

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.**

If you sell or transfer, or have sold or otherwise transferred, all of your Ordinary Shares, please send this document together with the accompanying documents as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer is or was effected for onward transmission to the purchaser or transferee, save that you should not forward or transmit such documents in or into any jurisdiction in which to do so would constitute a violation of that jurisdiction's relevant laws. If you sell or have sold or otherwise transferred only part of your holding of Ordinary Shares, you should retain this document.

This document is being sent to you solely for the purpose of convening the Annual General Meeting referred to below and to provide information to you as a member of the Company to help you to decide how to cast your vote in respect of the Resolutions. No reliance may be placed on this document for any other purpose.



*(Registered in England and Wales with registered number 05984855)*  
**Notice of 2019 Annual General Meeting**

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**Your attention is drawn to the letter from the Chairman of the Company which is set out in part 1 of this document, which includes a recommendation that you vote in favour of the Resolutions to be proposed at the Annual General Meeting to be held at Vertu House, Fifth Avenue Business Park, Team Valley, Gateshead, Tyne and Wear, NE11 0XA at 10.00 a.m. on 24 July 2019.**

Notice of the Annual General Meeting is set out in part 2 of this document. Proxies should be appointed online at [www.signalshares.com](http://www.signalshares.com) no later than 10.00 a.m. on 22 July 2019. If you hold Ordinary Shares through CREST you may appoint a proxy by completing and transmitting a CREST proxy instruction to Link Asset Services (CREST participant ID RA 10) so that it is received by no later than 10.00 a.m. on 22 July 2019. Completion and appointment of a proxy or a CREST proxy instruction will not preclude Shareholders from attending and voting in person at the AGM should they subsequently wish to do so.

Copies of this document, the service agreements or letters of appointment of each of the Directors, and any applicable deeds of indemnity relating to the Directors will be available for inspection free of charge during normal business hours on any week day (except Saturdays, Sundays and public holidays) at Vertu House, Fifth Avenue Business Park, Team Valley, Gateshead, Tyne and Wear, NE11 0XA from the date of this notice until the conclusion of the AGM.

Copies of this document are also available during such period at the Company's website: [www.vertumotors.com/investors](http://www.vertumotors.com/investors)

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## EXPECTED TIMETABLE

Posting of this document or posting or email of a Notice of Availability to Shareholders	21 June 2019
Latest time and date for appointments of proxies for the Annual General Meeting	10.00 a.m. on 22 July 2019
Record Date for the Annual General Meeting	Close of business on 22 July 2019
Annual General Meeting	10.00 a.m. on 24 July 2019
Proposed date for payment of final dividend	29 July 2019

*Note: Each of the dates and times in the above timetable are subject to change. All times stated are British Summer Time.*

