

Notice of annual general meeting 2019

www.mothercareplc.com

mothercare
welcome to the club

This document is important and requires your immediate attention.

It contains the resolutions to be voted on at the Company's Annual General Meeting on Friday 26 July 2019 at 11.00am ("AGM").

If you are in any doubt about the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000 (or if you are resident outside the United Kingdom, an appropriately qualified independent financial advisor).

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



MOTHERCARE PLC • CHERRY TREE ROAD • WATFORD • HERTFORDSHIRE • WD24 6SH

REGISTERED IN ENGLAND NO 1950509

Part I

Letter from the Chairman

Dear Shareholder

Annual General Meeting 2019

The AGM of the Company will be held at the Company's head office at Cherry Tree Road, Watford, Hertfordshire, WD24 6SH on Friday 26 July 2019 at 11.00am. We look forward to meeting as many shareholders as possible. Please note there is limited car parking available.

Shareholder Communications

Those shareholders that elected to receive an email communication should have already received that email and be aware that the Annual Report and Notice of this AGM are available on our website at www.mothercareplc.com/investors; printed copies are therefore not being mailed to them. **If you would prefer in future to receive a printed copy of the Annual Report, Notice of Annual General Meeting and Form of Proxy, please contact the Company's Registrars, Equiniti Limited, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA.**

We wish to encourage as many shareholders as possible to take advantage of the ability to cast their votes on the resolutions before the meeting by the use of the electronic proxy appointment service offered by the Registrars, Equiniti Limited, at www.sharevote.co.uk. All such votes must be received by 11.00am on 24 July 2019. Using the electronic proxy appointment service facility streamlines procedures for the meeting, helps meet our environmental targets and reduces costs.

The directors believe that the resolutions to be proposed at the AGM are in the best interests of the Company and the shareholders as a whole. The directors therefore recommend shareholders to vote in favour of the resolutions, as they intend to do in respect of their own beneficial shareholdings representing approximately 0.9258 per cent of the issued share capital of the Company.

Yours sincerely



Clive Whiley
Interim Executive Chairman

Part II

Notice of Annual General Meeting

Notice is hereby given that the AGM of Mothercare plc (the “Company”) will be held at Cherry Tree Road, Watford, Hertfordshire, WD24 6SH on Friday 26 July 2019 at 11.00am. You will be asked to consider and if thought fit to pass the resolutions below. Resolutions 12 to 16 will be proposed as special resolutions. All other resolutions will be proposed as ordinary resolutions.

As Ordinary Resolutions:

- 1 To receive the Company’s annual accounts, together with the directors’ report, the strategic report, the directors’ remuneration report and the auditors’ report on those accounts and the auditable elements of the directors’ remuneration report for the financial year ended 30 March 2019.
- 2 To approve the directors’ remuneration report (other than the part containing the directors’ remuneration policy) for the 53 weeks ended 30 March 2019.
- 3 To re-elect Clive Whiley as a director of the Company.
- 4 To re-elect Mark Newton-Jones as a director of the Company.
- 5 To re-elect Glyn Hughes as a director of the Company.
- 6 To re-elect Gillian Kent as a director of the Company.
- 7 To re-elect Nick Wharton as a director of the Company.
- 8 To appoint Grant Thornton UK LLP as auditor of the Company to hold office until the conclusion of the next general meeting of the Company at which accounts are laid.
- 9 To authorise the directors to determine the remuneration of the auditors.
- 10 That pursuant to section 551 of the Companies Act 2006, the Board be generally and unconditionally authorised to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company:
 - (A) up to a nominal amount of £1,139,145.9 (such amount to be reduced by the nominal amount allotted or granted under paragraph (B) below in excess of such sum); and
 - (B) comprising equity securities (as defined in section 560(1) of the Companies Act 2006) up to a nominal amount of £2,278,291.8 (such amount to be reduced by any allotments or grants made under paragraph (A) above) in connection with an offer by way of a rights issue:
 - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - (ii) to holders of other equity securities as required by the rights of those securities or, subject to such rights, as the Board otherwise considers necessary,

and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter, each such authority to apply until the end of next year’s annual general meeting (or, if earlier, until the close of business on 26 October 2020) but, in each case, during this period the Company may make offers and enter into agreements which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority ends and the Board may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not ended.

