
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in doubt about the action you should take, you are recommended to immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent professional financial adviser who, if you are taking advice in Ireland, is authorised or exempted pursuant to the European Union (Markets in Financial Instruments) Regulations 2017 of Ireland or the Investment Intermediaries Act, 1995 of Ireland (as amended), or, if you are taking advice in the United Kingdom, is authorised under the Financial Services and Markets Act 2000 of the United Kingdom.

If you have sold or otherwise transferred all of your shares in Grafton Group plc, please send this document and the accompanying Form of Proxy at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee.

**GRAFTON GROUP PLC
(the “Company”)**

Notice of 2021 Annual General Meeting

A letter from the Chairman of Grafton Group plc is set out on pages 8 to 12 of this document.

Your attention is drawn to the Notice of the Annual General Meeting (“AGM”) to be held at 10.30am on 28 April 2021 at the Offices of Grafton Group plc, Heron House, Corrig Road, Sandyford Business Park, Dublin 18, D18 Y2X6, Ireland, which is set out on pages 33 to 36 of this document.

A Form of Proxy for use at the meeting is enclosed. Following the migration of the Company’s ordinary shares (the “**Ordinary Shares**”) from the CREST system (“**CREST**”) to the system operated by Euroclear Bank SA/NV (“**Euroclear Bank**”) (the “**EB System**”) on 15 March 2021 (the “**Migration**”), the process for appointing a proxy and/or voting at the meeting will now depend on the manner in which you hold your Ordinary Shares in the Company.

For shareholders whose names appear on the register of members of the Company (i.e. those who hold their Ordinary Shares in certificated form and who therefore do not hold their interests in Ordinary Shares as Belgian law rights through the EB System or as CREST Depositary Interests (“**CDIs**”) through CREST), the Form of Proxy must be completed and returned to the Company’s Registrars, Link Registrars Limited at P.O. Box 1110, Maynooth, Co. Kildare, Ireland if delivered by post or to Link Registrars Limited, Block C, Maynooth Business Campus, Maynooth, Co Kildare, W23 F854, Ireland if delivered by hand during normal business hours so as to be received by no later than 10.30am on 26 April 2021.

Alternatively, you may appoint a proxy electronically by visiting the website of the Company’s Registrars at www.signalshares.com and entering the Company name, Grafton Group plc. You will need to register for the Share Portal by clicking on “registration section” (if you have not registered previously) and following the instructions. You will need your Investor Code (“**IVC**”) which can be found at the top of your proxy form.

Persons who hold their interests in Ordinary Shares as Belgian law rights through the EB System or as CDIs through CREST should consult with their stockbroker or other intermediary at the earliest opportunity for further information on the processes and timelines for submitting proxy votes for the AGM through the respective systems.

Further Information for the holders of CDIs (“CDI Holders”)

Euroclear UK & Ireland Limited (“EUI”), the operator of CREST, has arranged for voting instructions relating to the CDIs held in CREST to be received via a third party service provider, Broadridge Financial Solutions Limited (“**Broadridge**”). Further details on this service can be accessed on the EUI website at the following link once you have logged in to your EUI account: [“All you need to know about SRD II in Euroclear UK & Ireland”](#) (see **section CREST International Service – Proxy voting**).

If you are a CDI Holder, you will be required to make use of the EUI proxy voting service facilitated by Broadridge Global Proxy Voting service in order to receive meeting announcements and send back voting instructions, as required. To facilitate client set up, if you hold CDIs and wish to participate in the Broadridge proxy voting service, you will need to complete the following steps:

- Register for an account with EUI at the following web address: <https://www.euroclear.com/users/en/registration-choice.html>.
- Complete a Meeting and Voting Client Set-Up Application Form (the “**EUI Application Form**”), which will be available at the following link once you have logged in to your EUI account: [Meetings and Voting Client Set-up Form \(CRT408\)](#).
- A copy of the completed EUI Application Form must be returned to EUI by an authorised signatory (i.e. a nominated representative of the CDI Holder) with another relevant authorised signatory copied in for verification purposes (where appropriate) using the following email address: eui.srd2@euroclear.com.
- Fully completed and returned EUI Application Forms will be shared with Broadridge by EUI. This will enable Broadridge to contact you and share further detailed information on its service offering and initiate the process for granting your access to the Broadridge platform. Should shareholders have any queries on the Broadridge service offering, Broadridge can be contacted by telephone on [+1 800 353 0103](tel:+18003530103) during normal US business hours.

Once CDI Holders have gained access to the Broadridge platform (by following the instructions set out above), they can complete and submit proxy appointments (including voting instructions) electronically. Broadridge will process and deliver any such proxy voting instructions received from CDI Holders by the Broadridge voting deadline date to Euroclear Bank, by the Euroclear Bank cut-off time and to agreed market requirements. Alternatively, a CDI Holder can send a third party proxy voting instruction through the Broadridge platform in order to appoint a third party (who may be a corporate representative or the CDI Holder themselves) to attend (subject to the COVID-19 restrictions in place at the time of the AGM) and vote at the meeting for the number of Ordinary Shares specified in the proxy instruction (subject to the Broadridge voting deadline). There is no facility to offer a letter of representation/appoint a corporate representative other than through the submission of third party proxy appointment instructions through Broadridge.

Broadridge’s voting deadline will be earlier than Euroclear Bank’s voting instruction deadline as set out above and is expected to be at least two (2) days prior to the Company’s proxy appointment deadline (i.e. 48 hours before the AGM). Voting instructions cannot be changed or cancelled after Broadridge’s voting deadline unless shares in the Company are transferred after Broadridge’s voting deadline but before the AGM record date (i.e. close of business on 24 April 2021) in which case

Broadridge will use best endeavours to accept late votes from a shareholder who acquired CDIs after the Broadridge voting deadline.

CDI Holders are strongly encouraged to familiarise themselves with the new arrangements with Broadridge, including the new voting deadlines and procedures and to take, as soon as possible, any further actions required by Broadridge before they can avail of this voting service.

Should you have any queries in relation to completing and submitting proxy appointments (including voting instructions) electronically via Broadridge, EUI can be contacted by email at client_service_london@euroclear.com or by telephone on [+44 \(0\)20 7849 0000](tel:+44(0)2078490000). Lines are open from 5.00 a.m. to 8.00 p.m. Monday to Friday, excluding Irish bank holidays.

Further Information for Euroclear Bank Participants

Investors who hold their interests in the Ordinary Shares of the Company through a participant account in the EB System (“**EB Participants**”) can submit proxy appointments (including voting instructions) electronically in the manner described in the document issued by Euroclear Bank in February 2021 and entitled “Euroclear Bank as issuer CSD for Irish corporate securities – Service description” (the “**Euroclear Bank Service Description**”). EB Participants can either send:

- electronic voting instructions to instruct Euroclear Nominees Limited (i.e. the nominee of Euroclear Bank) (“**Euroclear Nominees**”) (or the Chairman (as proxy) on the instruction of Euroclear Nominees) to:
 - (a) vote in favour of all or a specific resolution(s);
 - (b) vote against all or a specific resolution(s);
 - (c) abstain for all or a specific resolution(s); or
 - (d) give discretionary vote to the Chairman for all or a specific resolution(s); or
- a proxy voting instruction to appoint a third party (other than Euroclear Nominees or the Chairman of the AGM) (who may be a corporate representative or the EB Participant themselves) to attend the meeting (subject to the COVID-19 restrictions in place at the time of the AGM) and vote for the number of Ordinary Shares specified in the proxy voting instruction by providing Euroclear Bank with the proxy details as requested in its notification (e.g. proxy first name, proxy last name, proxy address, nationality code). There is no facility to offer a letter of representation/appoint a corporate representative other than through the submission of third party proxy appointment instructions.

Euroclear Bank will, wherever practical, aim to have a voting instruction deadline of one (1) hour prior to the Company’s proxy appointment deadline, which, in the case of the AGM, would be a deadline of 9.30am on 26 April 2021. Voting instructions cannot be changed or cancelled after Euroclear Bank’s voting deadline.

EB Participants are strongly encouraged to familiarise themselves with the new arrangements with Euroclear Bank, including the new voting deadlines and procedures.

COVID-19 Notice

The health and safety of our shareholders, colleagues and advisers is a primary concern for the Company and its Board, who are closely monitoring developments relating to the COVID-19 pandemic (“**COVID-19**”) and guidance issued by the Government of Ireland in relation to COVID-19. We will take all recommendations and applicable law into account in the conduct of the AGM. If

current or similar restrictions relating to COVID-19 remain in force on the date of the AGM, the Board regrettably expects that the AGM will be held as a closed meeting (i.e. not generally open to the public). This is because the current Covid-19 measures published by the Government of Ireland provide that no organised indoor gatherings should take place and in order to prioritise the health and safety of our shareholders, colleagues and other stakeholders it will not be possible, on the basis of the current guidance, for shareholders to attend the AGM in person.

Shareholder participation and engagement remains important to us and therefore, in the likely event that the AGM will be held as a closed meeting, shareholders will be provided with a facility to listen to the business of the meeting and raise questions during the meeting at the invitation of the Chairman through the Lumi platform, as described in further detail below and in the notes to the Notice of AGM.

The Board is therefore strongly encouraging all shareholders to:

- submit a proxy form by no later than **10.30 a.m. on Monday 26 April 2021** (Note: Persons holding CDIs in CREST or Belgian Law Rights through the EB System will also need to comply with any additional voting deadlines imposed by the respective service offerings); and
- appoint the Chairman of the meeting as their proxy rather than a named person to ensure they can exercise their vote and be represented at the AGM without attending in person.

Proxy forms can be submitted in advance of the AGM by availing of one of the following options:

- By post to the Company's Registrar, Link Registrars Limited at P.O. Box 1110, Maynooth, Co. Kildare, Ireland or by hand to Link Registrars Limited, Block C, Maynooth Business Campus, Maynooth, Co Kildare, W23 F854, Ireland.
- Electronically by accessing www.signalshares.com.
- CDI Holders may appoint a proxy via the Broadridge Global Proxy Voting service.
- EB Participants may send a proxy voting instruction to Euroclear Bank.

Before the AGM, a shareholder may also submit a question in writing, to be received at least two business days before the meeting (i.e. 26 April 2021) by email to meetings@graftonplc.com or by post to the Company Secretary, Grafton Group plc, Heron House, Corrig Road, Sandyford Business Park, Dublin 18, D18 Y2X6, Ireland. All correspondence should include the 11-digit IVC number printed on the enclosed proxy form.

The Company continues to monitor the impact of COVID-19 and any relevant updates regarding the conduct of the AGM, including any changes to the arrangements outlined in this Circular, will be announced via a Regulatory Information Service and will be available on the website of the Company at <https://www.graftonplc.com/investors/shareholder-services/shareholder-meetings/>. Shareholders should monitor the Company's website for update announcements regarding the AGM in the event that circumstances change. Shareholders are also encouraged to keep up to date with the advice and guidance of the Government of Ireland and the Health Service Executive in relation to COVID-19.

Logging in to the AGM via the Lumi platform:

In order to listen to the AGM via the Lumi platform, shareholders will need to connect to <https://web.lumiagm.com>. Lumi is compatible with the latest browser versions of Chrome, Firefox, Internet Explorer 11 (Internet Explorer V10 and lower are not supported), Edge and Safari and can be accessed using any web browser, on a PC or smartphone device.

If you wish to raise a question at the AGM, you must dial in to the conference call number which will be accessible once you have logged in to the Lumi platform.

Once shareholders have accessed <https://web.lumiagm.com> from a web browser on a tablet or computer, they will be asked to enter the Lumi Meeting ID, which is 120-009-076. It is not necessary to type the dashes in the Meeting ID as they will appear automatically. Shareholders will then be prompted to enter their unique 'Login Code' and 'PIN'. Your Login Code is your 11 digit IVC, including any leading zeros. Your PIN is the last 4 digits of your IVC. This will authenticate the identity of shareholders.