## DEFINITIONS

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

<b>Act</b>	the Companies Act 2006, as amended
<b>AGM or Annual General Meeting</b>	the annual general meeting of the Company to be held at the registered offices of the Company at Vertu House, Fifth Avenue Business Park, Team Valley, Gateshead, Tyne and Wear, NE11 0XA at 10.00 a.m. on 24 July 2019, or any adjournment thereof, notice of which is set out in part 2 of this document
<b>AGM Notice</b>	the notice of the AGM set out in part 2 of this document
<b>Board or Directors</b>	the directors of the Company
<b>Business Day</b>	any day other than a Saturday, Sunday or public holiday on which banks are open in the City of London for the transaction of general commercial business
<b>certificated or in certificated form</b>	an Ordinary Share which is not in uncertificated form (that is, not in CREST)
<b>Company</b>	Vertu Motors plc (registered number 05984855)
<b>CREST</b>	the relevant systems (as defined in the CREST Regulations) for paperless settlement of share transfers and the holding of shares in uncertificated form of which Euroclear is the operator as defined by the CREST Regulations
<b>CREST Regulations</b>	the Uncertificated Securities Regulations 2001, as amended
<b>Directors' Remuneration Report</b>	the directors' remuneration report for the year ended 28 February 2019, which is set out on pages 60-65 (inclusive) of the Company's 2019 Annual Report
<b>Existing Share Capital</b>	the 374,494,412 Ordinary Shares in issue as at 16 June 2019 (of which none are treasury shares)
<b>Euroclear</b>	Euroclear UK & Ireland Limited
<b>General Resolutions</b>	each of the Resolutions other than the LTIP Resolution
<b>Group</b>	the Company and its subsidiary undertakings (as defined in the Act)
<b>LTIP</b>	the Vertu Motors plc 2013 Long Term Incentive Plan
<b>LTIP Resolution</b>	the ordinary resolution numbered 15 set out in the AGM Notice and to be proposed at the Annual General Meeting
<b>Ordinary Shares</b>	ordinary shares of 10p each in the capital of the Company
<b>Resolutions</b>	the resolutions to be proposed at the AGM as set out in the AGM Notice
<b>Shareholders</b>	holders from time to time of Ordinary Shares
<b>Statement of Principles</b>	the Pre-Emption Group, Disapplying Pre-Emption Rights A Statement of Principles 2015
<b>UK or United Kingdom</b>	the United Kingdom of Great Britain and Northern Ireland
<b>uncertificated or in uncertificated form</b>	recorded on a register of securities maintained by Euroclear in accordance with the CREST Regulations as being in uncertificated form in CREST and title to

which, by virtue of the CREST Regulations, may be transferred by means of CREST

*All references in this document to £ or p are to the lawful currency of the United Kingdom.*

## PART 1 – LETTER FROM THE CHAIRMAN OF THE COMPANY



(Registered in England and Wales with registered number 05984855)

**Registered office:**

Vertu House  
Fifth Avenue Business Park  
Team Valley  
Gateshead  
Tyne and Wear  
NE11 0XA

21 June 2019

Dear Shareholder

### **2019 Annual General Meeting**

#### **Introduction**

I enclose, in part 2 of this document, the formal notice of the Annual General Meeting of the Company which is to be held at the registered offices of the Company at Vertu House, Fifth Avenue Business Park, Team Valley, Gateshead, Tyne and Wear, NE11 0XA at 10.00 a.m. on 24 July 2019.

I hope to see as many of you as possible at the AGM, which is the main opportunity each year for the Board to engage with Shareholders, to answer your questions and to listen to your views.

#### **Summary of the resolutions to be proposed at the Annual General Meeting**

At the AGM, the following resolutions will be proposed:

##### **Resolution 1 – Annual Report and Accounts (ordinary resolution)**

Company law requires the Directors to present to Shareholders the Company's and Group's annual accounts for the year ended 28 February 2019, together with their report and the auditors' report, all of which are contained within the Group's 2019 Annual Report.

##### **Resolution 2 – Reappointment of the auditors (ordinary resolution)**

The Company is required to appoint auditors at each annual general meeting at which accounts are laid before the Company, to hold office until the conclusion of the next such meeting. The Audit Committee has assessed the effectiveness, independence and objectivity of the external auditor and concluded that the auditor was in all respects effective. Accordingly, at the AGM Shareholders will be asked to confirm the re-appointment of PricewaterhouseCoopers LLP as the Company's auditors.

##### **Resolution 3 – Authority for the Directors to fix the auditors' remuneration (ordinary resolution)**

This resolution will authorise the Directors, in accordance with standard practice, to negotiate and agree the remuneration of the auditors.

##### **Resolution 4 – Declaration of a final dividend (ordinary resolution)**

Shareholders are being asked to approve and declare a final dividend of 1.05p per Ordinary Share for the year ended 28 February 2019. If approved and declared at the AGM, the final dividend will

be paid on 29 July 2019 to all holders of Ordinary Shares on the register of members of the Company at the close of business on 28 June 2019.

