Co. KG (**"Clipper KG"**) pursuant to notarial deed dated 4 April 2014, with effect from 31 December 2013, as permitted under German law. The merger completed on 24 April 2014 following completion of registration at the relevant German court;

5.3.2 Clipper e-com Logistics GmbH agreed to merge into Clipper Logistics GmbH pursuant to a notarial deed dated 4 April 2014, also with effect from 31 December 2013, as permitted under German law. This merger completed on 17 April 2014 following completion of registration at the relevant German court;

5.3.3 Clipper Logistics GmbH agreed to merge into Clipper KG pursuant to a notarial deed dated 15 April 2014. This merger completed on 8 May 2014 following completion of registration at the relevant German court, accordingly all of the German business is now carried on by Clipper KG, which has been renamed Clipper Logistics KG (GmbH & Co.);

5.3.4 Ms Santina Wey and Mr Alexander Wey (the adult children of Jürgen Wey) transferred their respective 12.5% holdings in Clipper Logistics GmbH to Clipper, pursuant to the terms of a share for share exchange agreement executed under English law on 22 April 2014, in exchange for 0.4% each in the Ordinary Share capital in Clipper; this transaction completed following the issue and allotment of the 400,000 Ordinary Shares to Mr Wey and 400,000 Ordinary Shares to Ms Wey and the registration of the relevant transfers with the German court; and

5.3.5 Knaresborough Investments Limited (the former parent company of the Group) transferred its 75% holding in Clipper KG intra-group to Clipper pursuant to the terms of an agreement executed under English law on 23 April 2014, in exchange for cash.

5.4 An intra-group sale and purchase agreement dated 16 April 2014 entered into between Knaresborough Investments Limited and the Company in relation to the purchase by the Company of the share capital of each subsidiary of Knaresborough Investments Limited save for the Company and Norman Group Limited (the **"Subsidiary SPA"**). The consideration paid by the Company to Knaresborough Investments Limited was £10,161,079.54. The agreement contained warranties as to Knaresborough Investments Limited's title in the share capital in the Company and the relevant subsidiaries.

5.5 An intra-group sale and purchase agreement dated 23 April 2014 entered into by the Company and Knaresborough Investments Limited in relation to the purchase by the Company of the business and assets of Knaresborough Investments Limited (save for those assets referred to in the Subsidiary SPA), including the transfer of Clipper KG. The consideration paid by the Company to Knaresborough Investments Limited was £42,901. The agreement contained warranties as to Knaresborough Investments Limited's title to the assets being sold (the **"Group BPA"**) and the transactions effected by the Subsidiary SPA and the Group BPA being referred to as the **"Group Reorganisation"**).

Additional information

continued

5.6 A relationship agreement entered into on 30 May 2014 between the Company, Carlton Court Investments Limited (“**CCIL**”) and Steve Parkin (together the “**Controlling Shareholders**”) (the “**Relationship Agreement**”). The principal purpose of the Relationship Agreement is to ensure that the Company is capable at all times of carrying on its business independently of CCIL and its associates. The Relationship Agreement will continue until the earlier of: (i) the Ordinary Shares ceasing to be admitted to the premium listing segment of the Official list of the FCA and to trading on the main market of London Stock Exchange; or (ii) the Controlling Shareholders (together with their associates) ceasing to own 25% or more of the Ordinary Shares or the voting rights attaching to the Ordinary Shares.

Under the Relationship Agreement, for so long as the Controlling Shareholders and their associates and nominees hold, in aggregate, 25% or more of the voting rights attached to the Ordinary Shares, the Controlling Shareholders shall, and have agreed to procure that their associates shall, amongst other things:

- 5.6.1** conduct all transactions, agreements, relationships or arrangements entered into between any member of the Group and the Controlling Shareholders (or any of their associates) on an arm’s length basis and on normal commercial terms;
- 5.6.2** exercise their voting rights to ensure that the Company and each member of the Group is capable of carrying on its business independently of the Controlling Shareholders and/or their associates;
- 5.6.3** not take any action which has or would have the effect of preventing the Company or any other member of the Group from carrying on its business independently of the Controlling Shareholders and its associates;
- 5.6.4** not take any action which has or would have the effect of preventing the Company or any other member of the Group from complying with its obligations under the Listing Rules or the FCA’s Disclosure and Transparency Rules;
- 5.6.5** not propose any shareholder resolution which is intended or appears to be intended to circumvent the proper application of the Listing Rules;