Your IVC can be found on the enclosed proxy form, your attendance card or your share certificate.

Signal Shares users (www.signalshares.com) will find the IVC under 'Manage your account' when logged in to the Signal Shares portal. Shareholders can also obtain the IVC by contacting Link Registrars Limited on +353 1 553 0050. Lines are open from 9.00am to 5.00 p.m. Monday to Friday, excluding Irish bank holidays.

CDI Holders or EB Participants wishing to access the Lumi platform should arrange to have themselves appointed as their own proxy, as explained in notes 8 and 9 of the Notice of AGM. Any CDI Holders or EB Participants who have not had themselves appointed as their own proxy, but who nevertheless wish to access the AGM via the Lumi platform, should contact the Company Secretary by email to meetings@graftonplc.

If any shareholder encounters difficulties in obtaining their IVC, please contact the Company by email to meetings@graftonplc.

Access to the Lumi platform for the purpose of the AGM will be available from 30 minutes before the meeting start time. During the AGM, shareholders (or their proxy) must ensure that they are connected to the internet at all times in order to listen to the Chairman and ask questions at the meeting. Therefore, it is the shareholders' (or their proxy's) responsibility to ensure connection to the internet for the duration of the AGM. A Lumi user guide to the audio webcast is available on our website at: <https://www.graftonplc.com/investors/shareholder-services/shareholder-meetings/>.

There is no requirement for shareholders to give notice of their intention to log in to the AGM via the Lumi facility, save that persons appointed as proxy or as a corporate representative to represent a shareholder at the AGM should contact Link Registrars Limited by 10:30am on 26 April 2021 by emailing RMSupportDublin@linkgroup.ie for unique log-in credentials in order to access the AGM.

Shareholders will still need to submit their proxy form by the relevant deadline before the AGM, as it will not be possible to vote using the Lumi platform.

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EXPECTED TIMETABLE OF EVENTS

Latest time for return of proxies for Annual General Meeting	10.30am on Monday, 26 April 2021 ¹
Annual General Meeting	10.30am on Wednesday, 28 April 2021

AGENDA OF ANNUAL GENERAL MEETING

Ordinary Business

1. To receive and consider the financial statements for the year ended 31 December 2020.
2. To declare a final dividend.
3. Re-election of Directors.
4. Advisory vote on the continuation in office of PricewaterhouseCoopers as Auditors of the Company.
5. Authorisation to fix the remuneration of the Auditors for the year ending 31 December 2021.
6. Advisory vote on the Annual Statement of the Chair of the Remuneration Committee and the Annual Report on Remuneration of the Remuneration Committee for the year ended 31 December 2020.
7. Authorisation to retain the power to convene an Extraordinary General Meeting by at least fourteen clear days' notice.

Special Business

8. Authorisation to allot relevant securities.
9. Authorisation to dis-apply statutory pre-emption rights and allot up to 5% of the issued ordinary share capital of the Company.
10. Authorisation of market purchases of the Company's own shares.
11. Determination of the price range for the re-issue of treasury shares off-market.
12. Approval and adoption of new Articles of Association of the Company to adopt the Shareholders' Rights Addendum (as described in this Circular).
13. Authorisation to adopt the Grafton Group plc 2021 Approved SAYE Plan
14. Authorisation to adopt the Grafton Group plc 2021 Long Term Incentive Plan

¹ Persons holding through the EB System or CREST will also need to comply with any additional voting deadlines imposed by the respective service offerings. All relevant persons are recommended to consult with their stockbroker or other intermediary at the earliest opportunity.

GRAFTON GROUP plc
(the “Company”)

(Registered in Ireland No. 8149)

Directors

Michael Roney (Chairman)
Gavin Slark (Chief Executive Officer)
David Arnold (Chief Financial Officer)
Paul Hampden Smith (Non-Executive Director)
Susan Murray (Non-Executive Director)
Vincent Crowley (Non-Executive Director)
Rosheen McGuckian (Non-Executive Director)

Registered Office:

Heron House
Corrig Road
Sandyford Business Park
Dublin 18, D18 Y2X6
Ireland

19 March 2021

Dear Shareholder,

Introduction

I am writing to you to explain the resolutions to be proposed at the forthcoming Annual General Meeting (the “AGM”), all of which the Board is recommending for your approval.

Your attention is drawn to the notice of the AGM which will be held at the Offices of Grafton Group plc, Heron House, Corrig Road, Sandyford Business Park, Dublin 18, D18 Y2X6, Ireland at 10.30am on 28 April 2021, which is set out on pages 33 to 36 of this document.

The following briefly explains the business to be transacted at the AGM:

Resolution 1 deals with reviewing the Company’s affairs and considering the financial statements for the year ended 31 December 2020, together with the reports of the directors and statutory auditor thereon.

Resolution 2 proposes the approval and payment of a final dividend for the year ended 31 December 2020 of 14.5p per Ordinary Share in the capital of the Company on Wednesday, 5 May 2021 to the holders on the register of members of the Company at the close of business on Friday, 9 April 2021.

Resolution 3 proposes the re-election of directors. The Board has agreed that all Directors will retire and seek re-election at the forthcoming AGM. This is not required legally or by the Company’s Articles of Association but is in line with best practice and the provisions of the 2016 UK Corporate Governance Code. I recommend that each of the Directors going forward be re-elected at the 2021 AGM.

Resolution 4 is an advisory, non-binding resolution regarding the continuation in office of PricewaterhouseCoopers as Auditors of the Company.

Resolution 5 authorises the Directors to fix the remuneration of the Auditors.

In Resolution 6, the Board is proposing to submit the Annual Statement of the Chair of the Remuneration Committee and the Annual Report on Remuneration of the Remuneration Committee, as set out on pages 95 to 98 and 105 to 114 respectively of the 2020 Annual Report, to a non-binding advisory vote.

Resolution 7 is a special resolution which, if adopted, will maintain the existing authority in the Articles of Association which permits the Company to convene an Extraordinary General Meeting by at least 14 clear days’ notice in writing where the purpose of the meeting is to consider an ordinary

resolution. As a matter of policy, the 14 clear days' notice will only be utilised where the Directors believe that it is merited by the business of the meeting and is to the advantage of shareholders as a whole.

Special Business at AGM

In addition to the ordinary business to be transacted at the AGM, there are various items of special business which are described further below:

Resolution 8 - Authority to Allot Relevant Securities

In Resolution 8, shareholders are being asked to renew the Directors' authority to allot and issue shares. If adopted, this authority will authorise the Directors to issue shares up to the authorised but unissued share capital of the Company up to an aggregate amount of €3,315,478. This is equal to approximately 28 per cent of the nominal value of the existing issued ordinary share capital of the Company as at the date of the Notice of the AGM. The authority under this resolution will expire at next year's AGM or 15 months after the forthcoming AGM, whichever is the earlier.

Resolution 9 - Authority to Dis-apply Statutory Pre-emption Rights

At the AGM held in 2020, shareholders gave the Directors power to allot shares for cash otherwise than in accordance with statutory pre-emption rights. That power will expire at the close of business on the date of the forthcoming AGM.

The Directors will, at the forthcoming AGM, seek power to allot shares for cash, otherwise than in accordance with statutory pre-emption rights, by way of rights issue up to the amount of the unissued share capital of the Company, or otherwise up to an aggregate nominal value of €597,976 on the basis that this limit shall apply to all allotments for cash and any treasury shares that may be reissued for cash. This limit is equivalent to approximately 5 per cent of the nominal value of the issued ordinary share capital of the Company. The power under this resolution will expire (under the Articles of Association of the Company) at next year's AGM or 15 months after the forthcoming AGM, whichever is the earlier. The Board has no present intention of making such an issue of shares.

The directors confirm their intention to follow the provisions of the Pre-emption Principles regarding cumulative usage of authorities within a rolling three-year period. These principles provide that companies should consult shareholders prior to issuing, other than to existing shareholders, shares for cash representing in excess of 7.5% of the Company's issued share capital in any rolling three-year period.

Resolution 10 - Authority to Make Market Purchases of the Company's Own Shares

At the 2020 AGM, shareholders gave the Company and/or any of its subsidiaries authority to make stock market purchases of up to 10 per cent of the Company's own shares. Under Resolution 10 shareholders are being asked to renew this authority.

The Directors monitor the Company's share price and may from time to time exercise this power to make stock market purchases of the Company's own shares, at price levels which they consider to be in the best interests of shareholders generally, after taking account of the Company's overall financial position. The minimum price which may be paid for any market purchase of the Company's own shares will be the nominal value of the shares and the maximum price which may be paid will be 105 per cent of the then average market price of the shares. The power under this resolution will expire (under the Articles of Association of the Company) at next year's AGM or 15 months after the forthcoming AGM, whichever is the earlier. The Board has no present intention of exercising this authority.

Resolution 11 - Authority to Re-issue Treasury Shares

In Resolution 11, shareholders are being asked to sanction the price range at which any treasury share (that is a share of the Company redeemed or purchased and held by the Company rather than being cancelled) may be re-issued other than on the Stock Exchange. The maximum and minimum prices at which such a share may be re-issued are 120 per cent and 95 per cent, respectively of the average market price of a share calculated over the five business days immediately preceding the date of such re-issue.

Resolution 12 - To approve and adopt new Articles of Association

Following the United Kingdom's withdrawal from the European Union and the conclusion of the transition period on 31 December 2020 ("**Brexit**"), the Company is no longer a "traded PLC" (i.e. a company whose shares are admitted to trading on a regulated market in any EU Member State) within the meaning of section 1099(4) of the Companies Act 2014 (the "**Act**") and therefore the Shareholder Rights Directive (EU) 2017/828 (as transposed into Irish law pursuant to the Act), which introduced a number of measures aimed at enhancing the rights of shareholders of listed companies no longer applies with respect to the Company (the "**Shareholder Rights**").

Therefore, post-Brexit, the Shareholder Rights will only apply to those companies listed on a regulated market in the European Union and, as the UK has incorporated the Shareholder Rights into domestic law notwithstanding Brexit, to UK incorporated companies who are listed on the London Stock Exchange. Brexit has therefore created an anomalous situation whereby investors in a very small number of Irish incorporated companies (including the Company) who are listed solely on the London Stock Exchange have seen a loss of these Shareholder Rights.

Following a review by the Company, the Board is recommending that (i) in order to ensure that the Company is on par with other Irish incorporated companies who are listed on a regulated market in the European Union and UK incorporated companies that are listed on the London Stock Exchange; and (ii) from a corporate governance perspective, it is desirable for the Shareholder Rights to be retained by shareholders of the Company. Appendix 1 to this letter contains the list of the Shareholder Rights that can no longer be exercised by the Company's shareholders as a result of Brexit but which the Board is proposing to enshrine in the Articles of Association of the Company pursuant to Resolution 12 (the "**Shareholders' Rights Addendum**"). In addition, set out below is a concise list of these Shareholder Rights:

- (a) Equality of treatment of shareholders
- (b) Right of a shareholder with a holding of 5% or more to convene an EGM
- (c) At least 21 days' notice for a shareholders' meeting unless approved by a resolution of shareholders at the previous AGM
- (d) Requirement to include a Remuneration Report in the Annual Report
- (e) Publication and content requirements for an AGM/EGM Notice
- (f) Right of a shareholder with a holding of 3% or more to put items on the agenda of the general meeting and to table draft resolutions
- (g) Requirements for participation and voting in general meeting
- (h) Participation in shareholders' meeting by electronic means
- (i) Right to ask questions at a shareholders' meeting

- (j) Provisions concerning appointment of proxies
- (k) The Company may permit votes to be cast in advance by correspondence
- (l) Requirements regarding the publication of voting results of a shareholders' meeting
- (m) Identification of shareholders and handling personal data arising from this process
- (n) Obligations of shareholders who are intermediaries to transmit company communications to shareholders
- (o) Provisions to facilitate the exercise of shareholders' rights
- (p) Rights of shareholders' to vote on the remuneration policy
- (q) Content of the Remuneration Report
- (r) Transparency and approval of related party transactions

Resolution 12 will be proposed as a Special Resolution to amend the Articles of Association of the Company for the purposes of incorporating the Shareholders' Rights Addendum, which effectively replicates the relevant provisions of the Act, which transpose the Shareholder Rights into Irish law. The Shareholders' Rights Addendum will only continue to form part of the Articles of Association of the Company for so long as the Company ceases to be a "traded PLC" within the meaning of section 1099(4) of the Act.