#### **Resolutions 5, 6, 7, 8 and 9 – Re-election of Directors (ordinary resolutions)**

The articles of association of the Company require that, at the AGM, newly appointed Directors and one third of all the other Directors shall retire by rotation. At the AGM Ken Lever and Peter Jones will retire and will offer themselves for re-election and Andrew Goss, David Crane and Karen Anderson will retire and offer themselves for election. Resolutions 5, 6, 7, 8 and 9 propose the election of David Crane, Karen Anderson and Andrew Goss, and the re-election of Ken Lever and Peter Jones, as directors. Biographies of the Directors can be found in the Annual Report and Accounts and on the Company's website.

#### **Resolution 10 – Approval of the Directors' Remuneration Report (ordinary resolution)**

The purpose of resolution 10 is to approve the Directors' Remuneration Report, set out on pages 60 to 65 (inclusive) of the Annual Report and Accounts for the year ended 28 February 2019.

The Companies Act 2006 requires that the Directors' Remuneration Report be subject to an annual advisory vote so that shareholders vote by way of ordinary resolution to approve the Directors' remuneration in the relevant financial year and how the Remuneration Policy (set out in the Remuneration Committee Report at pages 54 to 59 (inclusive) of the Annual Report and Accounts) will be implemented in the following financial year. The vote is advisory in nature and no entitlement to remuneration is conditional on the passing of the resolution.

#### **Resolution 11 Authority to allot shares (ordinary resolution)**

This resolution proposes to grant the Directors authority under section 551 of the Act to allot Relevant Securities. If passed, the resolution will authorise the Directors to allot up to a maximum aggregate nominal value of £24,966,200, representing approximately two-thirds of the Existing Share Capital, but subject to the proviso that half of such sum (being shares with an aggregate nominal value of £12,483,100 may only be allotted in connection with a rights issue or similar pre-emptive share issue.

Resolution 11 replaces the authority to allot shares passed at the annual general meeting of the Company held on 25 July 2018.

As at close of business on 16 June 2019, the Company did not hold any treasury shares.

The Directors have no present intention to exercise the authority conferred by this resolution.

This resolution complies with the Investment Association Share Capital Management Guidelines issued in July 2016.

In this resolution, Relevant Securities means:

- shares in the Company, other than shares allotted pursuant to:
  - an employee share scheme (as defined in section 1166 of the Act);
  - a right to subscribe for shares in the Company where the grant of the right itself constitutes a Relevant Security; or
  - a right to convert securities into shares in the Company where the grant of the right itself constitutes a Relevant Security; and
- any right to subscribe for or to convert any security into shares in the Company other than rights to subscribe for or convert any security into shares allotted pursuant to an employee share scheme (as defined in section 1166 of the Act). References to the allotment of Relevant Securities in this resolution include the grant of such rights.

#### **Resolutions 12 and 13 – Disapplication of pre-emption rights (special resolutions)**

Resolutions 12 and 13 ask Shareholders to grant the Directors authority to allot equity securities or to sell treasury shares for cash in connection with a rights issue or otherwise, on a non pre-emptive basis. The Resolutions will, if passed, give the Directors power, pursuant to the authority to allot granted by resolution 9 to allot equity securities (as defined by section 560 of the Act) or sell treasury

shares for cash, without first offering them to existing Shareholders in proportion to their existing holdings: (a) in relation to pre-emptive offers and offers to holders of other equity securities if required by the rights of those securities or as the Directors otherwise consider necessary, up to a maximum nominal amount of £12,483,100 which represents approximately one third of the Existing Share Capital and, in relation to rights issues only, up to a maximum additional amount of £12,483,100 which represents approximately one third of the Company's Existing Share Capital; and (b) in any other case, up to a maximum nominal amount of £1,872,400 which represents approximately 5% of the Company's Existing Share Capital.

This resolution is in line with guidance issued by the Investment Association (as updated in July 2016) and the Statement of Principles and the template resolutions published by the Pre-Emption Group in May 2016.

This resolution replaces the authority granted to the Directors at last year's annual general meeting.

In compliance with the Statement of Principles, the Directors confirm that they will not allot shares for cash on a non-pre-emptive basis pursuant to the authority in resolution 13 other than in accordance with an acquisition, or specified capital investment which is announced contemporaneously with the issue, or which has taken place in the preceding six month period, and is disclosed in the announcement of the allotment.

