

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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



CLIPPER LOGISTICS PLC

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

Notice of Annual General Meeting

The Annual General Meeting of Clipper Logistics plc will be held at the Novotel Leeds Centre, 4 Whitehall, Whitehall Quay, Leeds, LS1 4HR, on 21 October 2019 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 17 October 2019.

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 September 2019

This document contains the Notice of the 2019 Annual General Meeting of Clipper Logistics plc ("**AGM**"). On behalf of the Board I am delighted to invite you to attend our AGM which will be held at the Novotel Leeds Centre, 4 Whitehall, Whitehall Quay, Leeds, LS1 4HR, at 11.00am on 21 October 2019. The formal notice of AGM is set out on pages 2 to 3 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

Financial information on Clipper is set out in Clipper's Annual Report and Accounts for the year ended 30 April 2019. Further information relating to the resolutions contained in the Notice of AGM is provided in the explanatory notes to the resolutions on pages 4 to 6 of this document.

In previous years, the Company has sought the approval of Independent Shareholders for the issue of PSP Awards. This is required by the City Code on Takeovers and Mergers as a result of an increase in the percentage of Ordinary Shares held by me and other persons acting in concert with me as a result of the grant (and subsequent exercise or vesting) of such PSP Awards. However, this year, the Directors do not propose to issue any PSP Awards before the next annual general meeting of the Company to be held in 2020. Therefore, approval of Independent Shareholders is not being sought at the AGM in respect of the grant of PSP Awards to me and other persons acting in concert with me, as has been done in previous years. The Company currently expects to seek such an approval at the next annual general meeting to be held in 2020.

Recommendation

Your Directors, as a whole, believe that the 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 11 and 15 to 18 (inclusive) as they intend to do in respect of their entire holdings which amount to 27,214,212 Ordinary Shares, representing approximately 26.77% of Clipper's issued share capital as at the Latest Practicable Date.

Resolutions 12 to 14 (inclusive) are resolutions of the Independent Shareholders to approve the re-election of Stephen Robertson and Mike Russell who are offering themselves for re-election as independent directors, and Stuart Watson who is offering himself for election as an independent director. Their re-elections and election (as relevant) are also proposed as resolutions of all Shareholders in Resolutions 9 to 11 (inclusive). The additional, separate resolutions (Resolutions 12 to 14) are 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 and 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 has been deemed to be acting in concert with me, we are not entitled to vote on Resolutions 12 to 14. However, in accordance with the recommendation above covering Resolutions 1 to 11 and 15 to 18 (inclusive), your Directors as a whole believe that Resolutions 12 to 14 will promote the success of Clipper for the benefit of Shareholders as a whole and unanimously recommend that you vote in favour of Resolutions 12 to 14, as the Independent Directors intend to do in respect of their entire holdings.

Yours faithfully



Steve Parkin
Executive Chairman

Notice of the 2019 Annual General Meeting

Notice is hereby given that the Annual General Meeting of Clipper Logistics plc (the "Company") will be held at the Novotel Leeds Centre, 4 Whitehall, Whitehall Quay, Leeds, LS1 4HR, on 21 October 2019 at 11.00am, to consider and, if thought fit, to pass the following resolutions. It is intended to propose resolutions 16 to 18 as special resolutions. Resolutions 1 to 11 and 15 will be proposed as ordinary resolutions. Resolutions 12 to 14 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 12 to 14. Voting on all resolutions will be conducted on a poll.

Defined terms used in this Notice are set out on page 9 of this document.

Ordinary Resolutions

1. To receive the accounts for the financial year ended 30 April 2019, 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 57 of the Annual Report and Accounts for the financial year ended 30 April 2019.
(Resolution 2)
3. To declare a final dividend of 6.5 pence per Ordinary Share due and payable on 23 October 2019 to holders of Ordinary Shares on the Company's register of shareholders at 6:00pm on 20 September 2019.
(Resolution 3)
4. 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 2020.
(Resolution 4)
5. To authorise the Audit Committee of the Board to set the remuneration of the auditors.
(Resolution 5)
6. To re-elect Mr Steven Parkin as a director of the Company.
(Resolution 6)
7. To re-elect Mr Antony Mannix as a director of the Company.
(Resolution 7)
8. To re-elect Mr David Hodkin as a director of the Company.
(Resolution 8)
9. To re-elect Mr Stephen Robertson as a director of the Company.
(Resolution 9)
10. To re-elect Mr Michael Russell as a director of the Company.
(Resolution 10)
11. To elect Mr Stuart Watson as a director of the Company.
(Resolution 11)
12. 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 12)
13. In accordance with the Listing Rules and the articles of association of the Company regarding the election of independent directors, to re-elect Mr Michael Russell as an independent director of the Company.
(Resolution 13)
14. In accordance with the Listing Rules and the articles of association of the Company regarding the election of independent directors, to elect Mr Stuart Watson as an independent director of the Company.
(Resolution 14)
15. 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 £16,943 (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 of £33,886 (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 2020), 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 15)

Special Resolutions

16. 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 16)

17. That if Resolution 15 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 15 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 15, 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 £2,541,

such authority to expire at the end of the next annual general meeting of the Company (or, if earlier, on 31 October 2020) 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 17)

18. That if Resolution 15 is passed, the Directors be authorised, in addition to any authority granted under Resolution 17, to allot equity securities (as defined in section 560(1) of the Act) for cash under the authority given by Resolution 15 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 £2,541; 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 2020) 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 18)

By order of the Board

Marianne Hodgkiss
Company Secretary
16 September 2019

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 2019. 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 57 of the Annual Report and Accounts (available to download from the Clipper website at www.clippergroup.co.uk/investor-news). This vote will be held annually and is advisory in nature.