A copy of the Articles of Association, amended to reflect (and marked up to highlight) the proposed changes, is available (and will be available until the conclusion of the AGM) on the Company's website at <https://www.graftonplc.com/investors/shareholder-services/shareholder-meetings/>, at its registered office during business hours and will also be available at the AGM for at least fifteen minutes before, and for the duration of, the AGM. In accordance with applicable regulations and public health guidelines in force in Ireland in connection with COVID-19, we request shareholders not to attend at the Company's offices but instead to inspect the Articles of Association on the Company's website.

Resolution 13 – Authority to adopt the Grafton Group plc 2021 SAYE Plan

The Company currently operates the Grafton Group (UK) plc 2011 Approved SAYE Plan. The existing SAYE Plan is being renewed at the AGM and therefore the Remuneration Committee of the Company (the "Committee") proposes to introduce the Grafton Group plc 2021 SAYE Plan as a replacement to enable similar savings-related option grants under UK HMRC approved rules to be made to Group employees in the UK.

The principal features of the proposed Grafton Group plc 2021 SAYE Plan are summarised in Appendix 2 to this letter.

Resolution 14 – Authority to adopt the Grafton Group plc Long Term Incentive Plan

The Committee is committed to developing and implementing remuneration policies which provide an appropriate motivational framework and which closely align the interests of the executive directors and key employees with the performance of the business and the interests of shareholders.

The Committee is therefore proposing to implement the Grafton Group plc 2021 Long Term Incentive Plan which is designed to incentivise executives and other senior employees in the Group and which is linked to long term performance. Its terms are broadly similar to those of the Grafton Group plc

2011 Long Term Incentive Plan, which it replaces, but updated to align with current guidance and market practice.

The principal features of the proposed Grafton Group plc 2021 Long Term Incentive Plan are summarised in Appendix 3 to this letter.

Dividend Withholding Tax (“DWT”)

Following the Simplification of the Grafton Unit, which took effect on 7 March 2021, all future dividends will be paid in respect of the Ordinary Shares in the Company, which is an Irish company. Irish DWT will apply to any Dividends paid by the Company.

In Appendix 4 to this letter, we have set out (i) a summary of the implications of Irish DWT for shareholders of the Company and the methods by which certain exemptions may be availed of; and (ii) an FAQ on Irish DWT.

Further details can also be obtained at <https://www.graftonplc.com/investors/dividends/>.

Further Action

A Form of Proxy for use at the meeting is enclosed. Following the Migration, the process for appointing a proxy and/or voting at the meeting will now depend on the manner in which you hold your Ordinary Shares in the Company.

Further information on the conduct of the meeting (including the ability to attend the meeting virtually via the Lumi facility should the meeting be held as a closed meeting) together with the relevant voting/proxy appointment options and deadlines for the various shareholders of the Company are set out on pages 1-5 of this Circular and in the notes to the Notice of AGM.

RECOMMENDATION

Your Board considers that the proposals set out above are in the best interests of shareholders as a whole and recommends that you vote in favour of the resolutions at the AGM.

All resolutions at the AGM will be decided on a poll, and the results will be published on the company’s website at <https://www.graftonplc.com/investors/shareholder-services/shareholder-meetings/> as soon as possible after the conclusion of the AGM.

If you have any questions, please contact Link Registrars Limited on +353 (0) 1 553 0050. Lines are open 9.00am to 5.00pm Monday to Friday, excluding Irish Bank or Public Holidays.

Yours sincerely,

Michael Roney
Chairman

APPENDIX 1

RIGHTS OF MEMBERS OF GRAFTON GROUP PLC UNDER THE COMPANIES ACT 2014 THAT WERE LOST AS A RESULT OF THE UNITED KINGDOM'S DEPARTURE FROM THE EUROPEAN UNION AND THE END OF THE TRANSITION PERIOD ON 31 DECEMBER 2020

Please note that references to particular articles included in the table below are to the relevant paragraph in the Shareholders' Rights Addendum to the proposed new Articles of Association of the Company, which is available for inspection at the registered office of the Company and on the Company's website.

No.	Shareholder Right	Section of the Companies Act 2014	New/Amended Article(s) to be inserted in the Articles of Association
1.	Additional Rights of Shareholders - provisions of sections 1100 to 1110 of the Act have effect in relation to (a) a notice of a general meeting given by a traded PLC; and (b) otherwise in relation to a general meeting of a traded PLC	1099	Addendum: Paragraph 1099
2.	Equality of treatment of Shareholders	1100	Addendum: Paragraph 1100
3.	Requisitioning of general meetings by members – modification of section 178(3) of the Act	1101	<ul style="list-style-type: none"> • Article 4(a) • Addendum: Paragraph 1101
4.	Length of notice of general meetings to be given by traded plc	1102	Addendum: Paragraph 1102
5.	Obligation to prepare directors' report for every financial year – modification of application of section 325(1) to traded plc	1102A	Addendum: Paragraph 1102A
6.	Notice of general meetings – additional provisions concerning notice under section 181 by a traded PLC	1103	Addendum: Paragraph 1103
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APPENDIX 2

PRINCIPAL FEATURES OF THE PROPOSED GRAFTON GROUP PLC 2021 SAYE PLAN (THE “SAYE PLAN”)

1. General

The SAYE Plan is a UK tax-advantaged savings-related share option plan operated by the remuneration committee of the board of directors of the Company (the “**Committee**”). The SAYE Plan is intended to meet all of the necessary requirements of Schedule 3 to the UK Income Tax (Earnings and Pensions) Act 2003 (“**Schedule 3**”).

The SAYE Plan replaces the Grafton Group (UK) plc 2011 Approved SAYE Plan (the “**2011 SAYE Plan**”) adopted by the Company on 4 May 2011 and Grafton Group (UK) plc on 17 April 2012. The SAYE Plan contains similar terms to the 2011 SAYE Plan.

The SAYE Plan provides for eligible employees to be invited to apply for a grant of options to acquire Ordinary Shares in the Company if certain conditions are met. Participants enter into a savings account with an approved savings body. The savings are used, together with any bonus provided by the savings body, to pay the exercise price of the options (as described below).

As a tax-advantaged plan, the SAYE Plan offers certain income tax and National Insurance contributions advantages to UK participants.

2. Eligibility

The Committee can nominate which Grafton group companies will participate in the SAYE Plan. Initially, these participating companies will be Grafton Group (UK) plc and nominated subsidiaries (the “**Group**”).

Any invitations under the SAYE Plan must be made to all UK resident employees and directors (who, in the case of directors, are contracted to work at least 25 hours per week for the Group) of the Group.

The Committee will, however, have the discretion to set a minimum service requirement of up to five years before an employee or director may be eligible to participate in a particular offer under the SAYE Plan.

The Committee may, at its discretion, also invite other employees and executive directors of any Group company to participate.

3. Invitations and grant of options

Invitations to apply for the grant of options may be made within the period of 42 days beginning on the date of adoption of the SAYE Plan.

Invitations to apply for the grant of options may then be made within the period of 42 days commencing on the dealing day after the end of a closed period for the Company under the EU Market Abuse Regulation (596/2014) and/or the UK Market Abuse Regulation² at other times if the Grantor (as defined below) is prevented from making an invitation during an

² The UK Market Abuse Regulation refers to the retained version of the EU Market Abuse Regulation 596/2014 that applies to the UK from 1 January 2021.

invitation period by dealing restrictions or the Committee considers there are exceptional circumstances justifying the making of an invitation outside a normal invitation period.

Options may be granted by either the Company or the trustees of an employee share trust, in both cases with the consent of the Board (the “**Grantor**”).

Options may only be granted during the period of 30 days beginning on the earliest of the dates used to determine the option exercise price (or if option applications are scaled down as described below, during the period of 42 days beginning on the earliest of such dates). An option will be personal to the participant and not transferable (other than on death when it can be exercised by the participant’s personal representatives).

4. Dilution limits

The SAYE Plan contains limits on the number of new Ordinary Shares to be issued as a result of the exercise of options granted under the SAYE Plan.

In the ten years preceding any given day, the aggregate number of relevant Ordinary Shares in the Company committed for issue under all employee share schemes operated by the Company shall not exceed 10% of the Ordinary Shares in issue immediately prior to that day.

Treasury shares will count as new issue Ordinary Shares for the purposes of these limits unless the Investment Association later determines otherwise in its remuneration guidelines.

In addition, the rules of the SAYE Plan allow the Grantor to place a limit on the maximum number or value of Ordinary Shares to be applied for by all employees in any one offering. If this limit is exceeded, the SAYE Plan rules provide for a procedure of scaling down the number of Ordinary Shares over which options under the SAYE Plan will be granted.

For the purpose of calculating these limits, treasury shares used to settle the vesting of an award shall count as newly issued shares (unless guidelines published by institutional investor representative bodies no longer require such shares to be so counted).

5. Source of shares

The SAYE Plan allows the satisfaction of options through the allotment of Ordinary Shares, the re-issue of treasury shares, or the purchase of Ordinary Shares on the market by an employee share trust.

6. Savings contract

An eligible employee who accepts an invitation to participate in an issue of SAYE options will be required to enter into a savings contract with an HMRC approved savings body for a period of three or five years.

Under the saving contract the employee must save between £5 and £500 per month (or such other minimum or maximum amount determined by the Directors and permitted by legislation). The £500 limit is reduced by any other savings contract linked to this or any other HMRC approved SAYE scheme in which the employee participates.

These contributions will be deducted from the employee’s salary.

If the participant ceases to make contributions before the third or fifth anniversary of the commencement of the savings contract, the option will lapse, except in the case of a deferral of contributions for a period of up to six months in certain cases.

7. Exercise price

The option exercise price shall be determined by the Board and will not be less than 80 per cent of the market value of a Share at the date of invitation (or, if higher and the Grantor has determined that the option exercise will be satisfied by the issue of Ordinary Shares directly to the participant, the nominal value of the Share).

8. Exercise of options

During the period of six months following the end of the savings contract, the participant may exercise his/her option to acquire, at the exercise price, Ordinary Shares up to the total value of his/her monthly savings contributions (plus any bonus paid thereon by the savings body under the savings contract).

Alternatively, the participant may withdraw his/her contributions and any bonus without exercising the option.

9. Cessation of employment

If a participant ceases to be employed by the Group during the savings period, his/her option will lapse except where cessation of employment is due to death, injury, disability, redundancy or retirement or as a result of the his/her employing company or the part of the business by which the participant was employed ceasing to be under the control of the Company or where he has held the option for at least three years from the date of grant. In these cases, the participant will normally be able to exercise his/her option within six months from the date of cessation of employment, but only to the extent of his/her total savings plus any bonus accrued. Options can be exercised by a participant's personal representatives within a 12 month period following his/her death to the extent of his/her savings plus any bonus accrued.

10. Corporate events

In the event of change of control, scheme of arrangement or other similar event involving a change of control of the Company during the savings period, participants may exercise options early and within a specified period to the extent of their total savings plus any bonus accrued to the date of exercise. On the occurrence of certain change of control events specified in Schedule 3 to the UK Income Tax (Earnings and Pensions) Act 2003 (“**Schedule 3**”), replacement options may be granted over shares in the acquiring company on terms and within a period specified in Schedule 3.

11. Adjustment of options

Upon any variation in the share capital of the Company, whether by way of a capitalisation, rights issue, or any consolidation, sub-division or reduction in the Company's share capital, the exercise price and/or the number of Ordinary Shares under option may be adjusted in such manner as the Committee considers appropriate, provided that any such adjustment satisfies the requirements of Schedule 3.