In addition, the Directors also confirm that in accordance with the Statement of Principles, they do not intend to issue shares for cash representing more than 7.5% of the Company's issued ordinary share capital in any rolling three-year period other than to existing Shareholders, save as permitted in connection with an acquisition or specified capital investment as described above, unless Shareholders have been notified and consulted in advance.

The Directors have no present intention to exercise the authority conferred by these resolutions.

#### **Resolution 14 – Purchases of own shares by the Company (special resolution)**

Resolution 14 seeks authority for the Company to make market purchases of up to 37,449,400 of its own Ordinary Shares, representing approximately 10% of the Existing Share Capital. The price payable must not be more than 5% above the average market value of an Ordinary Share for the five Business Days before the purchase is made and, in any event, not less than 10p per share, being the nominal value of each Ordinary Share. The Directors intend to use the authority granted by this resolution to continue making market purchases of the Company's ordinary shares as announced to date and when appropriate as a method of returning surplus cash to Shareholders. This power will only be used if the Directors consider that to do so would be in the best interests of Shareholders generally and would increase the earnings per share of those Ordinary Shares that are not re-purchased. Any such shares would be cancelled or held in treasury. Resolution 14 would replace a similar resolution passed at the 2018 annual general meeting of the Company.

On 16 June 2019, the total number of options to subscribe for ordinary shares in the Company amounted to 23,442,893. This represented 6.26 per cent of the Company's issued ordinary share capital (excluding treasury shares) on that date. If this authority to purchase shares was exercised in full the options would represent 6.96 per cent of the issued ordinary share capital (excluding treasury shares) as at 16 June 2019. The Company does not have any outstanding share warrants.

#### **Resolution 15 – Approval of amendment of the LTIP targets (ordinary resolution)**

Resolution 15 seeks approval for the amendment of the LTIP performance targets, following a review by the remuneration committee. When the LTIP was adopted in 2013, the Company committed to obtain shareholder approval to any change to the LTIP which materially benefitted the LTIP participants. Although the remuneration committee do not believe that the changes require shareholder approval, it proposes that such approval be obtained as best practice.

A summary of the principal changes proposed to the LTIP performance targets is set out in part 3 of this document. The Company's major shareholders have been consulted on the proposed change to the LTIP.

## **Proxy**

If you are unable to attend the AGM, a Proxy can be appointed online at [www.signalshares.com](http://www.signalshares.com) no later than 10.00 a.m. on 22 July 2019. Appointment of a Proxy will not prevent you from attending and voting at the AGM if you subsequently find that you are able to do so. CREST Members can cast their votes using CREST electronic proxy voting (further details of which are set out in note 8 on page 13 of the AGM Notice).

## **Recommendation**

**Your Directors believe that the Resolutions are in the best interests of the Company and Shareholders as a whole. Accordingly, they unanimously recommend that you vote in favour of each Resolution, as they intend to do in respect of their own beneficial holdings in the Company.**

The Executive Directors will be granted awards under the LTIP and have consequently played no part in the consideration of the LTIP by the remuneration committee or the Board.

**Your remuneration committee believes that the LTIP Resolution is in the best interests of the Company and Shareholders as a whole. Accordingly, each member of the remuneration committee recommends that you vote in favour of the LTIP Resolution (resolution number 15) as (s)he intends to do in respect of his/her own beneficial holding in the Company.**

Yours faithfully

**Peter Jones**  
*Non-executive Chairman*

## PART 2 – NOTICE OF ANNUAL GENERAL MEETING



(Registered in England and Wales with registered number 05984855)

Notice is hereby given that an annual general meeting of Vertu Motors plc (the **Company**) will be held at Vertu House, Fifth Avenue Business Park, Team Valley, Gateshead, Tyne and Wear, NE11 0XA at 10.00 a.m. on 24 July 2019 for the purposes set out below.

In this Notice, references to the **directors** shall be construed as references to the directors of the Company from time to time.