- 5.6.6** use their reasonable endeavours to procure that the composition of the Board complies with the rules of the London Stock Exchange or the UKLA or any other applicable rules or regulations;
- 5.6.7** not exercise any of its voting rights to vary the Company’s articles of association which would reasonably be expected to adversely affect the Company’s independence or be inconsistent with or undermine or breach any provision of the Relationship Agreement;
- 5.6.8** use all reasonable endeavours to procure that any actual or potential conflicts of interest are declared to the Independent Directors as soon as it is reasonably practicable to do so;
- 5.6.9** abstain from voting on any resolution of the Board or the Company to enter into or vary, amend, novate, enforce or terminate any contract, arrangement or transaction with either of the Controlling Shareholders or their associates; and
- 5.6.10** not take any action which could have the effect of the business and affairs of the Company not being conducted at all times in accordance with the Company’s articles of association and all applicable laws, in the best interests of the Company as a whole and independently of the Controlling Shareholders or their associates.

As long as the Controlling Shareholders hold more than 25% of the Ordinary Shares or the voting rights attaching to such Ordinary Shares they shall and shall procure (insofar as each of them is reasonably able to do so) that each of their associates shall exercise their voting powers to ensure that the Company is managed in accordance with the Listing Rules and if and to the extent that principles of good corporate governance set out in the Corporate Governance Code are not complied with in full an appropriate explanation is made in the annual report of the Company.

For so long as the Controlling Shareholders or their associates hold in aggregate 25% or more of the Ordinary Shares (excluding any treasury shares) they shall (in aggregate) be entitled to nominate one person to be a director, provided that this shall not entitle the Controlling Shareholders to appoint an additional director if one of them is already in office.

Additional information

continued

5.7 A placing agreement was entered into on 30 May 2014 between the Company, the Directors, CCIL, Santana Wey, Alexander Wey (together the “**Selling Shareholders**”) and Numis (the “**Placing Agreement**”). Pursuant to the Placing Agreement:

5.7.1 the Selling Shareholders agreed to sell in aggregate 49,900,000 Ordinary Shares;

5.7.2 the Company granted Numis an option to subscribe for such fixed amount of shares as represents 0.25% of the issued share capital of the Company on 5 June 2014 at a strike price of 100 pence per Ordinary Share, such option to be capable of exercise for a period of five years from 4 June 2014 (being the date of admission of the shares in the Company to trading on the London Stock Exchange);

5.7.3 each of the Company, the Selling Shareholders and the Directors gave certain representations, warranties and undertakings to Numis. The liability of the Company is unlimited as to the amount and time. The liabilities of such Selling Shareholders and the Directors are limited as to the amount and time; and

5.7.4 the Company, CCIL and Steve Parkin gave certain indemnities to Numis.

5.8 The Company and certain members of the Group are party to the following facilities:

5.8.1 a facility agreement dated 29 September 2011 (as novated to the Company on 2 May 2014 and as amended and restated on 23 May 2014 and further amended on 3rd December 2014 and 16 July 2015) and made between Santander UK plc (in its capacity as Lender), the Company (in its capacity as borrower), Northern Commercials (Mirfield) Limited, Stormont Truck & Van Limited, Genesis Specialised Product Packing Limited, Servicecare Support Services Limited and Electrotec International Limited (each in their capacity as guarantors) (the “**Facility Agreement**”) pursuant to which the Company has access to (i) a five year term facility of up to £12.5 million amortising quarterly from 31 July 2014, and (ii) a five year revolving credit facility of up to £15 million out of which the following bonds, guarantees and standby letters of credit have been carved:

5.8.1.1 £96,000 of bonds which have been issued to HM Revenue & Customs;

5.8.1.2 £2 million standby letter of credit issued by the Lender in favour of Iveco Capital Limited and/or Iveco Limited in respect of the obligations of Northern Commercials (Mirfield) Limited and Stormont Truck & Van Limited; and

5.8.1.3 a €400,000 bond issued by the Lender to support the banking facilities of Clipper KG.