12. Participants' rights

Options will not confer any shareholder rights until the options have been exercised and the participants have been registered as the owners of the Ordinary Shares. Participants will therefore have no entitlement to dividends and no voting rights in respect of the Ordinary Shares being issued or transferred to the participant.

Options are not pensionable. Gains made on the exercise of options under the SAYE Plan will not be taken into account when calculating the pensionable remuneration for a defined benefit pension scheme or in calculating mandatory employer contributions under a defined contribution benefit scheme.

Ordinary Shares issued under the SAYE Plan will rank *pari passu* in all respects with the relevant class of Ordinary Shares of the Company.

13. Alterations to the SAYE Plan

The Board may, at any time, amend the SAYE Plan in any respect, provided that the prior approval of shareholders is obtained for any amendments that are to the advantage of participants in respect of the rules governing eligibility, limits on participation, the overall limits on the issue of Ordinary Shares, the rights attaching to an option, the adjustment of awards and to the provisions regarding such amendments.

The requirement to obtain the prior approval of shareholders will not apply to any minor alteration made to benefit the administration of the SAYE Plan, to take account of a change in legislation or to obtain or maintain favourable or avoid unfavourable tax, exchange control or regulatory treatment for participants or for any relevant Grafton group company.

However, no amendment can be made which would adversely affect the rights of an existing participant without the consent of that participant or the consent of the participants who hold a majority, by number of Ordinary Shares subject to option, of options affected by the amendment.

Amendments which would result in the SAYE Plan ceasing to be a tax-advantaged Schedule 3 SAYE Scheme shall not be permitted unless the Committee has specifically determined that the SAYE Plan should cease to be a tax-advantaged Schedule 3 SAYE Scheme.

APPENDIX 3

PRINCIPAL FEATURES OF THE PROPOSED GRAFTON GROUP PLC 2021 LONG TERM INCENTIVE PLAN (THE “2021 LTIP”)

1. General

The 2021 LTIP is a long-term incentive plan enabling the grant of awards that will entitle participants to receive free shares subject to the achievement of long term performance conditions chosen so as to be aligned to the interests of shareholders. Share options may also be granted with the same performance conditions where this is more practicable or to avail of tax incentives intended to encourage employee share ownership.

The Remuneration Committee will oversee the ongoing operation of the 2021 LTIP.

2. Eligibility

The 2021 LTIP is available for those executive directors and employees of any participating company who are individually nominated by the Remuneration Committee to participate. A person cannot be granted an award within two years of his/her agreed retirement date (as defined in the rules of the 2021 LTIP).

3. Grant of awards

The Remuneration Committee may grant “free share” awards in the form of conditional share awards or forfeitable and/or restricted shares.

The Remuneration Committee may grant awards to acquire Ordinary Shares in the Company in the 42 days period following: (a) approval of the 2021 LTIP at the 2021 AGM; (b) announcement of the Company’s interim financial report each year; and (c) announcement of the Company’s year-end financial report each year. The Remuneration Committee may also grant awards at any other time when the Remuneration Committee considers there are exceptional circumstances which justify the granting of awards.

An award may not be granted more than 10 years after shareholder approval of the 2021 LTIP.

4. Grant of options

Under the 2021 LTIP, the Remuneration Committee may also grant share options (including nil cost share options). The grant of share options will be limited to jurisdictions where such options may benefit from favourable taxation treatment of the Company, any Subsidiary or any participant. Such a favourable regime exists for the grant of options to participants who are tax resident in the United Kingdom.

5. Dilution limits

In the ten years preceding any given day, the aggregate number of shares in the Company committed for issue under:

- (a) all share plans operated by the Company shall not exceed 10% of the shares in issue immediately prior to that day; and
- (b) the Plan and all executive discretionary share plans operated by the Company shall not exceed 5% of the shares in issue immediately prior to that day.

For the purpose of calculating these limits, treasury shares used to settle the vesting of an award shall count as newly issued shares (unless guidelines published by institutional investor representative bodies no longer require such shares to be so counted).

6. Source of shares

The vesting of awards may be satisfied by the allotment of shares, the re-issue of treasury shares, or the purchase of shares on the market by an employee benefit trust. The Company may therefore utilise an employee benefit trust to acquire and to hold shares from time to time for the purpose of satisfying the vesting of awards under the 2021 LTIP.

Although it does not currently intend to do so, the Remuneration Committee may also decide in appropriate circumstances to satisfy the vesting of an award by a payment in cash equal to the value of the award at the date of vesting and net of any applicable taxes or withholdings.

7. Individual limits

The aggregate value of awards which may be granted to an individual in any financial year is limited to a maximum of 200% of the annual rate of the individual's base salary.

For the purposes of this limit, the value of a "free share" award will be the market value of the shares subject to the award at the time of grant. Where share options benefiting from favourable taxation treatment are awarded, 40% of the market value of the shares the subject of the share option at the time of grant will be the value used in calculating this limit. The market value of an award granted to replace awards from a previous employer forfeited because of leaving to become an employee of the Group shall not be included in the calculation of this limit.

8. Performance conditions

When issuing any award, the Remuneration Committee must specify performance conditions and/or service conditions that must be satisfied before the award can vest and/or in assessing the extent to which (if at all) an award may vest. The Remuneration Committee may use such business criteria and other measures of performance as it may deem appropriate in establishing the performance conditions, provided that the performance conditions are set so as to align with the remuneration policy approved by the Company from time to time. Details of the Company's remuneration policy are set out in the Company's annual report.

The Remuneration Committee has discretion to (a) alter the performance conditions of an award if an event occurs which causes the Remuneration Committee reasonably to consider that it would be appropriate to amend the performance conditions (provided that where the award holder is an executive director or PDMR the altered condition will, in the reasonable opinion of the Remuneration Committee, be not materially less difficult to satisfy than the unaltered Performance Conditions would have been but for the event in question); (b) dispense with any performance condition of an existing award granted to a person who is not an executive director of the Company; (c) notwithstanding whether the performance conditions are satisfied or not in whole or in part, determine that an award will vest or vest to a lesser or greater extent if it reasonably considers that either: (i) the overall performance of the Company suggests the overall vesting outcome should be different from the vesting outcome based only on the performance conditions; or (ii) the overall vesting outcome is not appropriate in the context of an extraordinary event or circumstance that was unexpected or unforeseen at the award date and there is a material consequence for the Company's performance or strategy, and the Remuneration Committee must act fairly and reasonably in making such alterations.

9. Vesting of awards

Awards normally vest to the extent that the applicable performance conditions have been satisfied over three financial years and provided the participant is still employed in the Group. No award can vest, and will therefore lapse, after the Remuneration Committee has determined that the applicable performance conditions have not been satisfied and the Remuneration Committee must make this determination within twelve months of the end of the performance period. No option can be exercised more than ten years after the date of grant.

10. Malus and clawback

The Remuneration Committee has the discretion, in circumstances in which the Remuneration Committee considers such action is appropriate, to decide at any time prior to the vesting of an award that the participant to whom the award was issued shall be subject to forfeiture or reduction (including by way of imposition of additional conditions) of all or part of an award before it has vested.

The Remuneration Committee also has the discretion to require the repayment of vested awards (within six years of the date of award) in specified circumstances, including: (a) where there is a material misstatement in the Company's financial results and that such misstatement resulted either directly or indirectly in an award vesting to a greater degree than would have been the case had that misstatement not been made; (b) where in calculating the number of shares to which an award relates or in determining the performance conditions and/or any other condition imposed on the award or in assessing the extent to which any performance condition and/or any other condition imposed on the award was satisfied such calculation, determination or assessment was based on an error, or on inaccurate or misleading information or assumptions and that such error, information or assumptions resulted either directly or indirectly in that award vesting over a greater number of shares or to a greater degree than would have been the case had that error not been made; (c) where it is determined that there has been a material failure of risk management; (d) where the conduct of the relevant participant contributed to circumstances leading to an insolvency or corporate failure resulting in the value of the Company's shares being materially reduced; (e) where the relevant participant is found guilty of or pleads guilty to a crime that is related to or damages the business or reputation of any member of the Company's group; (f) there is reasonable evidence of fraud or material dishonesty by the relevant participant that is related to or damages the business or reputation; and (g) breach of any applicable restrictions on competition, solicitation or the use of confidential information.

11. Cessation of employment

As a general rule, an award will lapse upon a participant giving or receiving notice of his/her cessation of employment or directorship within the Company's group. However, if a participant ceases to be an employee or a director because of his/her death, ill-health, injury, disability, redundancy (if the Remuneration Committee so determines), agreed retirement, his/her employing company or the business for which he works being sold out of the Company's group or in other circumstances at the discretion of the Remuneration Committee, his/her award will vest on the date when it would have vested if he had not ceased such employment or office, subject to: (a) the performance conditions being satisfied at the end of the period over which the conditions are measured and (b) the pro-rating of the award (by reference to the number of days elapsed in the performance period) to reflect the reduced period of time between the commencement of the performance period and the participant's cessation of employment as a proportion of the total performance period, although the Remuneration Committee can decide not to pro-rate an award if it regards it as inappropriate to do so in the particular circumstances.

If a participant ceases to be an employee or director in the Group for one of the “good leaver” reasons specified above, the Remuneration Committee can, at its discretion, instead decide that his/her award will vest on the date when he leaves. The extent to which an award will vest in these situations will depend upon two factors: (a) the extent to which the performance conditions have been satisfied by reference to the date of cessation; and (b) pro-rating by reference to the time of the participant’s cessation of employment as a proportion of the performance period as described above.

If any of the above “good leaver” circumstances applies to any awards granted as options, which vest as a consequence of cessation, the options may be exercised within a period of 12 months starting from the date on which the award vests. Any awards granted as options which have vested prior to the participant’s cessation of employment in “good leaver” circumstances may be exercised within a period of 12 months from the participant’s cessation of employment.

12. Corporate events

In the event of a takeover, merger, scheme of arrangement or other similar event involving a change of control of the Company (in each case, not being an internal corporate reorganisation) all awards will vest early subject to: (a) the extent that the performance conditions have been satisfied at that time as determined by the Remuneration Committee; and (b) the pro-rating of the awards (by reference to the number of days elapsed in the performance period) to reflect the reduced period of time between the commencement of the performance period and the early vesting, although the Remuneration Committee can decide not to pro-rate an award if it regards it as inappropriate to do so in the particular circumstances. In the case of a merger, the Remuneration Committee can decide to allow awards to be replaced by equivalent new awards over shares in a merged entity and any awards which are exchanged in this way will not vest on the happening of the merger.

In the case of an option, the Remuneration Committee will specify the period during which it may be exercised and thereafter it will lapse.

In the event of an internal corporate reorganisation awards will be replaced by equivalent new awards over shares in a new holding company unless the Remuneration Committee decides that awards should vest on the basis which would apply in the case of a takeover.

13. Adjustment of awards

In the event of a de-merger, special dividend, similar event or an alteration to the capital structure of the Company, including a capitalisation of reserves or a rights issue, then awards may be adjusted as the Remuneration Committee deems appropriate except that in the event of a de-merger, special dividend which has the effect of materially changing the Group’s business or similar event the Remuneration Committee can instead decide that awards will vest on the basis which would apply in the case of a takeover as described above but subject to any adjustments which they deem appropriate to take account of such things as any legislation governing the event or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company involved in the event.

14. Participants’ rights

Awards of conditional shares and options will not confer any shareholder rights until the awards have vested or the options have been exercised and the participants have been registered as the owners of the shares. Holders of awards of forfeitable and/or restricted shares will have shareholder rights from when the awards vest except that the shares may be subject to forfeiture or the right to transfer the shares may be restricted.

No payment is required for the grant of an award. Awards are not transferable, except on death and only then to the estate of the deceased. Awards are not pensionable. Ordinary Shares issued under the 2021 LTIP will rank pari passu in all respects with the Ordinary Shares of the Company.

