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

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## 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 and the grant of up to 284,054 PSP Awards  
and the grant of up to 11,688 Sharesave Awards**

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The Annual General Meeting of Clipper Logistics plc will be held at Clipper Logistics, 11th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL, on 25 September 2017 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 21 September 2017.

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

16 August 2017

This document contains the Notice of the 2017 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 Clipper Logistics, 11th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL at 11.00am on 25 September 2017. The formal notice of AGM is set out on pages 3 to 5 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 2017. Further information relating to the resolutions contained in the Notice of AGM is provided in the explanatory notes to the resolutions on pages 6 to 12 of this document.

### Recommendation

As David Hodkin and I are directly interested in the subject matter of Resolutions 15 and 16, 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 284,054 PSP Awards and up to 11,688 Sharesave Awards (which are in addition to the Existing CP Awards granted in previous years), 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 15 and 16) 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 15 and 16) at the AGM, as they intend to do in respect of their entire holdings which amount to 1,378,023 Ordinary Shares, representing approximately 1.37% of Clipper's issued share capital as at the Latest Practicable Date.

Your Directors, as a whole, believe that the other proposals will 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 8 and 10 to 14 (inclusive) as they intend to do in respect of their entire holdings which amount to 32,736,636 Ordinary Shares, representing approximately 32.65% of Clipper's issued share capital as at the Latest Practicable Date.

Resolution 9 is a resolution of the Independent Shareholders to approve the re-election of Stephen Robertson who is offering himself for re-election as an independent director. His re-election is also proposed as a resolution of all shareholders in Resolution 7. The additional, separate resolution (Resolution 9) is proposed in order to comply with the requirements of the Listing Rules and the articles of association of the Company which require that the re-election of independent directors be approved by a separate resolution of those shareholders who are not the controlling shareholder (including any person acting in concert with the controlling shareholder). As I am the controlling shareholder of Clipper and David Hodkin is a member of the Concert Party, we are not entitled to vote on Resolution 9. However, in accordance with the recommendation above covering Resolution 7, your Directors as a whole believe that Resolution 9 will promote the success of Clipper for the benefit of Shareholders as a whole and unanimously recommend that you vote in favour of Resolution 9, as the Independent Directors intend to do in respect of their entire holdings.

Yours faithfully

**Steve Parkin**  
Executive Chairman

# Notice of the 2017 Annual General Meeting

Notice is hereby given that the Annual General Meeting of Clipper Logistics plc (the "**Company**") will be held at Clipper Logistics, 11th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL on 25 September 2017 at 11.00am, to consider and, if thought fit, to pass the following resolutions. It is intended to propose resolutions 11 to 14 as special resolutions. Resolutions 1 to 8, and 10 will be proposed as ordinary resolutions. Resolutions 9, 15 and 16 will be proposed as ordinary resolutions of Independent Shareholders only and only those votes cast by Independent Shareholders will be counted. Steve Parkin and David Hodkin have confirmed that they (and any persons acting in concert with them) will abstain from voting on Resolutions 9, 15 and 16. Voting on all resolutions will be conducted on a poll.

Defined terms used in this Notice are set out on pages 19 and 20 of this document.

## Ordinary Resolutions

1. To receive the accounts for the financial year ended 30 April 2017, together with the reports of the Directors and of the auditors thereon.  
**(Resolution 1)**
2. To approve the Directors' Remuneration Report (other than the part containing the Directors' Remuneration Policy) as set out in pages 46 to 59 of the Annual Report and Accounts for the financial year ended 30 April 2017.  
**(Resolution 2)**
3. To receive and approve the Directors' Remuneration Policy set out in pages 53 to 59 of the Directors' Remuneration Report referred to in Resolution 2, such policy to take effect immediately.  
**(Resolution 3)**
4. To declare a final dividend of 4.8 pence per Ordinary Share due and payable on 29 September 2017 to holders of Ordinary Shares on the Company's register of shareholders at 6:00pm on 8 September 2017.  
**(Resolution 4)**
5. To re-appoint KPMG LLP as auditors of the Company to hold office until the conclusion of the Company's next annual general meeting to be held in 2018.  
**(Resolution 5)**
6. To authorise the Audit Committee of the Board to set the remuneration of the auditors.  
**(Resolution 6)**
7. To re-elect Mr Stephen Robertson as a director of the Company.  
**(Resolution 7)**
8. To re-elect Mr David Hodkin as a director of the Company.  
**(Resolution 8)**
9. In accordance with the Listing Rules and the articles of association of the Company regarding the election of independent directors, to re-elect Mr Stephen Robertson as an independent director of the Company.  
**(Resolution 9)**
10. To authorise the Directors generally and unconditionally pursuant to section 551 of the Companies Act 2006 (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 £16,713 (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 £33,426 (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, such authority to expire at the end of the next annual general meeting of the Company (or, if earlier, on 31 October 2018), but, in each case, prior to such expiry the Company may 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 the authority expires 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 10)**