Both facilities can be voluntarily prepaid and cancelled provided such prepayment/cancellation is in an amount of not less than £250,000 and 5 days’ written notice has been provided to the Lender. The Facility Agreement contains standard covenants, including financial covenants relating to cashflow cover, interest cover, leverage, fixed charge cover and capital expenditure. In respect of the Facility Agreement, Northern Commercials (Mirfield) Limited, Stormont Truck & Van Limited, Genesis Specialised Product Packing Limited, Servicecare Support Services Limited and Electrotec International Limited have each granted security and entered into guarantees in favour of the Lender in support of the facilities;

5.8.2 An overdraft facility. The Company also has the benefit of an overdraft facility (which includes a notional pooling agreement and a cross currency overdraft facility) entered into on 2 May 2014 together with Northern Commercials (Mirfield) Limited and Genesis Specialised Product Packing Limited and entered into on 23 March 2015 together with Servicecare Support Services Limited and Electrotec International Limited, pursuant to which it has access to an overdraft facility with an aggregate gross group limit of £8 million and an aggregate group net limit of £5 million. The overdraft facility fluctuates daily and is renewable on an annual basis; and

5.8.3 An asset finance line from the Lender with a limit of £6 million entered into in June 2013.

5.9 On 4 December 2014 the Company acquired Servicecare Support Services Ltd for a cash consideration of £5.7 million. £3.7 million of the consideration was payable on completion with £1 million paid on 4 June 2015 and a further £1 million payable on 4 December 2015. An additional £0.2 million is payable upon receipt of an equivalent tax refund.

Additional information

continued

6. Historical market value of ordinary shares

The following table shows the closing middle market quotations for an Ordinary Share (as derived from the London Stock Exchange Daily Official List) for the first dealing day in each of the six months prior to the date of this document and for 13 August 2015 (being the Latest Practicable Date).

Date	Price per Ordinary Share (pence)
2 March 2015	163.00
1 April 2015	170.00
1 May 2015	192.12
1 June 2015	202.50
1 July 2015	220.00
3 Aug 2015	275.00
13 Aug 2015	295.00

7. General

- 7.1** Numis has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name and its advice to the Directors in the form and context in which it appears.
- 7.2** There is no agreement, arrangement, or understanding (including any compensation arrangement) between the members of the Concert Party or any person acting in concert with them, and any of the Directors, recent directors of the Company, Shareholders or recent shareholders of the Company having any connection with or dependence upon the grant of the PSP Awards or Sharesave Awards set out in this document, or having any connection with or dependence upon the Company having the flexibility to approve any repurchase of own shares.
- 7.3** No agreement, arrangement or understanding exists whereby any Ordinary Shares acquired pursuant to the vesting of the PSP Awards or Sharesave Awards will be transferred to any other person. Any Ordinary Shares acquired by the Company under any repurchase of own shares if any takes place will be cancelled by the Company or held as treasury shares and there is no agreement, arrangement or understanding to transfer such Ordinary Shares to any other person.

7.4 There has been no known significant change in the financial or trading position of the Company since 30 April 2015. Information on the nature of the Company's business and the Company's financial and trading prospects can be found in the Operating and Financial Review in the Annual Report and Accounts on pages 18 to 29.

7.5 All information relating to the financial position of the Group required by Rules 24.3(a) and 24.3(e) of the City Code on Takeovers and Mergers may be found in the Annual Report and Accounts.

7.6 The Annual Report and Accounts and the consolidated accounts for the last two financial years can be downloaded from the Company's website www.clippergroup.co.uk and are all hereby incorporated by reference into this document.

7.7 The information that is incorporated by reference into this document is available at www.clippergroup.co.uk/investor-news/. No copies of this information will be sent to any person unless requested. If you wish to receive a hard copy of this document or any document incorporated by reference into this document, please contact the Company Secretary at Clipper Logistics plc, Gelderd Road, Leeds, West Yorkshire LS12 6LT or on +44 (0)113 204 2050.

7.8 The address of each of the members of the Concert Party is c/o Clipper Logistics plc, Gelderd Road, Leeds, West Yorkshire, LS12 6LT.

8. Documents available for inspection

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Company at Gelderd Road, Leeds, West Yorkshire, LS12 6LT and on the website of the Company at www.clippergroup.co.uk/investor-news up to and including 29 September 2015:

- (a) the memorandum and articles of association of the Company;
- (b) the written consent referred to in paragraph 7.1 above; and
- (c) this document.

