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If you have sold or otherwise transferred all of your shares in Greggs plc, please send this document, together with the accompanying documents, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee.



Everyday tastes good™

(Registered in England and Wales with registered number 502851)

Registered office:
Greggs plc
Greggs House
Quorum Business Park
Benton Road
Newcastle upon Tyne
NE12 8BU

16 April 2019

Dear Shareholder

ANNUAL GENERAL MEETING (AGM)

I enclose a formal notice of our Annual General Meeting, which is to be held at The Grand Hotel (formerly known as Marriott Gosforth Park Hotel), High Gosforth Park, Newcastle upon Tyne, NE3 5HN on Tuesday 21 May 2019 at 11:30 a.m.

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

Resolutions to be determined by poll

As is now established practice, all resolutions will be determined by poll vote, rather than on a show of hands. This is in accordance with best practice, and will result in a more accurate reflection of the views of shareholders by ensuring that every vote is recognised, including those of shareholders who are unable to attend the meeting but who appoint a proxy. On a poll, every shareholder has one vote for every share held.

Re-election of Directors

In accordance with the UK Corporate Governance Code, all of the Directors apart from Allison Kirkby will, in turn, resign as a Director and offer themselves for re-election. Allison has been a Director and Chair of the Audit Committee since January 2013, and leaves the Board at the end of the AGM to concentrate on her other executive and non-executive appointments.

I am pleased to confirm that, following evaluation and recommendation from the Nominations Committee, we are satisfied that each of the Directors seeking re-election at the meeting makes a valuable contribution to our discussions, has the best interests of the Company at heart, continues to perform effectively and demonstrates commitment to the role, including commitment of time for Board and Committee meetings and any other required duties.

Renewal of Performance Share Plan ("PSP")

The existing Greggs plc Performance Share Plan expires on 12 May 2019. Accordingly, the Board is proposing to adopt the Greggs plc Performance Share Plan (the "PSP"), which is substantially the same as the existing plan except where changes are required to ensure it complies with the UK Corporate Governance Code and institutional investor guidelines.

The new PSP will be operated as part of the Remuneration Policy that the shareholders were last asked to approve at the Annual General Meeting held in 2017. Details of the PSP are set out in Appendix 1 of the Explanatory Notes.

Renewal of Save As You Earn Option Plan ("SAYE Plan")

Your Directors believe that it is important to provide a greater number of employees and directors with the opportunity to acquire shares in the Company in a potentially tax-efficient manner so that employees and directors are encouraged to identify their interests more closely with those of the Company's shareholders. The existing Greggs plc SAYE Option Plan which has been operated since 2009 expires on 12 May 2019. Accordingly, the Directors are proposing to adopt the Greggs plc SAYE Option Plan (the "SAYE Plan"), which is substantially the same as the existing plan (except where changes are required to ensure it complies with current legislation and guidance) and which is designed to meet the requirements of Schedule 3 to the Income Tax (Earnings and Pensions) Act 2003 in order to receive certain tax benefits. Details of the SAYE Plan are set out in Appendix 2 of the Explanatory Notes.

Forms of proxy

If you are unable to attend the AGM, a proxy form is enclosed for you to complete (according to the instructions printed on it) and send to the Company's Registrars, Link Asset Services, 34 Beckenham Road, Beckenham, Kent, BR3 4TU to be received by 11.30 a.m. on Friday 17 May 2019. Completion and submission of the proxy form will not prevent you from attending and voting at the meeting if you subsequently find that you are able to do so. CREST Members can cast their votes using CREST electronic proxy voting (further details of which are set out in note 9 on page 5 of this document).

Recommendation

Your Directors believe that all the resolutions in the enclosed notice of Annual General Meeting are in the best interests of the Company and are most likely to promote the success of the Company for the benefit of its shareholders as a whole. Accordingly, they unanimously recommend that you vote in favour of each resolution, as they intend to do in respect of their own shareholdings in the Company.

Yours faithfully

Ian Durant

Chairman

GREGGS plc (Registered in England and Wales with registered number 502851)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Greggs plc ("**the Company**") will be held at The Grand Hotel (formerly known as The Marriott Gosforth Park Hotel), High Gosforth Park, Newcastle upon Tyne, NE3 5HN on **Tuesday 21 May 2019 at 11:30 a.m.** for the following purposes:

Ordinary Business

1. To receive the accounts for the financial year ended 29 December 2018 together with the reports of the Directors and of the Auditor thereon.
2. To re-appoint KPMG Audit Plc as auditor to the Company.
3. To authorise the Directors to determine the remuneration of the auditor of the Company.
4. To declare a final dividend for the financial year ended 29 December 2018 of 25.0 pence per ordinary share of 2p in the capital of the Company, to be paid on 30 May 2019 to Members whose names appear on the register of members in respect of such shares at the close of business on 26 April 2019.
5. To re-elect Mr I Durant as a Director.
6. To re-elect Mr R Whiteside as a Director.
7. To re-elect Mr R Hutton as a Director.
8. To re-elect Dr H Ganczakowski as a Director.
9. To re-elect Mr P McPhillips as a Director.
10. To re-elect Ms S Turner as a Director.
11. To approve the Directors' remuneration report for the financial year ended 29 December 2018.