The Directors' Remuneration Policy was approved by shareholders at the 2017 annual general meeting and remains unchanged. Shareholder approval of the Directors' Remuneration Policy is valid for three years and will therefore be put to a Shareholder vote at the annual general meeting to be held in 2020. The policy table from the Directors' Remuneration Policy is included in this year's Annual Report and Accounts as an appendix to the Directors' Remuneration Report for ease of reference.

Resolution 3: Approval of final dividend

The Board proposes a final dividend of 6.5 pence per Ordinary Share for the year ended 30 April 2019. Resolution 3 is to approve this final dividend. If approved, the recommended final dividend will be paid on 23 October 2019 to all Shareholders who are on the register of members on 20 September 2019.

Resolution 4: Re-appointment of auditors

The Group intends to conduct a tender for audit services later in 2019. The Company's current auditors, KPMG LLP, will be invited to participate in this process. Pending the outcome of that process, the Board recommends the re-appointment of KPMG LLP to hold office from the end of the Annual General Meeting until either:

- (a) the end of the next annual general meeting at which accounts are laid before Shareholders (should KPMG be re-appointed as auditor); or
- (b) their resignation as auditor becomes effective (should KPMG not be re-appointed as auditor following the tender process).

This Resolution 4 allows for KPMG LLP to be re-appointed to hold office until the Company's next annual general meeting, i.e. the full year, should KPMG be re-appointed under the tender process.

Resolution 5: Remuneration of auditors

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

Resolutions 6 to 11 (inclusive): Re-election and election of Directors

Resolutions 6 to 10 deal with the re-election of Steven Parkin, Antony Mannix, David Hodkin, Stephen Robertson, and Michael Russell as directors of the Company, and Resolution 11 deals with the election of Stuart Watson as a director 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. As recommended by the 2018 Corporate Governance Code, notwithstanding the Company's articles,

the Directors have determined that all Directors shall retire from office annually at the annual general meeting (with effect from the 2019 AGM), and shall be eligible for re-election at that same annual general meeting. Accordingly, Steven Parkin, Antony Mannix, David Hodkin, Stephen Robertson and Michael Russell are retiring and offering themselves for re-election, and Stuart Watson is offering himself for election having been appointed to the Board since the last annual general meeting. Biographies of each of those Directors seeking re-election or election are below:

Steven (Steve) Parkin, Executive Chairman

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

Steve is the chairman of the Nomination Committee.

Antony (Tony) Mannix, Chief Executive Officer

Tony was appointed Chief Executive Officer of the Group in May 2014. Tony joined Clipper in 2006 as Managing Director of the UK logistics division. Tony has over 30 years' experience in the logistics sector, and held a number of senior roles with Roseby's plc (which became part of Homestyle Group plc), ultimately becoming Logistics Director.

Tony has particular experience of operating in complex retail logistics environments, including the design and specification of both distribution centres and warehouse management systems. Tony began his career in logistics with the Burton Group, after working in the construction industry following his graduation with a degree in architectural engineering.

David Hodkin, Chief Financial Officer

David joined Clipper as Group Chief Financial Officer in 2003. He 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 held a number of senior roles in Magnet Limited. David is a member of the Chartered Institute of Management Accountants.

Stephen Robertson, Senior Independent Non-Executive Director

Stephen joined the Group as Non-Executive Director in 2014, and became Clipper's Senior Independent Non-Executive Director in March 2019. He has many years of experience in the retail industry and held executive positions at Kingfisher plc, WH Smith plc and Woolworths Group plc. He was previously Director General of the British Retail Consortium and is currently chairman of Retail Economics. His current non-executive directorships include Timpson Group plc and Hargreaves Lansdown plc.

Stephen is a member of the Nomination Committee, Remuneration Committee and Audit Committee.

Mike Russell, Independent Non-Executive Director

Mike Russell was appointed Non-Executive Director of Clipper's former parent company in 2011, and was appointed Non-Executive Director of the Company in 2014. He is a Chartered Certified Accountant and has held senior finance positions within Allied Lyons plc and Asda Stores Limited.

He was appointed Group Finance Director of Nurdin & Peacock plc, a FTSE 250 company. From 1997 to 2011, he was an executive director of Prize Food Group, initially as Group Finance Director and, from 2005, as Chief Executive Officer.

Mike is chairman of the Remuneration Committee and is a member of the Nomination Committee and the Audit Committee.