# Notice of the 2017 Annual General Meeting continued

## Special Resolutions

11. To authorise the Company generally and unconditionally (subject to the passing of Resolution 16) 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 2018 or on 31 October 2018, 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. That if Resolution 10 is passed, the Directors be authorised to allot equity securities (as defined in section 560(1) of the Act) for cash under the authority given by Resolution 10 and/or to sell Ordinary Shares held by the Company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, such authority to 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 10, by way of a rights issue only):

- (i) to holders of Ordinary Shares in proportion (or as closely 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) the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) of this Resolution) up to a nominal amount of £2,500.

such authority to expire at the end of the next annual general meeting of the Company (or, if earlier, on 31 October 2018) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

### (Resolution 13)

14. That if Resolution 10 is passed, the Directors be authorised, in addition to any authority granted under Resolution 13, to allot equity securities (as defined in section 560(1) of the Act) for cash under the authority given by Resolution 10 and/or to sell Ordinary Shares held by the Company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, such authority to be:

- (a) limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £2,500; and
- (b) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice,

such authority to expire at the end of the next annual general meeting of the Company (or, if earlier, on 31 October 2018) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

### (Resolution 14)

**Ordinary Resolutions of the Independent Shareholders**

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 purchases by the Company of up to 10,000,000 Ordinary Shares pursuant to the authority granted by Resolution 11 be and is hereby approved.

**(Resolution 15)**

16. 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 the issue of up to 295,742 Ordinary Shares to members of the Concert Party pursuant to the grant and vesting and/or exercise of up to 284,054 2017/18 PSP Awards and up to 11,688 2017/18 Sharesave Awards (which are in addition to the Existing CP Awards) be and is hereby approved.

**(Resolution 16)**

By order of the Board

**Guy Jackson**

Company Secretary  
16 August 2017

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 at the annual general meeting their Annual Report and Accounts of the Company for the financial year ended 30 April 2017. 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 46 to 59 of the Annual Report and Accounts (available to download from the Clipper website at [www.clippergroup.co.uk/investor-news](http://www.clippergroup.co.uk/investor-news)). This vote will be held annually and is advisory in nature.

## **Resolution 3: Directors' Remuneration Policy**

Shareholders are asked to approve the Directors' Remuneration Policy which is set out in full on pages 53 to 59 of the Directors' Remuneration Report. The vote on the Directors' Remuneration Policy is binding in that, once the policy is approved, the Company will not be able to make a remuneration payment to a current or prospective director or a payment for loss of office to a current or past director unless that payment is consistent with the policy or has been specifically approved by a resolution of the Company's Shareholders. If Resolution 3 is passed, the Directors' Remuneration Policy will take effect immediately. A remuneration policy will be put to shareholders again no later than the Company's annual general meeting in 2020.

## **Resolution 4: Approval of final dividend**

The Board proposes a final dividend of 4.8 pence per Ordinary Share for the year ended 30 April 2017. Resolution 4 is to approve this final dividend. If approved, the recommended final dividend will be paid on 29 September 2017 to all Shareholders who are on the register of members on 8 September 2017.

## **Resolution 5: Re-appointment of auditors**

This resolution is to re-appoint KPMG 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 6: Remuneration of auditors**

This resolution is to authorise the Audit Committee of the Board to fix the remuneration of the auditors.