15. Alterations to the 2021 LTIP

The Remuneration Committee may, at any time, amend the 2021 LTIP in any respect, provided that the prior approval of shareholders is obtained for any amendments that are to the advantage of participants in respect of the rules governing eligibility, limits on participation, the overall limits on the issue of shares and the adjustment of awards.

The requirement to obtain the prior approval of shareholders will not apply to any minor alteration made to benefit the administration of the 2021 LTIP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Group. Shareholder approval will also not be required where the Remuneration Committee adopts new performance conditions or amends any performance conditions applying to an award.

16. Overseas plans

The 2021 LTIP will allow the Company and its subsidiaries to establish further plans for overseas territories, any such plan to be similar to the 2021 LTIP, but modified to take account of local tax, exchange control or securities laws, provided that any shares made available under such further plans are treated as counting against the limits on individual and overall participation in the 2021 LTIP.

APPENDIX 4

IRISH DIVIDEND WITHHOLDING TAX

THE IRISH TAX CONSIDERATIONS SUMMARISED IN APPENDIX 4 ARE FOR GENERAL INFORMATION ONLY. EACH SHAREHOLDER SHOULD CONSULT HIS/HER OR ITS OWN TAX ADVISER AS TO THE PARTICULAR IRISH AND NON-IRISH TAX CONSEQUENCES THAT MAY APPLY TO SUCH SHAREHOLDER.

PART A: SUMMARY OF IRISH DIVIDEND WITHHOLDING TAX

Prior to the Simplification of the Grafton Unit, no Irish or UK dividend withholding tax (“DWT”) applied to dividends paid in respect of the ‘C’ Ordinary Shares in Grafton Group (UK) plc, however following Simplification of the Grafton Unit, which took effect on 7 March 2021, Irish DWT (currently 25%) will now apply to dividends or other relevant distributions (“Dividends”) paid by Grafton Group plc. The Irish DWT requirements will not apply to dividends paid to certain categories of Irish resident shareholders or to dividends paid to certain categories of non-Irish resident shareholders, subject to those shareholders attending to the appropriate administrative requirements.

Set out below are details of how DWT, where applicable, may be credited against the Irish income tax liability of non-Irish resident and Irish resident shareholders:

Non-Irish Resident Shareholders

Except in certain circumstances, a person who is neither resident nor ordinarily resident in Ireland and is entitled to receive dividends without deductions is not liable for Irish tax on the dividends. Where a person who is neither resident nor ordinarily resident in Ireland is subject to withholding tax on the dividend received due to not benefiting from any exemption from such withholding, the amount of that withholding will generally satisfy such person’s liability for Irish tax, however individual shareholders should confirm this with their own tax adviser.

Irish Resident Shareholders

Companies resident in Ireland, other than those taxable on receipt of dividends as trading income, are exempt from corporation tax on distributions received on the Ordinary Shares. Shareholders that are “close” companies for Irish taxation purposes may, however, be subject to a 20% corporation tax surcharge on undistributed investment income. Individual shareholders who are resident or ordinarily resident in Ireland are subject to income tax on the gross dividend at their marginal tax rate, but are entitled to a credit for the tax withheld by the Company. The dividend will also be subject to the universal social charge. An individual shareholder who is not liable or not fully liable for income tax by reason of exemption or otherwise may be entitled to receive an appropriate refund of tax withheld. A charge to Irish social security taxes can also arise for such individuals on the amount of any dividend received from the Company.

If a shareholder is not tax resident in Ireland, they will be exempt from DWT provided that they fall within one of the following categories and also provided that on a timely basis in advance of the payment of any dividend, they make an appropriate declaration of entitlement to exemption to the Company:

- persons (other than a company) who: (i) are neither resident nor ordinarily resident in Ireland; and (ii) are resident for tax purposes in: (a) a country which has signed a double taxation agreement with Ireland (a “**Tax Treaty Country**”); or (b) an EU member state other than Ireland;

- companies not resident in Ireland which, by virtue of the law of an EU member state or a Tax Treaty Country, are resident in an EU member state or a Tax Treaty Country and are not controlled, directly or indirectly, by an Irish resident or Irish residents;
- companies not resident in Ireland which are directly or indirectly controlled by a person or persons who are, by virtue of the law of a Tax Treaty Country or an EU member state, resident for tax purposes in a Tax Treaty Country or an EU member state other than Ireland and which are not controlled directly or indirectly by persons who are not resident for tax purposes in a Tax Treaty Country or EU member state;
- companies not resident in Ireland, the principal class of shares of which is substantially and regularly traded on a recognised stock exchange in a Tax Treaty Country or an EU member state including Ireland or on an approved stock exchange; or
- companies not resident in Ireland that are 75% subsidiaries of a single company, or are wholly owned by two (2) or more companies, in either case the principal classes of shares of which is or are substantially and regularly traded on a recognised stock exchange in a Tax Treaty Country or an EU member state including Ireland or on an approved stock exchange.

In the case of an individual non-Irish resident shareholder who is resident in an EU member state or Tax Treaty Country, the declaration must be accompanied by a current certificate of tax residence from the tax authorities in the shareholder's country of residence. In the case of both an individual and corporate non-Irish resident shareholder resident in an EU member state or Tax Treaty Country, the declaration must also contain an undertaking that he, she or it will advise the Company accordingly if he, she or it ceases to meet the conditions to be entitled to the DWT exemption. No declaration is required if the shareholder is a 5% parent company in another EU member state in accordance with section 831 of the Taxes Consolidation Act 1997.

If a shareholder is tax resident in Ireland, they will be exempt from DWT provided that they fall within one of the following categories and also provided that on a timely basis in advance of the payment of any dividend, they make an appropriate declaration of entitlement to exemption to the Company:

- pension schemes approved by the Irish Revenue Commissioners ("**Revenue**");
- qualifying fund managers or qualifying savings managers in relation to approved retirement funds or approved minimum retirement funds;
- Personal Retirement Savings Account ("**PRSA**") administrators who receive the relevant
- distribution as income arising in respect of PRSA assets;
- qualifying employee share ownership trusts;
- collective investment undertakings;
- tax-exempt charities;
- designated brokers receiving the distribution for special portfolio investment accounts;
- any person who is entitled to exemption from income tax under Schedule F on dividends in respect of an investment in whole or in part of payments received in respect of a civil action or from the Personal Injuries Assessment Board for damages in respect of mental or physical infirmity;

- certain qualifying trusts established for the benefit of an incapacitated individual and/or persons in receipt of income from such a qualifying trust;
- any person entitled to exemption to income tax under Schedule F by virtue of section 192(2) of the Taxes Consolidation Act 1997 (the “TCA”);
- unit trusts to which section 731(5)(a) of the TCA applies; and
- certain Irish Revenue-approved amateur and athletic sport bodies.

Investors who hold their shares through a qualifying intermediary should make the appropriate declaration of entitlement to exemption on a timely basis to that intermediary.

PART B: IRISH DIVIDEND WITHHOLDING TAX FAQ

1. The Grafton Unit has been simplified. How will this affect my future dividends from the Grafton Group?

Previously, no Irish or UK DWT applied to dividends paid in respect of the “C” Ordinary Shares in Grafton Group (UK) plc, which is a UK company. All of the more recent Grafton Unit dividends have been paid in respect of these Grafton Group (UK) plc shares.

Following the Simplification of the Grafton Unit, which took effect on 7 March 2021, dividends will be paid in respect of the Ordinary Shares in the Company, which is an Irish company. Irish DWT will apply to any Dividends paid by the Company.

2. What is the rate of Irish DWT?

The standard rate of DWT is currently 25%. This rate may change in future.

- **Category: Individuals**

3. I live in Ireland. How will DWT deducted from future Grafton Group plc dividends affect my Irish tax liability?

You will be entitled to a credit for the DWT deducted against your Irish income tax liability and, if the DWT deducted is greater than your tax liability, a refund may be claimed for the excess. The credit may be claimed in your annual tax return or through https://www.ros.ie/myaccount-web/sign_in.html?execution=e1s1 after the end of each calendar year.

No upfront DWT exemptions are widely available for Irish tax resident individuals.

4. I live outside of Ireland. Are my dividend payments subject to DWT?

If you are not Irish tax resident, you may qualify for an exemption from DWT.

A DWT exemption is available to individuals who are tax resident in a Tax Treat Country (i.e. a country with which Ireland has a double tax agreement (“DTA”). Ireland has DTAs with many countries, including the UK, the USA and all of the EU Member States. A list of the DTAs that Ireland has in place can be found on the Revenue website at <https://www.revenue.ie/en/tax-professionals/tax-agreements/double-taxation-treaties/tax-treaties-by-country.aspx>.

If you are tax resident in a DTA country, you will need to complete a declaration process to qualify for the exemption.

In addition to completing the declaration process, if you are an investor whose shares are held through an intermediary (e.g. a broker or custodian), your ability to avail of the upfront DWT exemption also depends on whether the intermediary (and any other intermediaries in the chain) is a Revenue approved qualifying intermediary.

5. I am tax resident in a DTA country of Ireland. What do I need to do?

Where you hold physical share certificates in the Company, you need to do two things - we recommend that you begin the process for both as soon as possible:

- (a) Complete a declaration form - the Form V2A - and have the form stamped by the tax authority in your country of residence (e.g. by HM Revenue & Customs if you are UK tax resident). The declaration form can be found on the Revenue website. More details about the Form V2A are provided in FAQs 6-8.
- (b) Provide the completed Form V2A on a timely basis to the Company's Registrar. While you are waiting to receive the stamped form back from the tax authorities, we recommend that you contact the Registrar to confirm the timeframe which they need to update their records to reflect your DWT exempt status.

Where you are an investor in Grafton Group plc through an intermediary (e.g. a broker or custodian), including where you are a UK resident investor through an ISA (Individual Savings Account) we recommend that you contact that intermediary as soon as possible – they will advise you on the next steps. The next steps will depend in part on whether or not the intermediary is a Revenue approved qualifying intermediary (“**QI**”). A list of currently approved QIs is available on the Revenue website at <https://www.revenue.ie/en/companies-and-charities/documents/dwt/list-of-authorised-withholding-agents-and-qualifying-intermediaries.pdf>.

If the intermediary:

- (a) is a QI, it is likely that FAQs 6-9 regarding the DWT exemption declaration process are relevant to you; or
- (b) is not a QI, it is likely that you will need to claim DWT refunds, as outlined in FAQs 10 and 11. As of the DWT refund claim process, you will need to obtain a stamped DWT exemption declaration form, as outlined in FAQs 6 and 7.

6. How often must I complete the declaration process?

The Form V2A declaration is generally valid for 5 years from 31 December following the date of certification by the local tax authority. For example, if your declaration is certified in March 2021, the declaration should generally be valid until 31 December 2026.

7. Tell me more about the declaration form (Form V2A).

The Form V2A, as with all relevant forms for DWT, can be obtained from the Revenue website. A copy of the form is available at <https://www.revenue.ie/en/companies-and-charities/documents/dwt/dwt-non-res-v2a.pdf>.

The Form V2A is split into two sections. One must be completed by you and the second must be completed by the tax authorities of the country of which you are tax resident.

Details that are required for section one (to be completed by you) are as follows:

- (a) Your personal details (name, address, tax reference number in your country of residence and Irish tax reference number if any);
- (b) The name of the country whose tax authorities are confirming your residence (e.g. the UK);
- (c) Your signature and the date; and
- (d) Confirmation of whether the declaration is being signed under a Power of Attorney (yes or no response required).

You should send the completed form by post to the tax authorities of the country of which you are tax resident so that the tax authorities can complete the second section.

A sample cover letter to use if you are UK tax resident is available at <https://www.graftonplc.com/media/ya1lusd1/template-letter-to-hmrc-to-complete-and-stamp-the-form-v2a-20131728-1.docx>. We understand that HM Revenue & Customs may take a minimum of 6-8 weeks at present to process these requests. Correspondence with HM Revenue & Customs in this regard must be by post (email applications are not being accepted at this time).