Definitions

"2015/16 PSP Awards" share awards proposed to be made to certain members of the Concert Party during the Company's financial year ending 30 April 2016 pursuant to the rules of the PSP and as detailed further in the explanatory notes to Resolution 15 on page 10;

"2015/16 Sharesave Awards" share awards proposed to be made to certain members of the Concert Party during the Company's financial year ending 30 April 2016 pursuant to the rules of the Sharesave Plan and as detailed further in the explanatory notes to Resolution 15 on page 10;

"2015/16 Share Awards" together, the 2015/16 PSP Awards and the 2015/16 Sharesave Awards;

"Annual General Meeting" or **"AGM"** (save where the context requires otherwise) the annual general meeting of Clipper called by the Notice, including any adjourned meeting;

"Annual Report and Accounts" the consolidated financial statements of the Company for the financial period ended on 30 April 2015 together with the reports of the Directors and the auditor;

"CA 2006" or the **"Act"** the Companies Act 2006, as amended;

"Clipper" or **"the Company"** Clipper Logistics plc;

"Concert Party" the concert party comprising Steve Parkin, Sean Fahey, David Hodkin and Guy Jackson;

"CREST Manual" a reference manual for the users of CREST as provided by Euroclear UK & Ireland Limited;

"CREST" the electronic trade settlement system for uncertificated securities;

"Daily Official List" the daily record setting out the prices of all trades in securities conducted on the London Stock Exchange;

"Directors" or **"Board"** the directors of Clipper;

"Executive Directors" Steve Parkin, Tony Mannix, David Hodkin and Sean Fahey;

"Existing CP Awards" Existing PSP Awards and Existing Sharesave Awards;

"Existing PSP Awards" share awards made to certain members of the Concert Party on 14 January 2015 pursuant to the rules of the PSP and as shown in the table at paragraph 3.1 on page 16 of this document;

"Existing Sharesave Awards" share options made available to certain members of the Concert Party on 10 February 2015 pursuant to the rules of the Sharesave Plan and as shown in the table at paragraph 3.1 on page 16 of this document;

"FCA" the United Kingdom Financial Conduct Authority;

"Form of Proxy" the form of proxy accompanying this document for use by Shareholders in connection with the AGM;

"Group" Clipper and its subsidiary and associated undertakings;

"Independent Directors" the Directors other than Steve Parkin, Sean Fahey and David Hodkin;

"Independent Shareholders" the Shareholders other than members of the Concert Party and their nominees;

"Latest Practicable Date" 13 August 2015 being the latest practicable date prior to the publication of this document;

"Listing Rules" the listing rules made by the FCA pursuant to part VI of the Financial Services and Markets Act 2000, as amended;

"London Stock Exchange" London Stock Exchange plc;

"Non-Executive Directors" Paul Hampden Smith, Stephen Robertson, Ron Series and Mike Russell;

"Notice" the notice to Shareholders of Clipper's Annual General Meeting as detailed on pages 4 to 6 of this document;

"Numis" Numis Securities Limited whose registered office is at 10 Paternoster Square, London, EC4M 7LT;

"Official List" the Official List maintained by the UKLA;

"Ordinary Shares" ordinary shares of 0.05 pence each in the capital of Clipper;

"Panel" the Panel on Takeovers and Mergers;

Definitions

continued

"PSP Awards" share awards made pursuant to the rules of the PSP;

"PSP" the Clipper Logistics plc 2014 Performance Share Plan;

"Remuneration Committee" the remuneration committee of the Company;

"Share Awards" together, the PSP Awards and the Sharesave Awards;

"Shareholders" holders of Ordinary Shares;

"Sharesave Awards" share options made available pursuant to the rules of the Sharesave Plan;

"Sharesave Plan" the Clipper Logistics plc 2014 Sharesave Plan;

"Takeover Code" the City Code on Takeovers and Mergers;

"UKLA" the FCA in its capacity as the UK Listing Authority;

"Waiver" the waiver of any requirement under Rule 9 of the Takeover Code for the Concert Party and persons acting in concert with it to make a general offer to Shareholders by reason of:

1. the purchase by Clipper of up to 10,000,000 Ordinary Shares, as a result of which the aggregate interest of the Concert Party would increase to 48.88% (assuming that: (a) none of the 2015/16 Share Awards proposed to be granted vest; (b) none of the Existing CP Awards granted vest or are exercised; (c) no Ordinary Shares are repurchased from any members of the Concert Party; and (d) no other Ordinary Shares are issued); and
2. the issue of up to 660,525 Ordinary Shares to members of the Concert Party pursuant to 2015/16 Share Awards, which are in addition to the Existing CP Awards, as a result of which the aggregate interest of the Concert Party would increase to 44.61% (assuming that: (a) such Share Awards vest or are exercised in full (and the resulting Ordinary Shares are retained by members of the Concert Party); (b) no Ordinary Shares are repurchased from any members of the Concert Party; and (c) no other Ordinary Shares are issued); and

"Waiver Resolutions" The resolutions numbered 14 and 15 to be proposed at the AGM and set out in the Notice included in this document.

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