## **Resolution 7 - 8 (inclusive): Re-election of Directors**

Resolutions 7 and 8 deal with the re-election of Stephen Robertson and David Hodkin 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. Accordingly, Stephen Robertson and David Hodkin are retiring and offering themselves for re-election. Biographies of each of those Directors seeking re-election are below:

## **Stephen Robertson, Independent Non-Executive Director**

Stephen joined the Group as Non-Executive Director on 16 May 2014. Stephen has many years of experience in the retail industry and has held executive positions at Kingfisher plc, WH Smith plc and Woolworths Group plc. Stephen was previously Director General of the British Retail Consortium and is currently Chairman of Retail Economics. Stephen's current non-executive directorships include Timpson Group plc, Sofology and Hargreaves Lansdown plc. Stephen is a member of the Audit Committee and chair of the Remuneration 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.

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.

## **Resolution 9: Re-election of Independent Non-Executive Directors**

Resolution 9 relates to the re-election of Stephen Robertson who is among the Directors that the Board has determined are independent directors for the purposes of the UK Corporate Governance Code. Under the Listing Rules, because Steve Parkin is a controlling shareholder of the Company (that is he, together with the other members of the Concert Party, exercises or controls more than 30% of the voting rights of the Company), the election or re-election of any independent director by shareholders must be approved by a majority vote of both:

- (a) The Shareholders; and
- (b) The Independent Shareholders (that is the Shareholders of the Company entitled to vote on the election of Directors who are not controlling shareholders of the Company).

Resolution 7 is therefore being proposed as an ordinary resolution which all Shareholders may vote on, but in addition Resolution 9 will only be capable of being voted on by Independent Shareholders to determine whether the second threshold referred to in (b) above has been met.

Under the Listing Rules, if a resolution to re-elect an independent director is not approved by a majority vote of both the Shareholders as a whole and the Independent Shareholders at the Annual General Meeting, a further resolution may be put forward to be approved by the Shareholders as a whole at a meeting which must be held more than 90 days after the date of the first vote but within 120 days of the first vote.



Accordingly, if Resolution 9 is not approved by a majority vote of the Company's Independent Shareholders at the AGM, the Director will be treated as having been re-elected only for the period from the date of the AGM until the earlier of (i) the close of any general meeting of the Company, convened for a date more than 90 days after the AGM but within 120 days of the Annual General Meeting, to propose a further resolution to re-elect him, (ii) the date which is 120 days after the Annual General Meeting and (iii) the date of any announcement by the Board that it does not intend to hold a second vote. In the event that the Director's re-election is approved by a majority vote of all Shareholders at a second meeting, the Director will then be re-elected until the next annual general meeting at which they stand for re-election.

Under the Listing Rules, the Company is also required to provide details of (i) any previous or existing relationship, transaction or arrangement between an independent director and the Company, its directors, any controlling shareholder or any associate of a controlling shareholder; (ii) why the Company considers the proposed independent director will be an effective director, (iii) how the Company has determined that the proposed director is an independent director and (iv) the process by which the Company has selected each independent director.

The Company hereby confirms:

- (a) Other than the 9,410 Ordinary Shares held by Stephen Robertson, there are no existing relationships, transactions or arrangements between Stephen Robertson and the Company, any of the Company's directors, Steve Parkin or any of Steve Parkin's associates.
- (b) The effectiveness of all the Directors is assessed as part of the Board of Directors' performance evaluation process. Stephen Robertson possesses a wide range of skills and expertise, as set out in the Directors' Biography section on page 37 of the Annual Report and Accounts, which is highly valued by the Board. Stephen Robertson continues to contribute effectively to the operation of the Board and to demonstrate commitment to his role.
- (c) The Company assesses the independence of its Non-Executive Directors in accordance with the recommendations of the UK Corporate Governance Code. The Company determined that Stephen Robertson was independent on his appointment to the Board of Directors and ensures that he remains independent by periodically reviewing his character, judgement and the relationship referred to above.
- (d) The Nomination Committee of the Company's Board of Directors is responsible for keeping the size, structure and composition of the Board under review. By reference to the Company's requirements, the Nomination Committee is responsible for identifying, evaluating and recommending candidates for appointment to the Board.