### Ordinary Business

1. To receive the accounts for the financial year ended 28 February 2019, together with the reports of the directors and of the auditors thereon.
2. To re-appoint PricewaterhouseCoopers LLP as auditors to the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
3. To authorise the directors of the Company to determine the remuneration of the auditors of the Company.
4. To declare a final dividend for the financial year ended 28 February 2019 of 1.05 pence per ordinary share of 10p in the capital of the Company, to be paid on 29 July 2019 to members whose names appear on the register of members in respect of such shares at the close of business on 28 June 2019.
5. To elect as a director David Crane, who retires in accordance with the Company's articles of association and who is eligible for election.
6. To elect as a director Karen Anderson, who retires in accordance with the Company's articles of association and who is eligible for election.
7. To elect as a director Andrew Goss, who retires in accordance with the Company's articles of association and who is eligible for election.
8. To re-elect as a director Ken Lever, who retires in accordance with the Company's articles of association and who is eligible for re-election.
9. To re-elect as a director Peter Jones, who retires in accordance with the Company's articles of association and who is eligible for re-election.
10. To approve the Directors' Remuneration Report for the financial year ended 28 February 2019 as set out in the Company's annual report and accounts.

### Special Business

As special business, to consider and, if thought fit, pass the following resolutions, which will be proposed as to resolutions 11 and 15 as **ordinary resolutions** and as to resolutions 12, 13 and 14 as **special resolutions** of the Company:

11. THAT, subject to and in accordance with article 3.1 of the articles of association of the Company, and in accordance with section 551 of the Act, the Directors be generally and unconditionally authorised to allot Relevant Securities (as defined in the notes to this resolution):

11.1 comprising equity securities (as defined by section 560 of the Act) up to an aggregate nominal amount of £24,966,200 (such amount to be reduced by the nominal amount of any Relevant Securities allotted pursuant the authority in paragraph 9.2 below) in connection with an offer by way of a rights issue:

- (a) to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and
- (b) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

11.2 in any other case, up to an aggregate nominal amount of £12,483,100 (such amount to be reduced by the nominal amount of any equity securities allotted pursuant to the authority in paragraph 11.1 above in excess of £12,483,100,

and provided that:

- (a) save as referred to in paragraphs (b) and (c) below, this authority shall, unless renewed, varied or revoked by the Company, expire on 24 October 2020 or, if earlier, the conclusion of the next annual general meeting of the Company;
- (b) the Company may, before such expiry, make offers or agreements which would or might require Relevant Securities to be allotted, and the Directors may allot Relevant Securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired; and
- (c) this resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot Relevant Securities but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

12. THAT, if resolution 11 is passed, the Directors be authorised to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by that resolution and/or to sell Ordinary Shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be limited to:

12.1 the allotment of equity securities in connection with an offer by way of a rights issue:

12.1.1 to the holders of ordinary shares of 10p each in the capital of the Company in proportion (as nearly as may be practicable) to their respective holdings; and

12.1.2 to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

12.2 to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph 12.1 above) up to an aggregate nominal amount of £1,872,400;

and provided that:

- (a) save as referred to in paragraphs (b) and (c) below, this authority shall, unless renewed, varied or revoked by the Company, expire on 24 October 2020 or, if earlier, the conclusion of the next annual general meeting of the Company;