These authorities are in substitution for all existing authorities under section 551 of the Companies Act 2006 (which, to the extent unused at the date of this resolution, are revoked with immediate effect).

Part II

Notice of Annual General Meeting

continued

11 That, in accordance with sections 366(2) and 367(3) of the Companies Act 2006, the Company and all companies that are its subsidiaries at any time during the period for which this resolution is effective are authorised to:

- (A) make political donations to political parties and/or independent election candidates not exceeding £50,000 in total;
- (B) make political donations to political organisations other than political parties not exceeding £50,000 in total; and
- (C) incur political expenditure not exceeding £50,000 in total,

(as such terms are defined in sections 363 to 365 of the Companies Act 2006) in each case during the period of one year beginning with the date of the passing of this resolution ending on the date of the Company's next annual general meeting, provided that: (i) the aggregate of all expenditure under paragraphs (A), (B) and (C) above shall not exceed £50,000 in total; and (ii) each of the amounts referred to in this resolution may comprise one or more sums in different currencies which, for the purpose of calculating any such amount, shall be converted at such rate as the directors may, in their absolute discretion, determine to be appropriate.

As Special Resolutions:

12 THAT with effect from the conclusion of the Annual General Meeting, the Articles of Association of the Company produced to the meeting and initialled for the purpose of identification by the chairman of the meeting be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the Company's existing articles of association.

13 THAT a general meeting of the Company other than an annual general meeting may be called on not less than 14 clear days' notice, provided that this authority expires at the end of the Company's next annual general meeting after this resolution is passed.

14 THAT, if resolution 10 is passed, pursuant to sections 570 and 573 of the Companies Act 2006 the Board be given power to allot equity securities (as defined in section 560(1) of the Companies Act 2006) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such power to be limited:

- (A) to the allotment of equity securities and sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (B) of resolution 10, by way of a rights issue only):
 - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - (ii) to holders of other equity securities, as required by the rights of those securities, or, subject to such rights, as the Board otherwise considers necessary,

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

- (B) to the allotment (otherwise than under paragraph (A) above) of equity securities or sale of treasury shares up to a nominal amount of £170,871.88, such power to apply in each case until the end of next year's annual general meeting (or, if earlier, until the close of business on 26 October 2020) but, in each case, during this period the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the power ends and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the power had not ended.

15 THAT, if resolution 10 is passed, the Board be given power in addition to any authority granted under resolution 14 to allot equity securities (as defined in section 560(1) of the Companies Act 2006) for cash under the

authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such power to be:

- (A) limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £170,871.88; and
- (B) used only for the purposes of financing (or re-financing, if the authority is to be used within six months after the original transaction) a transaction which the Board determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice,

such power to apply in each case until the end of next year's annual general meeting (or, if earlier, until the close of business on 26 October 2020) but, in each case, during this period the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the power ends and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the power had not ended.

- 16 THAT the Company be authorised for the purposes of section 701 of the Companies Act 2006 to make one or more market purchases (as defined in section 693(4) of the Companies Act 2006) of its ordinary shares of one pence each ("Ordinary Shares"), such power to be limited:

- (a) to a maximum number of 34,174,377 Ordinary Shares; and
- (b) by the condition that the minimum price which may be paid for an Ordinary Share is one pence per share and the maximum price which may be paid for an Ordinary Share is the highest of:
 - (i) an amount equal to 5 per cent above the average of the middle market quotations for an Ordinary Share as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which that Ordinary Share is contracted to be purchased; and
 - (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out,

in each case, exclusive of expenses;

such power to apply until the end of next year's annual general meeting (or, if earlier, until the close of business on 26 October 2020) but in each case so that the Company may enter into a contract to purchase Ordinary Shares which will or may be completed or executed wholly or partly after the power ends and the Company may purchase Ordinary Shares pursuant to any such contract as if the power had not ended.

By order of the Board



Lynne Medini
Company Secretary

Registered office: Cherry Tree Road, Watford, Hertfordshire, WD24 6SH. Registered in England and Wales, No. 01950509

24 June 2019

Please see the explanatory notes to the notice of Annual General Meeting at Part IV of this document.