#### **Resolution 10: Authority to allot Ordinary 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 10 would give the Directors the authority to allot shares up to an aggregate nominal amount equal to £16,713. This amount represents approximately one-third of the issued ordinary share capital of Clipper as at the Latest Practicable Date.

Paragraph (b) of Resolution 10 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 £33,426, 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 10 will expire at the earlier of 31 October 2018 (the last date by which Clipper must hold an annual general meeting in 2018) or the conclusion of the annual general meeting of Clipper to be held in 2018. 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 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 15.

Resolution 11 will, if passed (and subject to Resolution 15 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 less than 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.

# Explanatory notes to the resolutions continued

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.

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 3,313,792 representing approximately 3.30% 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 3.67% 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 2018 (the last date by which Clipper must hold an annual general meeting in 2018) or the conclusion of the annual general meeting of Clipper to be held in 2018.

## **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 and 14: 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 which was conferred by a special resolution on 17 October 2016 will expire at the conclusion of the AGM. It is therefore proposed that it be renewed.

Resolution 13, if passed, would renew the Directors' authority to allot shares (or sell any shares which the Company 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 attaching to 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 £2,500 (representing 5,000,000 Ordinary Shares). This aggregate nominal amount represents approximately 5% of the issued ordinary share capital of the Company as at the Latest Practicable Date.

The authority granted at last year's annual general meeting under paragraph (b) of the corresponding resolution gave the Directors authority to make non-pre-emptive offers of up to 10% of the issued ordinary share capital of the Company. This was in line with the revised Statement of Principles published by the Pre-Emption Group in March 2015 which stated that, in addition to the previous standard annual disapplication of pre-emption rights up to a maximum equal to 5% of issued ordinary share capital, a general disapplication authority is likely to be supported if extended to include an additional 5% to be used in connection with an acquisition or specified capital investment.

In May 2016 the Pre-Emption Group published a monitoring report on the implementation of its 2015 Statement of Principles and a recommended template resolution for disapplying pre-emption rights. The template recommends companies request authority to disapply pre-emption rights in respect of an additional 5%, to be used for an acquisition or specified capital investment in accordance with the 2015 Statement of Principles, as a separate resolution. Resolution 14 seeks this separate authority. Where the authority granted under Resolution 14 is used the circumstances that have led to its use and the consultation process undertaken will be disclosed by the Company in its next annual report.

The Board confirms its intention to follow the provisions of the Pre-Emption Group's Statement of Principles regarding cumulative usage of unrestricted disapplication authorities (excluding authorities for an additional 5% in connection with an acquisition or specified capital investment as referred to above) within a rolling three-year period where the Statement of Principles provides 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.

These authorities will expire at the earlier of 31 October 2018 (the last date by which the Company must hold an annual general meeting in 2018) or the end of the annual general meeting of the Company to be held in 2018. 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 15: 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 38.73% 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 43.03% (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 and 2017/2018 PSP Awards and 2017/2018 Sharesave Awards)). Any percentage increase in its interest would, without the approval sought under this Resolution 15, 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 16: 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 11,688 2017/18 Sharesave Awards and up to 284,054 2017/18 PSP Awards. Members of the Concert Party may attend the AGM but will not be entitled to vote on this Waiver Resolution.

The maximum number of 2017/18 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 of Steve Parkin and David Hodkin and one-times the base salary of Guy Jackson calculated using the Company's share price on 28 April 2017, being the closest working day to the end of the Company's last financial year (£3.85 per Ordinary Share). This represents a maximum number of Ordinary Shares over which 2017/18 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 2017/18 PSP Awards will be calculated using the three day average share price prior to the date on which 2017/18 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 authorised by this Resolution for the grant of 2017/18 Sharesave Awards has been calculated using the Company's share price at 28 April 2017 (£3.85 per Ordinary Share), the maximum monthly savings which a member of the Concert Party may choose to make over a three-year saving 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). Accordingly the number of Ordinary Shares for which authority is sought for Sharesave Awards pursuant to this Resolution (11,688 Ordinary Shares) represents a maximum number of Ordinary Shares over which Sharesave Awards may be granted to the members of the Concert Party. In practice, subject to such maximum number, the extent to which the members of the Concert Party actually participate in Sharesave will be determined on the basis of the invitations which will be issued to all eligible employees on the same terms in 2017/18.