- (b) the Company may, before such expiry, make offers or 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) in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired; and
  - (c) this resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot equity securities but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.
- 13.** THAT if resolution 12 is passed, the Directors be authorised in addition to any authority granted under resolution 12 to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, provided that such authority shall be:
- 13.1 limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £1,872,400; and
  - 13.2 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 of the Company determines 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,
- and provided that:
- (a) save as referred to in paragraphs (b) and (c) below, this authority shall, unless renewed, varied or revoked by the Company, expire on 24 October 2020 or, if earlier, the conclusion of the next annual general meeting of the Company;
  - (b) the Company may, before such expiry, make offers or 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) in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired; and
  - (c) this resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot equity securities but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.
- 14.** THAT the Company be and is generally and unconditionally authorised, pursuant to section 701 of the Companies Act 2006 (the **Act**), to make market purchases (as defined in section 693(4) of the Act) of ordinary shares of 10p each in the capital of the Company (**Ordinary Shares**) on such terms and in the manner as the directors of the Company may from time to time determine provided that:
- 14.1 the maximum aggregate number of Ordinary Shares authorised to be purchased is £37,449,400 (representing approximately 10% of the Company's issued ordinary share capital as at the date of this notice);
  - 14.2 the minimum price which may be paid for such Ordinary Shares shall be 10p per share;
  - 14.3 the maximum price which may be paid for an Ordinary Share shall not be more than 5% above the average market value of an Ordinary Share for the five Business Days immediately preceding the date on which the contract for the purchase is made;
  - 14.4 unless previously renewed, varied or revoked, the authority conferred shall expire on 24 October 2020 or, if earlier, at the conclusion of the Company's next annual general meeting provided that:

- 14.5 the Company may make a contract or contracts to purchase Ordinary Shares under this authority prior to its expiry which will or may be executed wholly or partly after the expiry of this authority; and
- 14.6 the Company may make a purchase of Ordinary Shares in pursuance of any such contract or contracts.
15. THAT the change to the Vertu Motors plc Long Term Incentive Plan 2013 performance targets summarised in part 3 of this document, be and are approved.

Dated: 21 June 2019

By Order of the Board

Registered Office:

**Nicola Loose**  
Company Secretary

Vertu House  
Fifth Avenue Business Park  
Team Valley  
Gateshead  
Tyne and Wear  
NE11 0XA

**Notes:**

**Appointment of proxies**

1. If you are a member of the Company at the time set out in note 13 below, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the annual general meeting by submitting the appointment online at [www.signalshares.com](http://www.signalshares.com) using your username and password. You can only appoint a proxy using the procedures set out in these notes. If you are unable or do not wish to vote online, please call the Shareholder Helpline +44 (0) 371 664 0300 administered by Link Asset Services to request a hard copy proxy card. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 09.00 and 17.30 Monday to Friday excluding public holidays in England and Wales. Hard copy proxy forms should then be returned to Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU.
2. If you are not a member of the Company, but you have been nominated by a member of the Company to enjoy information rights, you do not have the right to appoint any proxies.
3. A proxy does not need to be a member of the Company but must attend the annual general meeting to represent you. Details of how to appoint a proxy are set out online at [www.signalshares.com](http://www.signalshares.com). If you wish your proxy to speak on your behalf at the annual general meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
4. You may appoint more than one proxy, provided that each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share.
5. Appointment of a proxy does not preclude you from attending the annual general meeting and voting in person. If you have appointed a proxy and attend the annual general meeting in person, your proxy appointment will automatically be terminated.
6. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the annual general meeting or any adjournment thereof.
7. All proxy appointments must be made (or received by Link if using a hard copy proxy card) no later than 10.00am on 22 July 2019 or, if this annual general meeting is adjourned, not less than 48 hours before the time of the adjourned meeting.

**Appointment of proxies through CREST**

8. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting convened by this notice and any adjournment(s) thereof by utilising the procedures described in the CREST Manual (available from <https://www.euroclear.com/site/public/EUI>). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (**CREST Proxy Instruction**) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (**EUI**) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by the latest time for receipt of proxy appointments specified in note 7 above. 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 Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

#### **Appointment of proxy by joint members**

9. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

#### **Termination of proxy appointments**

10. A shareholder may revoke a proxy instruction but to do so will need to inform the Company in writing by sending a signed hard copy notice clearly stating their intention to revoke their proxy appointment to Link Asset Services, 34 Beckenham Road, Beckenham, Kent, BR3 4TU. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. A shareholder may change a proxy instruction submitted online by logging in online at [www.signalshares.com](http://www.signalshares.com).

Any changes must be made no later than 10.00 a.m. on 22 July 2019.

If you attempt to change or revoke your proxy appointment after the time specified, your original proxy appointment will remain valid unless you attend the meeting and vote in person.