Part III

Notes to the notice of AGM ("Meeting")

- 1 Biographical details, including relevant qualifications and experience, of the directors proposed for re-election are given on page 37 of the Company's annual report and accounts.
- 2 An explanation of the business to be conducted at the Meeting is given on pages 9 to 12 of this Notice.
- 3 The right to vote at the AGM is determined by reference to the Company's register of members. Only those shareholders on the register of members of the Company as at 6.30pm on 24 July 2019 (or, in the event of any adjournment, at 6.30pm on the day that falls two business days before the reconvened meeting) will be entitled to attend, speak or vote at the Meeting and they may only vote in respect of the number of shares registered in their name at the relevant time. Change to entries on the register of members after the relevant deadline will be disregarded in determining the rights of any person to attend or vote at the Meeting.
- 4 Any member attending the Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the Meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.
- 5 A member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, to speak and to vote at the Meeting. A proxy may only be appointed in accordance with the procedures set out in this note 5 and notes 6 to 8 below. A member may appoint more than one proxy in relation to the Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. Failure to specify the number of shares each proxy appointment relates to, or specifying a number which when taken together with the numbers of shares set out in the other proxy appointments is in excess of the number of shares held by the shareholder, may result in the proxy appointment being invalid. A proxy need not be a member of the Company. A form for appointing a proxy is enclosed with this Notice. To be effective, the form of proxy must be completed and reach the Company's registrars, Equiniti Limited, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA not later than 11.00am on 24 July 2019. You may also submit your proxy electronically; see your proxy card for details of how to register your vote. Completion of a form of proxy, other such instrument or any CREST Proxy Instruction (as described in paragraph 8) will not preclude a member from attending and voting in person at the Meeting. If you require additional forms of proxy, please contact the Registrars of the Company on +44(0)121 415 7042 if calling from outside the UK or if within the UK on 0371 384 2013. Lines are open 8.30am to 5.30pm, Monday to Friday (excluding public holidays in England and Wales).
6. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
- 7 Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of the same powers as the corporation could exercise if it were an individual member provided they do not do so in relation to the same shares.
- 8 CREST members holding their shares in uncertificated form who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting to be held on 26 July 2019 and any adjournments thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message ("CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or relates to an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (CREST ID RA19) no later than 11.00am on 24 July 2019. For these purposes,

the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. No messages received through the CREST network after this time will be accepted. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

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

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. The CREST Manual can be reviewed at www.euroclear.com.

- 9 The Company cannot accept responsibility for loss or damage arising from the opening or use of any emails or attachments from the Company and recommends that shareholders subject all messages to virus checking procedures prior to opening or use. Any electronic communication received by the Company and/or Equiniti Limited, including the lodgement of an electronic form of proxy, that is found to contain a computer virus will not be accepted.
- 10 Under section 527 of the Companies Act 2006 members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. Any such request must: (i) identify the statement to which it relates, by either setting out the statement in full or, if supporting a statement requested by another shareholder, clearly identifying the statement which is being supported; (ii) comply with the requirements set out in note 17 below; and (iii) be received by the Company at least one week before the meeting. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with section 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

Any request by a shareholder or shareholders to require the Company to publish audit concerns as set out in this note 10:

- (i) may be made either: (a) in hard copy, by sending it to Cherry Tree Road, Watford, Hertfordshire, WD24 6SH; or (b) in electronic form, by sending it to investorrelations@mothercare.com (please state "Mothercare Plc: AGM" in the subject line of the email);
 - (ii) must state the full name(s) and address(es) of the shareholder(s); and
 - (iii) where the request is made in hard copy form must be signed by the shareholder(s).
- 11 A person who is not a shareholder of the Company, but has been nominated by a shareholder to enjoy information rights in accordance with section 146 of the Companies Act 2006, ("nominated person") does not have a right to appoint any proxy. Nominated persons may have a right under an agreement with the shareholder to be appointed (or to have someone appointed) as a proxy for the meeting. Alternatively, if

Part III

Notes to the notice of AGM ("Meeting")

continued

nominated persons do not have such a right, or do not wish to exercise it, they may have a right under an agreement with the relevant shareholder to give instructions as to the exercise of voting rights. The statement of the rights of shareholders in relation to the appointment of proxies in paragraph 5 above does not apply to nominated persons. The rights described in paragraph 5 can only be exercised by shareholders of the Company. If you have been nominated to receive general shareholder communications directly from the Company, it is important to remember that your main contact in terms of your investment remains the registered shareholder or custodian or broker who administers the investment on your behalf. Therefore, any changes or queries relating to your personal details and holding (including any administration) must continue to be directed to your existing contact at your investment manager or custodian. The Company cannot guarantee to deal with matters that are directed to them in error. The only exception to this is where the Company, in exercising one of its powers under the Companies Act 2006, writes to you directly for a response.