#### **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.

# Explanatory notes to the resolutions continued

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, 2015 and 2016 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:

- (a) any purchase by the Company of Ordinary Shares under the authority to make market purchases granted at the annual general meetings held in those years; and
- (b) the grant and subsequent exercise or vesting of up to 1,847,009 PSP Awards and 79,342 Sharesave Awards in aggregate.

Following such approvals, the Existing CP Awards were granted to members of the Concert Party (see tables at page 15 and paragraph 3.1 on page 15 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 15 being passed) and the 2017/18 Share Awards to be made (subject to Resolution 16 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 2017/18 Share Awards in favour of members of the Concert Party proposed to be approved under Resolution 16.

**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 30,000,000 Ordinary Shares which, at the Latest Practicable Date, represented approximately 29.92% of the issued share capital of Clipper. As previously disclosed and in light of their long-standing relationship, David Hodkin, Sean Fahey and Guy Jackson have been deemed by the Panel to be acting in concert with Steve Parkin and with each other.

### 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 29.92% 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), retired 28 April 2017

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. Sean retired from Clipper on 28 April 2017, having held positions of Development Director, Project Director, and latterly having had 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 in 2015 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 over 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 2017/18 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 2017/18 PSP Awards	Max. no of Ordinary Shares from 2017/18 Sharesave Awards	Enlarged number of Ordinary Shares	Percentage of Enlarged Share Capital (Share Awards) <sup>1</sup>	Percentage of Enlarged Share Capital (Share Awards and Buy Back) <sup>2</sup>
Steve Parkin <sup>3</sup>	30,000,000	29.92%	473,068	12,820	160,158	5,844	30,651,890	30.19%	33.48%
David Hodkin <sup>4</sup>	1,358,613	1.35%	210,252	12,820	84,935	5,844	1,672,464	1.65%	1.83%
Sean Fahey <sup>5</sup>	7,483,542	7.46%	175,209	12,820	Nil	Nil	7,671,571	7.55%	8.38%
Guy Jackson	Nil	Nil	68,164	7,520	38,961	Nil	114,645	0.11%	0.12%
<b>TOTAL</b>	<b>38,842,155</b>	<b>38.73%</b>	<b>926,693</b>	<b>45,980</b>	<b>284,054</b>	<b>11,688</b>	<b>40,110,570</b>	<b>39.50%</b>	<b>43.81%</b>

- 1 Assumes that the maximum number of 2017/18 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 2017/18 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 Wolds Investments Limited, of which David Hodkin is the ultimate controller.
- 5 Registered in the name of SOMLIE Limited, of which Sean Fahey is the ultimate controller.

#### 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 2017/18 the Remuneration Committee may, subject to the approval of the Shareholders, grant Steve Parkin a PSP Award over up to 160,158 Ordinary Shares, David Hodkin a PSP Award over up to 84,935 Ordinary Shares, and Guy Jackson a PSP Award over up to 38,961 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 2017/18 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. 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 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 Steve Parkin and David Hodkin of the Concert Party to participate in the Sharesave Plan should they wish to do so but subject to their Sharesave Awards being over a maximum of 11,688 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 2017/18 PSP Awards to be granted to Steve Parkin, David Hodkin and Guy Jackson in respect of up to 284,054 Ordinary Shares in aggregate and for Sharesave Awards to be granted to Steve Parkin and David Hodkin in respect of up to 11,688 Ordinary Shares in aggregate.

# Explanatory notes to the resolutions continued

Assuming that 2017/18 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, 40,110,570 Ordinary Shares, representing 39.50% of the issued share capital of Clipper (as enlarged by the issue of Ordinary Shares pursuant to the 2017/18 Share Awards referred to above and the Existing CP Awards, but assuming no other issue of Ordinary Shares) versus 38.73% of the issued share capital of Clipper prior to the grant of such 2017/18 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 2017/18 Share Awards and the Existing CP Awards could increase the aggregate shareholding of the Concert Party in Clipper by a total of 1,268,415 Ordinary Shares, with the effect of increasing the holding of the Concert Party to 39.50%. 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 43.03% (assuming that no 2017/18 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 2017/18 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 43.81% (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.