In the case of claimants resident in the United States, attaching a Form 6166, issued by the US Internal Revenue Service (IRS) to the Form V2A is an acceptable alternative to having the Form V2A stamped by the IRS.

8. I have completed the declaration and received back the stamped version from my tax authority by post. What do I do next?

Where you hold physical share certificates in the Company, you should provide the completed declaration to the Company's Registrar.

Where you are an investor in the Company through an intermediary (e.g. a broker or custodian), please consult that intermediary.

9. What is the timeframe for completing all of this?

Generally, DWT will be deducted from dividends where a properly completed declaration has not been received by the relevant person by the record date for a dividend.

10. I did not provide a completed declaration on time, or not all intermediaries in the chain are Revenue approved qualifying intermediaries, and DWT was deducted from my dividend. How do I claim a refund?

If DWT was deducted from your dividend and you were otherwise entitled to an exemption, you can apply to Revenue to claim a refund.

The claim form can be found on the Revenue website at <https://www.revenue.ie/en/companies-and-charities/documents/dwt/dwt-claim-for-refund.pdf>. The claim form must be submitted along with the following documentation:

- (a) the dividend vouchers that you received from your intermediary or the Company showing the amount of DWT deducted, and
- (b) your completed Form V2A.

The completed claim form and supporting documentation can be submitted to Revenue by post to the DWT Unit (the full address is provided on page 2 of the claim form) or via email to refunddwt@revenue.ie.

A sample cover letter for your DWT refund claim is available at <https://www.graftonplc.com/media/2dalahig/dwt-reclaim-cover-letter-for-individuals-grafton-group-plc-20126552-2.docx>.

11. What is the timeframe for claiming a refund of DWT?

Claims for DWT refunds may be made to Revenue in the same year as the DWT has been withheld (e.g. claims may be made in 2021 for DWT deducted during 2021).

The claims must be received by Revenue within four years from the end of the calendar year in which the tax was deducted (e.g. by 31 December 2025 in respect of DWT deducted in 2021).

12. I am not tax resident in Ireland, an EU Member State or any of Ireland's other DTA countries. Do I qualify for a DWT exemption?

No upfront DWT exemption is available in this case, but we suggest that you clarify whether you qualify for any relief in your country of residence for the Irish DWT withheld.

- **Category: Irish tax resident companies with a less than 5% interest in Grafton Group plc**

13. Are dividends payments to my Irish tax resident company subject to DWT?

Irish tax companies generally qualify for an Irish DWT exemption where the company completes a declaration process.

In addition to completing the declaration process, if your company is an investor whose shares are held through an intermediary (e.g. a broker or custodian), the company's ability to avail of the upfront DWT exemption also depends on whether the intermediary (and any other intermediaries in the chain) is a Revenue approved qualifying intermediary.

The Form V3 declaration can be found on the Revenue website and a copy of the declaration is available <https://www.revenue.ie/en/companies-and-charities/documents/dwt/dwt-res-v3.pdf>.

The details that are required to complete the declaration are as follows:

- (a) Company details (name, address, Irish tax reference number);
- (b) Signature and date from an authorised signatory; and
- (c) Confirmation of the relationship of the signatory to the company.

Where your company holds physical share certificates in the Company, you should provide the completed declaration to the Company's Registrar.

Where your company is an investor in the Company through an intermediary (e.g. a broker or custodian), please consult that intermediary regarding the next steps.

Generally, the declaration remains valid until such a time as the company is no longer an Irish tax resident company (i.e. the declaration does not automatically expire after a given period of time).

If DWT is deducted from your company's dividend, a refund can be claimed using a similar process to that set out for individuals in this FAQ (the Form V3 is provided to Revenue instead of the Form V2A), or through the company's Form CT1 corporation tax return for the period.

- **Category: UK resident companies with a less than 5% interest in Grafton Group plc which are controlled by UK resident individuals**

14. Are dividends payments to my UK tax resident company subject to DWT? I control the company and I am UK tax resident.

UK tax resident companies controlled by UK tax resident individuals generally qualify for an Irish DWT exemption where the company completes a declaration process.

In addition to completing the declaration process, if your company is an investor whose shares are held through an intermediary (e.g. a broker or custodian), the company's ability to avail of the upfront DWT exemption also depends on whether the intermediary (and any other intermediaries in the chain) is a Revenue approved qualifying intermediary.

The Form V2B declaration form can be found on the Revenue website and a copy of the form is available <https://www.revenue.ie/en/companies-and-charities/documents/dwt/dwt-non-res-v2b.pdf>.

The details that are required to complete the declaration are as follows:

- (a) Company details (name, address, local tax reference number);
- (b) Basis for the DWT exemption;
- (c) Signature and date from an authorised signatory;
- (d) Confirmation of relationship of the signatory to the company;
- (e) Confirmation of whether the declaration is being signed under a Power of Attorney (yes or no response required).

Where your company holds physical share certificates in the Company, you should provide the completed declaration to the Company's Registrar.

Where your company is an investor in the Company through an intermediary (e.g. a broker or custodian), please consult that intermediary regarding the next steps.

The Form V2B declaration is generally valid for 5 years from 31 December following the date of the certificate. For example, if your company's declaration is signed and dated in March 2021, the declaration should generally be valid until 31 December 2026.

If DWT is deducted from your company's dividend, a refund can be claimed using a similar process to that set out for individuals in this FAQ (the Form V2B is provided to Revenue instead of the Form V2A).

- **Category: Other companies**

15. Are dividends payments to my company subject to DWT? My company does not fall into either of the above categories.

A number of different DWT exemptions are available for non-Irish tax resident companies. Please consult the Revenue website at <https://www.revenue.ie/en/Home.aspx> and the notes to the Form V2B at <https://www.revenue.ie/en/companies-and-charities/documents/dwt/dwt-non-res-v2b.pdf> for further guidance.

Category: Non-Irish resident pension funds or trusts

16. Are dividends payments to non-Irish resident pension funds or trusts subject to DWT?

A number of different DWT exemptions are available for certain non-Irish tax residents other than individuals and companies, e.g. unincorporated bodies of persons, such as a charity, trust or superannuation fund. Please consult the Revenue website at <https://www.revenue.ie/en/Home.aspx> and the notes to the Form V2C, available at <https://www.revenue.ie/en/companies-and-charities/documents/dwt/dwt-non-res-v2b.pdf> for further guidance.

If you are a UK resident individual with a SIPP (self-invested personal pension), please refer your SIPP administrator to the Form V2C in relation to obtaining an upfront DWT exemption for the SIPP and the opportunity to claim DWT refunds in respect of the SIPP.

Useful links:

- How do I contact the Company's Registrars?: [Shareholder FAQs | Grafton Group plc - https://www.graftonplc.com/investors/shareholder-services/shareholder-faqs/](https://www.graftonplc.com/investors/shareholder-services/shareholder-faqs/)
- MyAccount, which is Revenue's single access point for secure online services for individuals: https://www.ros.ie/myaccount-web/sign_in.html?execution=e1s1
- A list of the DTAs that Ireland has in place: <https://www.revenue.ie/en/tax-professionals/tax-agreements/double-taxation-treaties/tax-treaties-by-country.aspx>
- A list of Revenue approved Qualifying Intermediaries (QIs) together with Associated Nominee Companies for the purposes of Irish Dividend Withholding Tax: <https://www.revenue.ie/en/companies-and-charities/documents/dwt/list-of-authorized-withholding-agents-and-qualifying-intermediaries.pdf>
- Form V2A (exemption declaration for qualifying non-Irish resident individuals): <https://www.revenue.ie/en/companies-and-charities/documents/dwt/dwt-non-res-v2a.pdf>
- DWT refund claim form: <https://www.revenue.ie/en/companies-and-charities/documents/dwt/dwt-claim-for-refund.pdf>
- Form V3 (exemption declaration for Irish resident companies): <https://www.revenue.ie/en/companies-and-charities/documents/dwt/dwt-res-v3.pdf>

- Form V2B (exemption declaration for qualifying non-Irish resident companies): <https://www.revenue.ie/en/companies-and-charities/documents/dwt/dwt-non-res-v2b.pdf>
- Form V2C (exemption declaration for qualifying non-resident persons (not being an individual or a company): <https://www.revenue.ie/en/companies-and-charities/documents/dwt/dwt-non-res-v2c.pdf>

For further details please see <https://www.graftonplc.com/investors/dividends/>.

GRAFTON GROUP PLC
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Grafton Group plc will be held at the Offices of the Company at Heron House, Corrig Road, Sandyford Business Park, Dublin 18, D18 Y2X6, Ireland on 28 April 2021 at 10.30am for the following purposes:

- (1) To receive and consider the Company's Financial Statements for the year ended 31 December 2020 together with the reports of the Directors and the Auditors thereon, and to review the Company's affairs.

(Resolution No. 1)

- (2) To declare a final dividend of 14.5p per Ordinary Share for the year ended 31 December 2020 to be paid on Wednesday, 5 May 2021 to the holders of Ordinary Shares on the register of members of the Company at the close of business on Friday, 9 April 2021.

(Resolution No. 2)

- (3) By separate resolutions, to re-elect the following Directors who retire and, being eligible, offer themselves for re-election:

Michael Roney	(Resolution No. 3a)
Paul Hampden Smith	(Resolution No. 3b)
Susan Murray	(Resolution No. 3c)
Vincent Crowley	(Resolution No. 3d)
Rosheen McGuckian	(Resolution No. 3e)
David Arnold	(Resolution No. 3f)
Gavin Slark	(Resolution No. 3g)

Biographical information on the Directors eligible for re-election is set out on pages 78 and 79 of the 2020 Annual Report.

(Resolution No. 3)

- (4) To consider the continuation in office of PricewaterhouseCoopers as Auditors of the Company. *(This is an advisory, non-binding resolution).*

(Resolution No. 4)

- (5) To authorise the Directors to fix the remuneration of the Auditors for the year ending 31 December 2021.

(Resolution No. 5)

- (6) To receive and consider the Annual Statement of the Chair of the Remuneration Committee and the Annual Report on Remuneration of the Remuneration Committee (excluding the Remuneration Policy, which was approved by way of advisory vote at the AGM of the Company held on 29 April 2020) for the year ended 31 December 2020, which is set out on pages 95 to 98 and 105 to 114 of the 2020 Annual Report. *(This is an advisory, non-binding resolution.)*

(Resolution No. 6)

- (7) **To consider and, if thought fit, pass the following resolution as a special resolution:**

“That it is hereby resolved that the provision in Article 61 of the Articles of Association of the Company allowing for the convening of an Extraordinary General Meeting on at least

fourteen clear days' notice (where such meetings are not convened for the passing of a special resolution) shall continue to be effective.”

(Resolution No. 7)

As Special Business:

(8) To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That the Directors of the Company be and are hereby generally and unconditionally authorised to allot relevant securities (within the meaning of Section 1021 of the Companies Act 2014) in accordance with the powers, provisions and limitations in Article 9(b) of the Articles of Association of the Company provided that the sum of the nominal value of all allotments made pursuant to this authority shall not exceed €3,315,478, representing approximately 28 per cent of the nominal value of the issued ordinary share capital of the Company.

To the extent provided in Article 9(b) of the Articles of Association of the Company, this authority shall expire at the close of business on the earlier of the date of the Annual General Meeting in 2022 or 28 July 2022.”

(Resolution No. 8)

(9) To consider and, if thought fit, pass the following resolution as a special resolution:

“That subject to the approval of Resolution 8 in the Notice of this meeting, the Directors be and are hereby authorised to allot equity securities for cash in accordance with the powers, provisions and limitations in Article 9(c)(i) and (ii) of the Articles of Association of the Company provided that the sum of the nominal value of all allotments made pursuant to this authority in accordance with sub-paragraph (ii) of Article 9(c) and all treasury shares (as defined in Section 106 of the Companies Act 2014) re-issued while this authority remains operable shall not exceed an aggregate nominal value of €597,976 (11,959,522 Ordinary Shares) representing approximately 5% of the nominal value of the issued ordinary share capital.”