#### **Alteration of proxy appointments**

11. Shareholders may change proxy instructions by submitting a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments also applies in relation to amended instructions. Any amended proxy appointment received after the relevant cut-off time will be disregarded.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

#### **Entitlement to attend and vote**

12. Only those members registered on the Company's register of members at close of business on 22 July 2019 or, if the annual general meeting is adjourned, at close of business two days prior to the adjourned meeting, shall be entitled to attend and vote at the meeting. Such Shareholders may only cast votes in respect of shares held at such time. Changes to entries on the relevant register after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
13. If you wish to attend the meeting in person, please bring a form of identification with you.

#### **Corporate representatives**

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

#### **Documents on display**

15. Copies of this document and the service contracts or letters of appointment and deeds of indemnity of each of the Directors will be available for inspection at the offices of Vertu House, Fifth Avenue Business Park, Team Valley, Gateshead, Tyne and Wear, NE11 0XA during normal business hours on any weekday (Saturdays, Sundays and public holidays excluded) from the date of this notice until the conclusion of the annual general meeting.

## Biographical details

16. The biographical details of each Director who is being proposed for election or re-election by Shareholders, including their membership of board committees, are set out in the annual report and accounts posted to Shareholders with this notice.

## Communication

17. Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, can be found at [www.vertumotors.com](http://www.vertumotors.com).
18. Except as provided above, members who have general queries about the annual general meeting should contact the Company Secretary at Vertu Motors plc, Vertu House, Fifth Avenue Business Park, Team Valley, Gateshead, Tyne and Wear, NE11 0XA or at [cosec@vertumotors.com](mailto:cosec@vertumotors.com) or on 0191 491 2121 (no other methods of communication will be accepted).

You may not use any electronic address provided either:

- in this notice of annual general meeting; or
- any related documents (including the Chairman's letter),

to communicate with the Company for any purposes other than those expressly stated.

## Share capital

19. As at 6 pm on 16 June 2019, the Company's issued share capital comprised the Existing Share Capital. Each Ordinary Share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 16 June 2019 is 374,494,412.

The website referred to in note 18 will include information on the number of shares and voting rights.

## Questions

20. Any member attending the meeting has the right to ask questions. The Company must answer any question you ask relating to the business being dealt with at the meeting unless:
- answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
  - the answer has already been given on a website in the form of an answer to a question; or
  - it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

## Nominated persons

21. If you are a person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights (**Nominated Person**):
- You may have a right under an agreement between you and the shareholder of the Company who has nominated you to have information rights (**Relevant Shareholder**) to be appointed or to have someone else appointed as a proxy for the meeting.
  - If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Shareholder to give instructions to the Relevant Shareholder as to the exercise of voting rights.
  - Your main point of contact in terms of your investment in the Company remains the Relevant Shareholder (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

### **PART 3 – LTIP –PROPOSED CHANGES**

This section summarises the changes proposed to the LTIP as approved and adopted in 2013. All other provisions remain unchanged. The grant of LTIP awards for the year 2019 to 2020 has been deferred until after the AGM

#### **1. Performance targets**

The vesting of awards under the LTIP is dependent upon the extent to which specified performance targets have been achieved. Since 2016, LTIP awards have been granted subject to performance conditions based on absolute total shareholder return (**TSR**) and return on equity targets (with an equal weighting).

In accordance with the rules of the LTIP, the Remuneration Committee may set different performance conditions in respect of future awards. Accordingly, the Remuneration Committee proposes that for future awards, vesting will be dependent upon a 3 year aggregate profit before tax target, adjusted for non-underlying items including amortisation, share based payments charges and any exceptional items.

Awards will begin to vest at an entry level aggregate profit before tax target where 37% of the awards will vest increasing to 75% for achieving the principal target. The principal target will be set by the Remuneration Committee have regard to the current market consensus. Maximum vesting will occur on achieving an over-performance target. Between each vesting threshold awards will vest on a straight line.

The Remuneration Committee envisages that these new performance conditions will apply to future awards under the LTIP. Any change in performance conditions will be explained and justified to shareholders through the Company's report and accounts.