**The Concert Party have also confirmed that they have no intention of making an offer for the Company if the Waiver Resolutions are approved by Independent Shareholders. The members of the Concert Party will be bound by this statement for six months from the date of this circular in accordance with Rule 2.8 of the Takeover Code. However, Shareholders should be aware that the restrictions in Rule 2.8 will no longer apply to members of the Concert Party in the circumstances set out in Note 2 to Rule 2.8 of the Code.**

For additional information required by the Takeover Code please see the information on pages 15 to 18 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 0371 384 2030. Lines are open 8.30am to 5.30pm Monday to Friday. 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 21 September 2017.
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](http://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 21 September 2017. 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.
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](http://www.clippergroup.co.uk/investor-news).

# Notes to the Notice of Annual General Meeting continued

## 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 360(B)(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 6.30pm on 21 September 2017, or in the event of any adjournment, at 6.30pm on the date which is two days (for these purposes, ignoring non-working 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 the Latest Practicable Date, the Company's issued share capital comprised 100,277,312 ordinary shares of 0.05 pence each, of which 100,277,312 carry voting rights in relation to all circumstances at general meetings of the Company. Therefore, the total voting rights in the Company as at the Latest Practicable Date were 100,277,312.

## 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 (Executive Chairman)
  - Antony (Tony) Mannix (Chief Executive Officer)
  - David Arthur Hodkin (Chief Financial Officer)
  - Stephen Peter Robertson (Independent Non-Executive Director)
  - Michael (Mike) John Russell (Independent Non-Executive Director)
  - Ronald (Ron) Charles Series (Senior Independent Non-Executive Director)

### 3. Interests and dealings

#### The Directors and Concert Party

- 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 Ordinary Shares under option under Existing PSP Awards	Number of Ordinary Shares under option under Existing Sharesave Awards
Steve Parkin	30,000,000	29.92%	473,068	12,820
Tony Mannix	1,358,613	1.35%	262,816	10,170
David Hodkin	1,358,613	1.35%	210,252	12,820
Stephen Robertson	9,410	0.01%	Nil	Nil
Ron Series	10,000	0.01%	Nil	Nil
Mike Russell	Nil	Nil	Nil	Nil

- 3.2 The interests of the members of the Concert Party in Ordinary Shares as at the close of business on the Latest Practicable Date are set out in the table on page 11 of this document.
- 3.3 In the 12 months prior to the Latest Practicable Date, the following dealings by the Directors, members of the Concert Party, their immediate families or persons connected with the Directors and members of the Concert Party (within the meaning of Section 252 of the CA 2006) have taken place:

Name	Date of dealing	Nature of dealing	Number of Ordinary Shares	Price (£)
Steve Parkin	27-Jan-2017	Grant of PSP Awards(i)	108,012	Nil
Tony Mannix	27-Jan-2017	Grant of PSP Awards(i)	60,007	Nil
David Hodkin	27-Jan-2017	Grant of PSP Awards(i)	48,005	Nil
Sean Fahey	27-Jan-2017	Grant of PSP Awards(i)	40,004	Nil
	28-Jun-2017	Sale(ii)	350,855	4.21
Guy Jackson	27-Jan-2017	Grant of PSP Awards(i)	17,335	Nil

(i) PSP Awards granted on 27 January 2017 are nil cost options exercisable, subject to the meeting of performance conditions, between 27 January 2020 and 27 January 2027.

(ii) Shares sold by SOMLIE Ltd.

- 3.4 As at the Latest Practicable Date, an aggregate amount of 3,313,792 options over Ordinary Shares were outstanding comprising of 1,660,227 PSP Awards and 1,653,565 Sharesave Awards. Such amounts are inclusive of awards made to Directors and members of the Concert Party as set out in this paragraph 3. The Company granted to Numis, in a placing agreement entered into on 30 May 2014 in connection with the Company's flotation, 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 Ordinary Shares to trading on the London Stock Exchange). This option was exercised in full on 31 May 2017 resulting in the issue of 250,000 Ordinary Shares to Numis.
- 3.5 Save as disclosed in this paragraph 3, 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.