To the extent provided in Article 9(c) of the Articles of Association of the Company, this authority shall expire at the close of business on the earlier of the date of the Annual General Meeting in 2022 or 28 July 2022.”

(Resolution No. 9)

(10) To consider and, if thought fit, pass the following as a special resolution:

“That, the Company and/or any of its subsidiaries (as defined by section 7 of the Companies Act 2014) be and are hereby generally authorised to purchase on a securities market (within the meaning of Section 1072 of the Companies Act 2014) from time to time shares of any class in the Company up to a maximum number of shares equal to ten per cent of the Company's issued ordinary share capital at the date of the passing of this resolution and provided further that purchases of shares will be limited to a maximum price which will not exceed the higher of:

- (a) an amount equal to the higher of the last independent trade in the Company's shares and the highest current independent bid for the Company's shares on the London Stock Exchange; and
- (b) 5 per cent above the average of the closing prices of the shares taken from the Official List of the London Stock Exchange for the five business days before the purchase is made,

and shall be limited to a minimum price which will not be less than the par value of the shares at the time the purchase is made.

This authority shall expire at the close of business on the earlier of the date of the Annual General Meeting in 2022 or 28 July 2022 save that the Company and/or any of its subsidiaries may before such expiry make a contract of purchase which would or might be executed wholly or partly after the expiry of this authority.”

(Resolution No. 10)

(11) To consider and, if thought fit, pass the following resolution as a special resolution:

“That, for the purposes of Section 1078 of the Companies Act 2014, the re-issue price range at which any treasury shares (as contemplated by the said Section 1078) for the time being held by the Company may be re-issued off-market shall be as follows:

- (a) the maximum price at which a treasury share may be re-issued off-market shall be an amount equal to 120 per cent of the Appropriate Price; and
- (b) the minimum price at which a treasury share may be re-issued off-market shall be an amount equal to 95 per cent of the Appropriate Price or the par value of a share in the case of any share issued for the purpose of any scheme or plan which has been approved by the Company’s shareholders in General Meeting.

For the purposes of this resolution the expression “Appropriate Price” shall mean the average of five amounts resulting from determining whichever of the following {(i), (ii) or (iii) specified below} in relation to shares of the class of which such treasury shares is to be re-issued shall be appropriate in respect of each of the five business days immediately preceding the day on which the treasury share is re-issued, as determined from information published in the Official List of the London Stock Exchange reporting the business done on each of these five business days:-

- (i) if there shall be more than one dealing reported for the day, the average of the prices at which such dealings took place; or
- (ii) if there shall be only one dealing reported for the day, the price at which such dealing took place; or
- (iii) if there shall not be any dealing reported for the day, the average of the closing bid and offer prices for the day,

and if there shall be only a bid (but not an offer) or an offer (but not a bid) price reported, or if there shall not be any bid or offer price reported, for any particular day then that day shall not count as one of the said five business days for the purposes of determining the Appropriate Price. If the means of providing the foregoing information as to dealings and prices by reference to which the Appropriate Price is to be determined is altered or is replaced by some other means, then the Appropriate Price shall be determined on the basis of the equivalent information published by the relevant authority in relation to dealings on the London Stock Exchange. This authority shall expire at the close of business on the earlier of the date of the Annual General Meeting in 2022 or 28 July 2022.”

(Resolution No. 11)

(12) To consider and, if thought fit, pass the following resolution as a special resolution:

“That with effect from the conclusion of the meeting, the draft Articles of Association produced to the meeting, which have been signed by the Chairman of this meeting at the meeting for the purposes of identification and which have been made available for inspection at the registered office of the Company and online at <http://www.graftonplc.com> since the date of the notice of this meeting, be approved and adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the Company’s existing Articles of Association.”

(Resolution No. 12)

(13) To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That the Grafton Group plc 2021 SAYE Plan (the “**SAYE Plan**”), the principal terms of which are summarised in Appendix 2 to the Chairman’s letter dated 19 March 2021 that accompanies this Notice of the AGM be and is hereby approved and the directors be and are hereby generally and unconditionally authorised to do or procure to be done all such acts and things as they, in their absolute discretion, may consider necessary or desirable to implement the SAYE Plan in accordance with its terms and to make such modifications to the draft rules as they may consider necessary or desirable to take account of the requirements of any listing authority, tax authority or other regulatory body.”

(Resolution No. 13)

(14) To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That the Grafton Group plc 2021 Long Term Incentive Plan (the “**2021 LTIP**”), the principal terms of which are summarised in Appendix 3 to the Chairman’s letter dated 19 March 2021 that accompanies this Notice of the AGM, be and is hereby approved and the Directors be and are hereby generally and unconditionally authorised:

- (a) to establish schemes in other jurisdictions similar in substance to the 2021 LTIP but modified to take account of local tax, exchange control or securities laws in overseas territories provided that any shares made available under any such scheme will be treated as counting towards any limits on individual or overall participation in the 2021 LTIP; and
- (b) to do or procure to be done all such acts and things as they, in their absolute discretion, may consider necessary or desirable to implement the 2021 LTIP in accordance with its terms and to make such modifications to the draft rules as they may consider necessary or desirable to take account of the requirements of any listing authority, tax authority or other regulatory body.”

(Resolution No. 14)

For and on behalf of the Board

Charles Rinn
Company Secretary
Grafton Group plc
Heron House
Corrig Road
Sandyford Business Park
Dublin 18, D18 Y2X6
Ireland

19 March 2021

NOTES TO NOTICE OF ANNUAL GENERAL MEETING OF GRAFTON GROUP PLC

1. The health and safety of our shareholders, colleagues and advisers is a primary concern for Grafton Group plc (the “**Company**”) and its Board, who are closely monitoring developments relating to the COVID-19 pandemic (“**COVID-19**”) and guidance issued by the Government of Ireland in relation to COVID-19. We will take all recommendations and applicable law into account in the conduct of the Annual General Meeting (“**AGM**”). There will be limited ability to facilitate attendance in person, the AGM will be as brief as possible, observing social distancing measures, the venue will be vacated promptly after the AGM and refreshments will not be provided.
2. If current or similar restrictions relating to COVID-19 remain in force on the date of the AGM, the Board regrettably expects that the AGM will be held as a closed meeting (i.e. not generally open to the public). This is because the current COVID-19 measures published by the Government of Ireland provide that no organised indoor gatherings should take place and in order to prioritise the health and safety of our shareholders, colleagues and other stakeholders it will not be possible, on the basis of the current guidance, for shareholders to attend the AGM.
3. Shareholder participation and engagement remains important to us and therefore, in the likely event that the AGM will be held as a closed meeting, shareholders will be provided with a facility to listen to the business of the meeting and raise questions during the meeting at the invitation of the Chairman through the Lumi platform, as described in further detail below. Any relevant updates regarding then conduct of the AGM, including any changes to the arrangements outlined in this Circular, will be announced via a Regulatory Information Service and will be available on the website of the Company at <https://www.graftonplc.com/investors/shareholder-services/shareholder-meetings/>. Shareholders should monitor the Company’s website for update announcements regarding the AGM in the event that circumstances change. Shareholders are also encouraged to keep up to date with the advice and guidance of the Government of Ireland and the Health Service Executive in relation to COVID-19.
4. In the event that it is not possible to hold the AGM either in compliance with public health guidelines or applicable law or where it is otherwise considered that proceeding with the AGM as planned poses an unacceptable risk to health and safety, the AGM may be adjourned or postponed to a different time and/or venue, in which case notification of such adjournment or postponement will be given in accordance with the Company’s Articles of Association and will be announced via a Regulatory Information Service and will be available on the website of the Company at <https://www.graftonplc.com/investors/shareholder-services/shareholder-meetings/>.
5. A member entitled to attend, speak, ask questions and vote is entitled to appoint a proxy to attend, speak, ask questions and vote on his/her behalf. A proxy need not be a member of the Company. Appointment of a proxy will not preclude a member from attending, speaking, asking questions and voting at the meeting should the member subsequently wish to do so. A member may appoint more than one proxy to attend and vote at the meeting provided each proxy is appointed to exercise rights attached to different shares held by that member. Should you wish to appoint more than one proxy, please read carefully the explanatory notes accompanying the Form of Proxy. Holders of CREST Depository Interests (“**CDIs**”) (“**CDI Holders**”) and/or participants of the Euroclear Bank SA/NV (“**Euroclear Bank**”) system (the “**EB System**”) (“**EB Participants**”) wishing to attend, speak or ask questions at the AGM must arrange to have themselves appointed as their own proxy as explained in notes 8 and 9 respectively below.
6. As a member, you can exercise your right to vote in the following ways:
 - (a) by attending the AGM in person (subject to the COVID-19 restrictions in place at the time of the AGM);
 - (b) by appointing (either electronically or by returning a completed Form of Proxy) the Chairman or another person as a proxy to vote on your behalf;
 - (c) CDI Holders may (i) send electronic voting instructions to Euroclear Bank via Broadridge Financial Solutions Limited (“**Broadridge**”); or (ii) appoint a proxy via the Broadridge Global Proxy Voting service; or
 - (d) EB Participants may (i) send electronic voting instructions to Euroclear Bank; or (ii) send a proxy voting instruction to Euroclear Bank to appoint Euroclear Nominees Limited (i.e. the nominee of Euroclear Bank) (“**Euroclear Nominees**”) or the Chairman or a third party (other than Euroclear Nominees Limited or the Chairman of the meeting) to attend and vote at the meeting (subject to the COVID-19 restrictions in place at the time of the AGM)..

Persons who hold their interests in the ordinary shares of the Company (the “**Ordinary Shares**”) as Belgian law rights through the EB System or as CDIs should consult with their stockbroker or other intermediary at the earliest

opportunity for further information on the processes and timelines for submitting proxies and voting instructions for the AGM through the respective systems.

7. For shareholders whose name appears on the register of members of the Company (i.e. those who hold their Ordinary Shares in certificated form and who therefore do not hold their interests in Ordinary Shares as Belgian law rights through the EB System or as CDIs through the CREST system (“CREST”)), you may appoint a proxy by completing the enclosed Form of Proxy, making sure to sign and date the form at the bottom and return it to the Company’s Registrars, Link Registrars Limited at P.O. Box 1110, Maynooth, Co. Kildare, Ireland if delivered by post or at Link Registrars Limited, Block C, Maynooth Business Campus, Maynooth, Co Kildare, W23 F854, Ireland if delivered by hand during normal business hours so as to be received by no later than 10.30am on 26 April 2021. If you are appointing someone other than the Chairman as your proxy, then you must fill in the details of your representative at the meeting in the box in the top left corner of the Form of Proxy. If you appoint the Chairman or another person as a proxy to vote on your behalf, please make sure to indicate how you wish your votes to be cast by ticking the relevant boxes on the Form of Proxy.

Alternatively, a member may appoint a proxy or proxies electronically by logging on to the website of the registrars, Link Registrars Limited at www.signalshares.com and entering the Company name, Grafton Group plc. You will need to register for the Share Portal by clicking on “registration section” (if you have not registered previously) and following the instructions. Shareholders will be asked to enter their Investor Code (IVC) as printed on the top of the Form of Proxy and agree to certain conditions.

8. Euroclear UK & Ireland Limited (“EUI”), the operator of CREST, has arranged for voting instructions relating to the CDIs held in CREST to be received via a third party service provider, Broadridge Financial Solutions Limited (“Broadridge”). Further details on this service can be accessed on the EUI website at the following link, once you have logged in to your EUI account: [“All you need to know about SRD II in Euroclear UK & Ireland”](#) (see section **CREST International Service – Proxy voting**).