To transact any other ordinary business of the Company.

Special Business

As special business, to consider and, if thought fit, pass the following resolutions, which will be proposed as to resolutions 12, 15 and 16 as Ordinary Resolutions and as to resolutions 13, 14 and 17 as Special Resolutions:

12. THAT, subject to and in accordance with Article 15.1 of the Articles of Association of the Company, the Directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "**2006 Act**") to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company ("**Rights**") up to an aggregate nominal amount of £674,000 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on 20 August 2020 or, if earlier, the date of the next Annual General Meeting of the Company save that the Company may, before such expiry, make offers or agreements which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This resolution revokes and replaces all unexercised authorities previously granted to the Directors in accordance with section 80 of the Companies Act 1985 or section 551 of the 2006 Act to allot shares or grant Rights but without prejudice to any allotment of shares or grant of Rights already made, offered or agreed to be made pursuant to such authorities.

13. THAT, subject to the passing of resolution 12 set out in the notice of this meeting, the Directors be given the general power in accordance with section 570 of the Companies Act 2006 (the "**2006 Act**") to allot equity securities (as defined by section 560 of the 2006 Act) for cash, either pursuant to the authority conferred by resolution 12 set out in the notice of this meeting or by way of a sale of treasury shares, as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities and the sale of treasury shares:

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

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

2. (otherwise than pursuant to paragraph 1 above) up to an aggregate nominal amount of £101,000.

The power granted by this resolution will expire on 20 August 2020 or, if earlier, the conclusion of the Company's next Annual General Meeting (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

This resolution revokes and replaces all unexercised powers previously granted to the Directors to allot equity securities as if either section 89(1) of the Companies Act 1985 or section 561(1) of the 2006 Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

14. That the Company be generally and unconditionally authorised, pursuant to section 701 of the Companies Act 2006 ("**2006 Act**"), to make market purchases (as defined in section 693(4) of the 2006 Act) of ordinary shares in the capital of the Company ("**Ordinary Shares**") up to an aggregate nominal amount of £202,000 on such terms and in such manner as the Directors of the Company may from time to time determine, provided that:
- (a) the amount paid for each Ordinary Share (exclusive of expenses) shall not be more than five per cent above the average of the middle market quotation for an Ordinary Share as derived from the Daily Official List of London Stock Exchange plc for the five business days before the date on which the contract for the purchase is made and, in any event, not less than the nominal value of each Ordinary Share; and
 - (b) the authority herein contained shall expire at the conclusion of the next Annual General Meeting of the Company or on 20 August 2020, whichever is earlier, provided that the Company may, before such expiry, make a contract to purchase its own shares which would or might be executed wholly or partly after such expiry, and the Company may make a purchase of its own shares in pursuance of such contract as if the authority hereby conferred had not expired.
15. That the Greggs plc Performance Share Plan (the "**PSP**") in the form (or substantially the form) of the draft produced to this meeting and initialled by the Chairman for the purposes of identification and as described in Appendix 1 to the Explanatory Notes be hereby approved and adopted and that:
- (a) the Directors be and are hereby authorised to do all acts and things necessary or expedient to carry the same into effect and to make such changes as they may consider appropriate for that purpose; and
 - (b) the Directors be and are hereby authorised to vote and be counted in a quorum on any matter connected with the amendment to the PSP, notwithstanding that they may be interested in the same, except that no Director may be counted in a quorum or vote in respect of his own participation in the PSP, and any provisions of the Articles of Association of the Company be and are hereby relaxed to that extent accordingly.
16. That the Greggs plc SAYE Option Plan (the "**SAYE Plan**") in the form (or substantially the form) of the draft produced to this meeting and initialled by the Chairman for the purposes of identification and as described in Appendix 2 to the Explanatory Notes be hereby approved and adopted and that:
- (a) the Directors be and are hereby authorised to do all acts and things necessary or expedient to carry the same into effect and to make such changes as they may consider appropriate for that purpose; and
 - (b) the Directors be and are hereby authorised to vote and be counted in a quorum on any matter connected with the approval and adoption of the SAYE Plan, notwithstanding that they may be interested in the same, except that no Director may be counted in a quorum or vote in respect of his own participation in the SAYE Plan, and any provisions of the Articles of Association of the Company be and are hereby relaxed to that extent accordingly.
17. 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 shall expire at the conclusion of the next Annual General Meeting of the Company.