## Additional information continued

- 3.6 Save as disclosed in paragraph 3.3, 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 Latest Practicable Date.
- 3.7 Save as disclosed in paragraph 3.3, no dealings by members of the Concert Party have taken place in the 12 months prior to the Latest Practicable Date.
- 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 (excluding any borrowed relevant securities which have either been on lent or sold) in the 12 months prior to the Latest Practicable Date.

### Other interests and dealings

- 3.9 Other than the holdings as set out in paragraph 3.1, no Director or any close relatives or related trusts, any connected adviser (except in the capacity of exempt fund manager or an exempt principal trader) nor any person acting in concert with the Company is at the Latest Practicable Date interested in any relevant securities of the Company or has any rights to subscribe or short positions in any relevant securities of the Company and there are no relevant securities which the Company or any person acting in concert with the Directors has borrowed or lent (excluding any borrowed relevant securities which have either been on lent or sold).
- 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 and David Hodkin, 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 and David Hodkin are paid annual salaries of £411,075, £276,000 and £218,000 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 £10,000 (in the case of Steve Parkin), 10% (in the case of Tony Mannix) or 15% (in the case of David Hodkin) of their respective annual salaries.

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. 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 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. Stephen Robertson, Ron Series and Mike Russell are Independent Non-Executive Directors.

Paul Hampden Smith stepped down from the Board on 12 July 2017.

The Non-Executive Directors are appointed by letters of appointment and do not have service contracts. The letters of appointment were renewed on 12 July 2017, and 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 apply from 12 July 2017 are set out in the table below:

Name	Committee Membership	Annual Fee
Ron Series	Remuneration Committee Audit Committee Nomination Committee	£65,000
Stephen Robertson	Remuneration Committee (Chair) Audit Committee	£47,500
Mike Russell	Audit Committee (Chair) Remuneration Committee Nomination Committee	£47,500

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 was for an initial period of three years. Each Non-Executive Directors' appointment has been extended with effect from 1 May for a further 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 5.5 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 The Company and certain members of the Group are party to the following facilities:

5.2.1 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, 16 July 2015 and 29 January 2016 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, Electrotec International Limited, Tesam Distribution Limited and RepairTech Limited (each in their capacity as guarantors) (the "Facility Agreement") pursuant to which the Company has access to a five year revolving credit facility of £30 million out of which the following overdraft, bonds and guarantees have been carved:

5.2.1.1 An overdraft facility of £8 million. The Company also has the benefit of an overdraft facility (which includes a notional pooling agreement and a cross currency overdraft facility) entered into with Northern Commercials (Mirfield) Limited, Genesis Specialised Product Packing Limited, Servicecare Support Services Limited, Electrotec International Limited, Tesam Distribution Limited and RepairTech Limited pursuant to which it has access to an overdraft facility with an aggregate gross group limit of £10 million and an aggregate group net limit of £8 million. The overdraft facility fluctuates daily and is renewable on an annual basis;

5.2.1.2 A bonds and guarantee facility of £2 million which is used to issue bonds and guarantees in respect of obligations of the Company and its subsidiaries.

The facility 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 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.

5.3 On 2 November 2016, the Company announced that it had entered into an agreement with John Lewis plc ("John Lewis") establishing a Joint Venture company which formalises the collaboration with John Lewis that the Company first announced on 24 July 2015. The existing trade and assets of the collaboration have been transferred to the Joint Venture company. Under the terms of the Joint Venture agreement, funding is provided on a 50/50 basis by John Lewis and the Company and profits are shared between the parties on the same basis. The consideration was initially £3.4 million in cash, representing the initial funding requirement of the Joint Venture and a further £0.5 million should a funding requirement arise in the first two years.

5.4 On 24 May 2017, the Company entered into a share purchase agreement for the acquisition of the entire issued share capital of Tesam Distribution Ltd, for consideration of £11.75 million which was funded from the Company's existing cash and bank facilities. The assets acquired included cash of approximately £3.4 million and a freehold property which is to be sold post-acquisition and is expected to realise £2.7 million net. The sellers gave warranties in favour of the Company on customary terms and subject to customary limitations.