- 12 The following documents, which are available for inspection during normal business hours at the registered office of the Company on any weekday (public holidays excluded), will also be available for inspection at the place of the Meeting from 10.45am on the day of the Meeting until the conclusion of the Meeting:
 - (i) copies of service contracts and letters of appointment of the directors of the Company;
 - (ii) copies of the deeds of indemnity of the directors; and
 - (iii) a copy of the proposed revised Articles of Association of the Company (under article 136 of which the directors have the benefit of a "qualifying third party indemnity provision" for the purposes of sections 232, 234 and 236 of the Companies Act 2006).
- 13 As at 14 June 2019 (being the last practicable business day prior to the publication of this Notice) the Company's issued share capital consisted of 341,743,770 ordinary shares of one pence each, carrying one vote each. The Company holds no shares in treasury therefore the total voting rights in the Company as at that date were 341,743,770.
- 14 A copy of this Notice and other information required by section 311A of the Companies Act 2006 can be found at www.mothercareplc.com.
- 15 Except as provided above, members who have general queries about the Meetings should use the following means of communication (no other methods of communication will be accepted):
 - calling our shareholder helpline on +44(0)121 415 7042 if calling from outside the UK or if within the UK on 0371 384 2013. Lines are open 8.30am to 5.30pm, Monday to Friday;
 - by writing to Equiniti Limited, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA; or
 - by sending an email to investorrelations@mothercare.com

You may not use any electronic address provided either in this Notice or any related documents (including the chairman's letter and proxy form) to communicate with the Company for any purposes other than those expressly stated.

Part IV

Explanatory Notes to the Proposed Resolutions of the AGM

The Ordinary Resolutions will be passed if more than 50 per cent of the votes cast are in favour of the resolutions. The resolutions to be proposed as Special Resolutions will be passed if at least 75 per cent of the votes cast are in favour of the resolutions.

As Ordinary Resolutions:

Resolution 1: To receive the Company's annual accounts together with the directors' report, strategic report, directors' remuneration report and the auditor's report upon the accounts and the auditable elements of the directors' remuneration report for the financial year ended 30 March 2019. The directors will present these reports and accounts and shareholders may raise any questions on these at the meeting.

Resolution 2: To approve the directors' remuneration report (other than the part containing the directors' remuneration policy which was approved by shareholders on 29 March 2019) which describes how the Company's directors' remuneration policy has been implemented during the previous financial year. The report can be found on pages 53 to 70 of the Annual Report and Accounts for the financial year ended 30 March 2019.

Resolutions 3 to 7: Re-election of directors. The Company's articles of association require that one third (or if not three or a multiple of three, the number nearest to but not less than one third) of the directors that are required to retire by rotation must retire. In line with UK Corporate Governance Code requirements, all of the directors are up for annual re-election.

Each of the directors standing for re-election has been subject to a formal performance evaluation. The Board believes that each of them should be re-elected, subject to shareholder approval, because they have continued to be effective members of the Board and have demonstrated commitment to their respective roles. Gillian Kent and Nick Wharton are non-executive directors.

Mark Newton-Jones was initially appointed to the Board in July 2014, Glyn Hughes was appointed to the Board in 2017, and Clive Whiley was appointed to the Board in April 2018. All three executive directors offer themselves for re-election.

Resolution 8: Appointment of auditor. As more fully described in the Annual Report and Accounts, the Company's Audit and Risk Committee undertook a tender process during the year ended 30 March 2019. The result of the tender was that the Audit and Risk Committee made a recommendation to the Board that Grant Thornton UK LLP (who has indicated its willingness to act) be appointed as the new external auditor to the Company (in place of Deloitte LLP) and accordingly an ordinary resolution to appoint them will be proposed.

Statement of reasons relating to the intention of Deloitte LLP not to seek re-appointment as auditors to Mothercare PLC at the conclusion of our term of office.