Stuart Watson, Independent Non-Executive Director

Stuart Watson joined the Group as Non-Executive Director in March 2019.

Stuart is a Chartered Accountant and was a partner with Ernst & Young from 1998 until retiring from the partnership in 2017. Stuart was an audit partner working mainly with listed and private equity backed companies and was the Senior Partner for Yorkshire and the North East. He is also a member of the Council of the University of Bradford and of the University's Audit Committee.

Stuart is chairman of the Audit Committee and is a member of the Nomination Committee and the Remuneration Committee.

The Board is of the view that each Director standing for re-election or 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. 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.

Resolutions 12 to 14 (inclusive): Re-election and election of Independent Non-Executive Directors

Resolutions 12 and 13 relate to the re-election of Stephen Robertson and Michael Russell and Resolution 14 relates to the election of Stuart Watson, together who are 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 persons acting in concert with him, 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).

Resolutions 9 to 11 (inclusive) are therefore being proposed as ordinary resolutions which all Shareholders may vote on, but in addition Resolutions 12 to 14 (inclusive) 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 or 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 any of Resolutions 12 to 14 (inclusive) are not approved by a majority vote of the Company's Independent Shareholders at the AGM, such Director will be treated as having been re-elected or elected (as relevant) 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 AGM, to

propose a further resolution to re-elect or elect him (as relevant), (ii) the date which is 120 days after the AGM 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 or election (as relevant) is approved by a majority vote of all Shareholders at a second meeting, the Director will then be re-elected or elected (as relevant) 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 an independent director has or has had with the Company, its directors, any controlling shareholder or any associate of a controlling shareholder or a confirmation that there has been no such relationships, transactions or arrangements; (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 or previous 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) Other than Michael Russell's prior directorship with Clipper's former parent company, there are no existing or previous relationships, transactions or arrangements between Michael Russell and the Company, any of the Company's directors, Steve Parkin or any of Steve Parkin's associates.
- (c) Other than (i) the 4,000 Ordinary Shares held by Stuart Watson; (ii) fees of £6,000 (£5,000 of which have been paid to Mr Watson and £1,000 of which are accrued but have not been invoiced) in relation to Mr Watson's consultancy arrangements with a company which is an associate of Steve Parkin; and (iii) Mr Watson's previous role, whilst he was a partner at Ernst & Young LLP, as audit partner responsible for the Group for the financial years ended 30 April 2014 and 30 April 2015, there are no existing or previous relationships, transactions or arrangements between Stuart Watson and the Company, any of the Company's directors, Steve Parkin or any of Steve Parkin's associates.
- (d) The effectiveness of all the Directors is assessed as part of the Board of Directors' performance evaluation process. Stephen Robertson, Michael Russell and Stuart Watson possess 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, Michael Russell and Stuart Watson continue to contribute effectively to the operation of the Board and to demonstrate commitment to their roles.
- (e) 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, Michael Russell and Stuart Watson were independent on their appointment to the Board of Directors and ensures that they remain independent by periodically reviewing their character, judgement and the relationships referred to above.

Explanatory notes to the resolutions continued

Resolutions 12 to 14 (inclusive): Re-election and election of Independent Non-Executive Directors continued

(f) 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 15: 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 15 would give the Directors the authority to allot shares up to an aggregate nominal amount equal to £16,943. This amount represents approximately one-third of the issued ordinary share capital of Clipper as at the Latest Practicable Date.

Paragraph (b) of Resolution 15 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 £33,886, 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 15 will expire at the earlier of 31 October 2020 (the last date by which Clipper must hold an annual general meeting in 2020) or the conclusion of the annual general meeting of Clipper to be held in 2020. 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 16: 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 16 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.

Resolutions 17 and 18: 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 28 September 2018 will expire at the conclusion of the AGM. It is therefore proposed that it be renewed.

Resolution 17, 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 17 which permits non-pre-emptive offers up to an aggregate nominal amount of £2,541 (representing 5,082,000 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 18 seeks this separate authority. Where the authority granted under Resolution 18 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 2020 (the last date by which the Company must hold an annual general meeting in 2020) or the end of the annual general meeting of the Company to be held in 2020. 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.

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 17 October 2019.
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.
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 17 October 2019. 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").

Instructions for electronic proxy appointment through CREST

5. CREST members who wish to appoint a proxy or proxies through CREST electronic proxy appointment service may do so for the AGM, and any adjournment(s) thereof, by using the procedures and to the address described in the CREST Manual (available via www.euroclear.com) subject to the provisions of the Company's articles of association. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
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.

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 17 October 2019, 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 101,659,407 ordinary shares of 0.05 pence each, of which 101,659,407 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 101,659,407.

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.

Definitions

"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 2019 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;

"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;

"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" any person entitled to vote on the election of directors of the Company that is not a controlling shareholder of the Company;

"Latest Practicable Date" 11 September 2019 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, Mike Russell and Stuart Watson;

"Notice" the notice to Shareholders of Clipper's Annual General Meeting as detailed on pages 2 and 3 of this document;

"Official List" the Official List maintained by the FCA;

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

"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;

"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; and

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

Clipper Logistics plc

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