5.5 On 15 June 2017, the Company entered into a share purchase agreement for the acquisition of the entire issued share capital of RepairTech Ltd for consideration of £2.5m in cash plus up to £0.5m deferred consideration

## Additional information continued

payable on the date falling 12 months after completion. The assets acquired included net cash balances of approximately £0.3m. The consideration was funded from Clipper's existing cash and bank facilities. The sellers gave warranties in favour of the Company on customary terms and subject to customary limitations.

### 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 14 August 2017 (being the Latest Practicable Date).

Date	Price per Ordinary Share (pence)
1 February 2017	377.00
1 March 2017	352.00
3 April 2017	381.50
1 May 2017	385.00
1 June 2017	418.00
3 July 2017	405.50
14 August 2017	417.25

### 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 2017. 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 30 to 35.
- 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 of the Company for the last two financial years are all hereby incorporated by reference into this document and the relevant hyperlinks are set out below.
- 7.7 The Annual Report and Accounts that is incorporated by reference into this document is available at: <https://www.clippergroup.co.uk/wp-content/uploads/2017/07/clipper-annual-report-2017.pdf>

The annual report and accounts of the Company for the financial year ended 30 April 2016 is available at: [http://www.clippergroup.co.uk/wp-content/uploads/2016/08/Clipper-Annual-Report-2016\\_A4\\_AW\\_DL.pdf](http://www.clippergroup.co.uk/wp-content/uploads/2016/08/Clipper-Annual-Report-2016_A4_AW_DL.pdf)

The annual report and accounts of the Company for the financial year ended 30 April 2015 is available at: <https://www.clippergroup.co.uk/wp-content/uploads/2015/07/2015%20Annual%20Report%20&%20Accounts.pdf>

No copies of this information will be sent to any person unless requested. If you have received this document in electronic form, you may request a hard copy of this document and/or any information incorporated into this document by reference by contacting the Company Secretary at Clipper Logistics plc, Gelderd Road, Leeds, West Yorkshire LS12 6LT or on +44 (0)113 204 2050, between 8.30 a.m. and 5.30 p.m. (UK time), Monday to Friday (excluding public holidays) with your full name and the full address to which the hard copy may be sent. You may also request that any future documents, announcements and information to be sent to you in relation to the matters set out in this document should be in hard copy form.

- 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](http://www.clippergroup.co.uk/investor-news) up to and including 25 September 2017:

- (a) the articles of association of the Company which are available at: <https://www.clippergroup.co.uk/annual-general-meeting>
- (b) the written consent referred to in paragraph 7.1 above; and
- (c) this document.

## Definitions

**"2017/18 PSP Awards"** share awards proposed to be made to certain members of the Concert Party during the Company's financial year ending 30 April 2018 pursuant to the rules of the PSP and as detailed further in the explanatory notes to Resolution 16 on page 11;

**"2017/18 Share Awards"** together, the 2017/18 PSP Awards and the 2017/18 Sharesave Awards;

**"2017/18 Sharesave Awards"** share awards proposed to be made to certain members of the Concert Party during the Company's financial year ending 30 April 2018 pursuant to the rules of the Sharesave Plan and as detailed further in the explanatory notes to Resolution 16 on page 11;

**"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 2017 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"** the electronic trade settlement system for uncertificated securities;

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

**"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 and David Hodkin;

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

**"Existing PSP Awards"** share awards made to members of the Concert Party in previous financial years pursuant to the rules of the PSP and as shown in the table on page 11 of this document;

**"Existing Sharesave Awards"** share options made available to members of the Concert Party in previous financial years pursuant to the rules of the Sharesave Plan and as shown in the table on page 11 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 and David Hodkin;

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

**"Latest Practicable Date"** 14 August 2017 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"** Stephen Robertson, Ron Series and Mike Russell;

**"Notice"** the notice to Shareholders of Clipper's Annual General Meeting as detailed on pages 3 to 5 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;

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

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

**"Remuneration Committee"** the remuneration committee of the Company;

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## Definitions continued

**"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 43.03% (assuming that: (a) none of the 2017/18 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 295,742 Ordinary Shares to members of the Concert Party pursuant to 2017/18 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 39.50% (assuming that: (a) all 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 15 and 16 to be proposed at the AGM and set out in the Notice.



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