If you are a CDI Holder, you will be required to make use of the EUI proxy voting service facilitated by Broadridge Global Proxy Voting service in order to receive meeting announcements and send back voting instructions as required. To facilitate client set up, if you hold CDIs and wish to participate in the Broadridge proxy voting service, you will need to complete the following steps:

- Register for an account with EUI at the following web address: <https://www.euroclear.com/users/en/registration-choice.html>.
- Complete a Meetings and Voting Client Set-Up Application Form (the “**EUI Application Form**”), which will be available at the following link once you have logged in to your EUI account: [Meetings and Voting Client Set-up Form \(CRT408\)](#).
- A copy of the completed EUI Application Form must be returned to EUI by an authorised signatory (i.e. a nominated representative of the CDI Holder) with another relevant authorised signatory copied in for verification purposes (where appropriate) using the following email address: eui.srd2@euroclear.com.
- Fully completed and returned EUI Application Forms will be shared with Broadridge by EUI. This will enable Broadridge to contact you and share further detailed information on the service offering and initiate the process for granting your access to the Broadridge platform. Should shareholders have any queries on the Broadridge service offering, Broadridge can be contacted by telephone on [+1 800 353 0103](tel:+18003530103) during normal US business hours.

Once CDI Holders have gained access to the Broadridge platform (by following the instructions set out above), they can complete and submit proxy appointments (including voting instructions) electronically. Broadridge will process and deliver any such proxy voting instructions received from CDI Holders by the Broadridge voting deadline date to Euroclear Bank, by the Euroclear Bank cut-off time and to agreed market requirements. Broadridge’s deadline will be earlier than Euroclear Bank’s voting instruction deadline. Alternatively, a CDI Holder can send a third party proxy voting instruction through Broadridge in order to appoint a third party (who may be a corporate representative or the CDI Holder themselves) to attend (subject to the COVID-19 restrictions in place at the time of the AGM) and vote at the meeting for the number of shares specified in the proxy instruction (subject to the Broadridge voting deadline). There is no facility to offer a letter of representation/appoint a corporate representative other than through the submission of third party proxy appointment instructions through Broadridge.

Broadridge’s voting deadline will be earlier than Euroclear Bank’s voting instruction deadline as set out above and is expected to be at least two (2) days prior to the Company’s proxy appointment deadline (i.e. 48 hours before the AGM). Voting instructions cannot be changed or cancelled after Broadridge’s voting deadline unless shares in the Company are transferred after Broadridge’s voting deadline but before the AGM record date (i.e. currently set as

close of business on 24 April 2021) in which case Broadridge will use best endeavours to accept late votes from a shareholder who acquired CDIs after the Broadridge voting deadline.

CDI Holders are strongly encouraged to familiarise themselves with the new arrangements with Broadridge, including the new voting deadlines and procedures and to take, as soon as possible, any further actions required by Broadridge before they can avail of this voting service.

Should you have any queries in relation to completing and submitting proxy appointments (including voting instructions) electronically via Broadridge, EUI can be contacted by email at client_service_london@euroclear.com or by telephone on +44 (0)20 7849 0000. Lines are open from 5.00a.m. to 8.00 p.m. Monday to Friday, excluding Irish bank holidays.

9. EB Participants can submit proxy appointments (including voting instructions) electronically in the manner described in the document issued by Euroclear Bank in February 2021 and entitled “Euroclear Bank as issuer CSD for Irish corporate securities – Service description”. EB Participants can either send:

- electronic voting instructions to instruct Euroclear Nominees (or the Chairman (as proxy) on the instruction of Euroclear Nominees) to:
 - (i) vote in favour of all or a specific resolution(s);
 - (ii) vote against all or a specific resolution(s);
 - (iii) abstain for all or a specific resolution(s); or
 - (iv) give discretionary vote to the chairman for all or a specific resolution(s); or
- a proxy voting instruction to appoint a third party (other than Euroclear Nominees or the Chairman of the meeting) (who may be a corporate representative or the EB Participant themselves) to attend the meeting (subject to the COVID-19 restrictions in place at the time of the AGM) and vote for the number of Ordinary Shares specified in the proxy voting instruction by providing Euroclear Bank with the proxy details as requested in its notification (e.g. proxy first name, proxy last name, proxy address, nationality code). There is no facility to offer a letter of representation/appoint a corporate representative other than through the submission of third party proxy appointment instructions.

Euroclear Bank will, wherever practical, aim to have a voting instruction deadline of one (1) hour prior to the Company’s proxy appointment deadline, which, in the case of the AGM, would be a deadline of 9.30am on 26 April 2021. Voting instructions cannot be changed or cancelled after Euroclear Bank’s voting deadline.

EB Participants are strongly encouraged to familiarise themselves with the new arrangements with Euroclear Bank, including the new voting deadlines and procedures.

10. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other registered holder(s) and, for this purpose, seniority will be determined by the order in which the names stand in the register of members.
11. You may appoint the Chairman of the Meeting or another individual as your proxy. If you appoint someone other than the chairman of the meeting to be your proxy, that person may not be able to attend if the prevailing COVID-19 measures require the Company to conduct the AGM as a closed meeting.
12. To be effective, all proxy voting instructions (whether submitted directly or through the EB System or CREST) together with any power of attorney or other authority under which it is executed, or a notarially certified copy thereof, must be received by the Company’s Registrars, Link Registrars Limited at P.O. Box 1110, Maynooth, Co. Kildare, Ireland if delivered by post or to Link Registrars Limited, Block C, Maynooth Business Campus, Maynooth, Co Kildare, W23 F854, Ireland if delivered by hand during normal business hours not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. However, persons holding through the EB System or CREST will also need to comply with any additional voting deadlines imposed by the respective service offerings. All relevant persons are recommended to consult with their stockbroker or other intermediary at the earliest opportunity.
13. The Company, pursuant to Section 1087G of the Companies Act 2014, specifies that only those shareholders registered in the Register of Members of the Company at close of business on 24 April 2021 (or in the case of an adjournment as at close of business on the date that is 4 days before the date of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their names at the time.

Changes to entries in the register after that time will be disregarded in determining the right of any person to attend and/or vote at the meeting.

14. If you or a group of shareholders hold 7,175,713 Ordinary Shares representing at least 3% of the issued share capital of the Company, you or the group of shareholders acting together will be permitted to put an item on the agenda of the AGM. Written details of the item you wish to have included in the AGM agenda together with a written explanation as to why you wish to have the item included in the agenda and evidence of your shareholding must be received by the Company Secretary at Grafton Group plc, Heron House, Corrig Road, Sandyford Business Park, Dublin 18, D18 Y2X6 or by email to meetings@graftonplc.com no later than 42 days before the AGM meeting. An item cannot be included in the AGM agenda unless it is accompanied by the written explanation and received at either of these addresses by this deadline.
15. If you or a group of shareholders hold 7,175,713 Ordinary Shares representing at least 3% of the issued share capital of the Company, you or the group of shareholders acting together will be permitted to table a draft resolution for inclusion in the agenda of the AGM subject to any contrary provision in company law. The text of the draft resolution and evidence of your shareholding must be received by post by the Company Secretary at Grafton Group plc, Heron House, Corrig Road, Sandyford Business Park, Dublin 18, D18 Y2X6 or by email to meetings@graftonplc.com by no later than 42 days before the AGM. A resolution cannot be included in the AGM agenda unless it is received at either of these addresses by this deadline. Furthermore, shareholders are reminded that there are provisions in company law which impose other conditions on the right of shareholders to propose resolutions at the general meeting of a company.
16. Shareholders may ask questions related to items on the AGM agenda and have such questions answered by the Company subject to any reasonable measures the Company may take to ensure the identification of shareholders. An answer is not required if (a) an answer has already been given on the Company's website in the form of a "Q&A"; or (b) it would interfere unduly with preparation for the meeting or the confidentiality or business interests of the Company; or (c) it appears to the Chairman that it is undesirable in the interests of good order of the meeting that the question be answered. Shareholders may also submit a question in writing before the AGM, to be received at least two business days before the meeting (i.e. 26 April 2021) by email to meetings@graftonplc.com or by post to the Company Secretary, Grafton Group plc, Heron House, Corrig Road, Sandyford Business Park, Dublin 18, D18 Y2X6. All correspondence should include the 11-digit IVC number printed on the proxy form.
17. This AGM notice, copies of any draft documents or resolutions to be submitted to the meeting and copies of the forms to be used to vote by proxy as well as the details of the total number of shares and voting rights at the date of this notice, are available on the Company's website at www.graftonplc.com. Should you have not received a Form of Proxy, you may request this by telephoning the Company's Registrars on 00 353 (0) 1 553 0050 or by email to the Company Secretary at meetings@graftonplc.com.
18. As at 19 March 2021 (being the latest practicable date prior to the issue of this Notice), the maximum potential outstanding share entitlements issued by the Company would (and subject to all vesting conditions being satisfied) result in the issue of 3,276,065 Ordinary Shares if such share entitlements were to be exercised. Further, the issue of all of these Ordinary Shares would represent approximately 1.35% of the enlarged equity (including treasury shares), or 1.50% (excluding treasury shares), if the Company were to exercise in full the proposed authority being sought in Resolution 10 above to purchase its own shares.
19. All resolutions at the AGM will be put to a poll. Pursuant to Section 190(b) of the Companies Act 2014, where a poll is taken at the AGM, a Shareholder, present in person or by proxy, holding more than one share need not cast all his/her votes in the same way.
20. The Company is pleased to be able to offer facilities for Shareholders to ask listen and questions at the AGM electronically in real time should they wish to do so. The details are set out below:

Logging in to the Lumi platform

In order to listen to the AGM via the Lumi platform, shareholders will need to connect to <https://web.lumiagm.com>. Lumi is compatible with the latest browser versions of Chrome, Firefox, Internet Explorer 11 (Internet Explorer V10 and lower are not supported), Edge and Safari and can be accessed using any web browser, on a PC or smartphone device.

If you wish to raise a question at the AGM, you must dial in to the conference call number which will be accessible once you have logged in to the Lumi platform.

Once shareholders have accessed <https://web.lumiagm.com> from a web browser on a tablet or computer, they will be asked to enter the Lumi Meeting ID, which is 120-009-076. It is not necessary to type the dashes in the Meeting

ID as they will appear automatically. Shareholders will then be prompted to enter their unique 'Login Code' and 'PIN'. Your Login Code is your 11 digit IVC, including any leading zeros. Your PIN is the last 4 digits of your IVC. This will authenticate the identity of shareholders.

Your IVC can be found on the enclosed proxy form, your attendance card or your share certificate.

Signal Shares users (www.signalshares.com) will find the IVC under 'Manage your account' when logged in to the Signal Shares portal. Shareholders can also obtain the IVC by contacting Link Registrars Limited on +353 1 553 0050. Lines are open from 9.00am to 5.00 p.m. Monday to Friday, excluding Irish bank holidays.

CDI Holders or EB Participants wishing to access the Lumi platform should arrange to have themselves appointed as their own proxy, as explained in notes 8 and 9 above. Any CDI Holders or EB Participants who have not had themselves appointed as their own proxy, but who nevertheless wish to access the AGM via the Lumi platform, should contact the Company Secretary by email to meetings@graftonplc.

If any shareholder encounters difficulties in obtaining their IVC, please contact the Company by email to meetings@graftonplc.

Access to the Lumi platform for the purpose of the AGM will be available from 30 minutes before the meeting start time. During the AGM, shareholders (or their proxy) must ensure that they are connected to the internet at all times in order to listen to the Chairman and ask questions at the meeting. Therefore, it is the shareholders' (or their proxy's) responsibility to ensure connection to the internet for the duration of the AGM. A Lumi user guide to the audio webcast is available on our website at: <https://www.graftonplc.com/investors/shareholder-services/shareholder-meetings/>.

There is no requirement for shareholders to give notice of their intention to log in to the AGM via the Lumi facility, save that persons appointed as proxy or as a corporate representative to represent a shareholder at the AGM should contact Link Registrars Limited by 10:30am on 26 April 2021 by emailing RMSupportDublin@linkgroup.ie for unique log-in credentials in order to access the AGM.

Shareholders will still need to submit their proxy form by the relevant deadline before the AGM, as it will not be possible to vote using the Lumi platform.