The Company decided to put the audit out to tender. We decided not to participate on the basis that we would only be able to continue as auditor for a further three years given the length of our continued tenure to date.

Unless the Company applies to the court, this statement of reasons is required to be brought to the attention of members or creditors of the Company and must be sent by the Company within 14 days to every person entitled under Section 423 of the Companies Act 2006 to be sent copies of the Company's accounts. This is a requirement of Section 520(2) of that Act.

Deloitte LLP – Audit registration C009201919

14 June 2019

Resolution 9: To authorise the directors to determine the remuneration of the auditor.

Resolution 10: Authority to allot shares. Generally the directors may only allot shares in the Company, or grant rights to subscribe for or to convert any security into shares in the Company, if they have been authorised to do so by shareholders. Paragraph (A) of this resolution would give the directors the authority to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares up to an aggregate nominal amount equal to

Part IV

Explanatory Notes to the Proposed Resolutions of the AGM continued

£1,139,146 (representing 113,914,590 ordinary shares of one pence each). This amount represents approximately one-third of the issued ordinary share capital of the Company as at 19 June 2019, the latest practicable date prior to publication of this Notice.

In line with guidance issued by the Investment Association ("IA"), paragraph (B) of this resolution would give the directors authority to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares in connection with a rights issue in favour of ordinary shareholders up to an aggregate nominal amount equal to £2,278,292 (representing 227,829,180 ordinary shares), as reduced by the nominal amount of any shares issued under paragraph (A) of this resolution). This amount (before any reduction) represents approximately two-thirds of the issued ordinary share capital of the Company as at 19 June 2019, the latest practicable date prior to publication of this Notice.

The authorities sought under paragraphs (A) and (B) of this resolution will expire at the earlier of 26 October 2020 and the conclusion of the annual general meeting of the Company held in 2020.

The directors have no present intention to exercise either of the authorities sought under this resolution, other than pursuant to the Company's share option schemes. However, the Board wishes to ensure that the Company has maximum flexibility in managing the Group's capital resources. However, if they do exercise the authorities, the directors intend to follow IA recommendations concerning their use (including as regards the directors standing for re-election in certain cases).

As at the date of this Notice, no ordinary shares are held by the Company in treasury.

Resolution 11: To authorise the making of political donations.

Part 14 of the Companies Act 2006 prohibits companies from making political donations exceeding £5,000 in aggregate in any 12 month period to (i) political parties, (ii) other political organisations and (iii) independent election candidates and from incurring political expenditure without shareholders' consent. However, as the definitions used in the Companies Act 2006 are broad, it is possible that normal business activities, which might not be thought to be political expenditure in the usual sense, could be caught.

It remains the policy of the Company not to make political donations or incur political expenditure within the ordinary meaning of those words and the directors have no intention of using the authority for that purpose. The authority being sought in this resolution will not change that policy, but is being sought as a precaution to ensure that the Company's normal business activities are within the Companies Act 2006.

As Special Resolutions:

Resolution 12: Amendment of Articles. This resolution, which will be proposed as a special resolution, seeks to allow the directors to determine whether a general meeting of the Company's shareholders, including AGMs, should be held purely as a physical meeting, as a combination of a physical general meeting and an electronic general meeting, or purely as an electronic meeting, by making the necessary changes to the Company's Articles of Association.

A meeting can be wholly virtual if attendees participate only by way of electronic means or a meeting may be "hybrid", where some attendees are based in a single physical location and others attend electronically. This will make it easier for the Company's shareholders to take part in future general meetings.

When calling a general meeting, the directors would give careful consideration as to whether it would be appropriate for shareholders to have the ability to attend that general meeting via electronic means, such as by simultaneous conference call or website-based participation, and would specify the appropriate electronic means of attendance to shareholders and their proxies.

It should be noted that, whilst the revised Articles of Association will allow for meetings to be held and conducted in such a way that persons who are not present together at the same physical location may attend, speak and vote at the meeting by electronic means, the directors have no present intention of holding a wholly electronic meeting. Nothing in the revised Articles of Association will prevent the Company from holding physical general meetings.

Resolution 13: General meeting notice. Changes made to the Companies Act 2006 by the Companies (Shareholders' Rights) Regulations 2009 increased the notice period required for general meetings of companies to 21 days unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days.

The directors believe it is in the best interests of shareholders to preserve this ability and Resolution 13 seeks such approval. The approval will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed. Annual general meetings will continue to be held on at least 21 clear days' notice.

It is intended that this flexibility will only be used for non-routine business and where merited in the interests of shareholders generally.

Resolutions 14 and 15: Disapplication of statutory pre-emption rights. Generally, if the directors wish to allot new shares or other equity securities (within the meaning of section 560 of the Companies Act 2006) for cash or sell treasury shares for cash, then under the Companies Act 2006 they must first offer such shares or securities to shareholders in proportion to their existing holdings. This resolution would give the directors the authority to allot ordinary shares (or sell any ordinary shares which the Company elects to hold in treasury) for cash without first offering them to existing shareholders in proportion to their existing shareholdings.

The authority set out in resolution 14 would be limited to (a) allotments or sales in connection with pre-emptive offers and offers to holders of other equity securities if required by the rights of those shares or as the Board otherwise considers necessary, or (b) otherwise up to an aggregate nominal amount of £170,871.88 (representing 17,087,188 shares). This aggregate nominal amount represents 5% of the issued ordinary share capital of the Company (excluding treasury shares) as at 19 June 2019, the latest practicable date prior to publication of this Notice of AGM.

The authority set out in resolution 15 would be limited to allotments or sales of up to an aggregate nominal amount of £170,871.88 (representing 17,087,188 shares) in addition to the authority set out in resolution 14 which are used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice of AGM. This aggregate nominal amount represents 5% of the issued ordinary share capital of the Company (excluding treasury shares) as at 19 June 2019, the latest practicable date prior to publication of this Notice of AGM.

In respect of the authority referred to in resolution 17(b), the directors confirm their intention to follow the provisions of the Pre-Emption Group's Statement of Principles regarding cumulative usage of authorities within a rolling three-year period where the Principles provide that usage in excess of 75% of issued ordinary share capital of the Company (excluding treasury shares) should not take place without prior consultation with shareholders, except in connection with an acquisition or specified capital investment as referred to above.

The authority will expire at the earlier of 26 October 2020 and the conclusion of the annual general meeting of the Company held in 2020.

Resolution 16: Purchase of own shares. Authority is sought for the Company to purchase up to 10 per cent of its issued Ordinary Shares (excluding any treasury shares), renewing the authority granted by the shareholders at previous annual general meetings. The Company has not purchased any Ordinary Shares in the period from the last annual general meeting to the date of this Notice under the existing authority.

The directors have no present intention to exercise the authority sought under this resolution, other than pursuant to the Company's share option schemes including, subject to shareholder approval, the Plan. The directors will exercise this authority only when to do so would be in the best interests of the Company, and of its shareholders generally, and could be expected to result in an increase in the earnings per share of the Company.

Ordinary Shares purchased by the Company pursuant to this authority may be held in treasury or may be cancelled. The directors will consider holding any Ordinary Shares the Company may purchase as treasury shares. The Company currently has no Ordinary Shares in treasury. The minimum price, exclusive of expenses, which may be paid for an Ordinary Share is one pence. The maximum price, exclusive of expenses, which may be paid for an

Part IV

Explanatory Notes to the Proposed Resolutions of the AGM continued

Ordinary Share is the highest of (i) an amount equal to 5% above the average of the middle market quotations for an Ordinary Share as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the date of the purchase and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out.

The Company has options outstanding over 17,415,399 Ordinary Shares, representing 5.1 per cent of the Company's ordinary issued share capital as at 19 June 2019. If the existing authority given at the 2018 general meeting and the authority now being sought by resolution 16 were to be exercised in full and the shares purchased were cancelled, the options to subscribe for ordinary shares would represent 6.37 per cent of the Company's resulting issued ordinary share capital following such purchases and cancellations. If the existing authority given at the 2018 general meeting is not exercised at all before the 2019 AGM, but the authority being sought by resolution 16 is exercised in full and the shares purchased were cancelled, the options to subscribe for ordinary shares would represent 5.66 per cent of the Company's resulting issued ordinary share capital following such purchases and cancellations. The Company holds no shares in treasury.

The authority will expire at the earlier of 26 October 2020 and the conclusion of the annual general meeting of the Company held in 2020.



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