Dated: 16 April 2019

By Order of the Board

Registered Office:
Greggs plc
Greggs House
Quorum Business Park
Benton Road
Newcastle upon Tyne
NE12 8BU

Jonathan D Jowett
Company Secretary

Notes:

Appointment of Proxies

1. If you are a member of the Company at the time set out in note 11 below, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Annual General Meeting and you should have received a proxy form with this notice of meeting. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact the Company's Registrars, Link Asset Services on 0871 664 0300 (calls cost 12p per minute plus network extras. Lines are open 9.00 a.m. – 5.30 p.m. Monday-Friday) or, if calling from outside the UK, on +44 371 664 0300. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
2. If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in this "Appointment of proxies" section. Please read the "Nominated persons" section below.
3. A proxy does not need to be a member of the Company but must attend the Annual General Meeting to represent you. Details of how to appoint the Chairman of the Annual General Meeting or another person as your proxy using the proxy form are set out in the notes on that proxy form. If you wish your proxy to speak on your behalf at the Annual General Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
4. You may appoint more than one proxy, provided that each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you may photocopy the enclosed proxy form.
5. Appointment of a proxy does not preclude you from attending the Annual General Meeting and voting in person. If you have appointed a proxy and attend the Annual General Meeting in person, your proxy appointment will automatically be terminated.
6. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If you either select the "Discretionary" option or if no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Annual General Meeting or any adjournment thereof.

Appointment of proxy using hard copy proxy form

7. To appoint a proxy using the proxy form, the form must be:
 - completed and signed;
 - sent or delivered to the Company's Registrars, Link Asset Services, 34 Beckenham Road, Beckenham, Kent, BR3 4TU; and
 - received by the Company's Registrars no later than 11.30 a.m. on Friday 17 May 2019 or, if this Annual General Meeting is adjourned, not less than 48 hours before the time of the adjourned meeting.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Electronic appointment of proxies

8. As an alternative to completing the hard-copy proxy form, you can appoint a proxy electronically by visiting www.greggshares.co.uk. You will require your user name and password in order to log in and vote. If you have forgotten your user name or password, you can request a reminder via the shareholder portal. If you haven't previously registered to use the portal, you will require your investor code ("IVC") which can be found on your proxy form. For an electronic proxy appointment to be valid, your appointment must be received by the Company's Registrars, Link Asset Services no later than 11.30 a.m. on Friday 17 May 2019.

Appointment of proxies through CREST

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

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("EUI") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by the latest time for receipt of proxy appointments specified in note 8 above. For this purpose, 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.

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

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

Appointment of proxy by joint members

10. 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).

Entitlement to attend and vote

11. Only those members registered on the Company's register of members at close of business on Friday 17 May 2019 or, if this Annual General Meeting is adjourned, at close of business two days prior to the adjourned meeting, shall be entitled to attend and vote at the meeting.

Website giving information in relation to the Annual General Meeting

12. Information regarding the Annual General Meeting, including the information required by section 311A of the Companies Act 2006, is available from <https://corporate.greggs.co.uk>.

Corporate representatives

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

Issued shares and total voting rights

14. As at the last business day prior to the publication of this notice, the Company's issued share capital comprised 101,155,901 ordinary shares of 2p each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at the last business day prior to the publication of this notice is 101,155,901.

The website referred to in note 12 includes information on the number of shares and voting rights.

Questions at the Meeting

15. Under section 319A of the Companies Act 2006, the Company must answer any question you ask relating to the business being dealt with at the Annual General Meeting unless:
 - answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
 - the answer has already been given on a website in the form of an answer to a question; or
 - it is undesirable, in the interests of the Company or the good order of the meeting, that the question be answered.

Website publication of audit concerns

16. Pursuant to Chapter 5 of Part 16 of the Companies Act 2006 (sections 527 to 531), where requested by a members or members meeting the qualification criteria set out at note 17 below, the Company must publish on its website, a statement setting out any matter that such member(s) propose to raise at the Annual General Meeting relating to the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the meeting.

Where the Company is required to publish such a statement on its website:

- it may not require the member(s) making the request to pay any expenses incurred by the Company in complying with the request;
- it must forward the statement to the Company's auditors no later than the time the statement is made available on the Company's website; and
- the statement may be dealt with as part of the business of the meeting.

The request:

- may be in hard copy form or in electronic form (see note 18 below);
- either set out the statement in full or, if supporting a statement sent by another member, clearly identify the statement which is being supported;
- must be authenticated by the person or persons making it (see note 18 below); and
- be received by the Company at least one week before the meeting.

Members' qualification criteria

17. In order to be able to exercise the members' right to require the Company to publish audit concerns (see note 16), the relevant request must be made by:
- a member or members having a right to vote at the Annual General Meeting and holding at least 5% of total voting rights of the Company; or
 - at least 100 members having a right to vote at the Annual General Meeting and holding, on average, at least £100 of paid up share capital.

For information on voting rights, including the total number of voting rights, see note 14 above and the website referred to in note 12.

Submission of hard copy and electronic requests and authentication requirements

18. Where a member or members wishes to request the Company to publish audit concerns (see note 16), such request be must be made in accordance with one of the following ways:
- in the case of a request made in hard copy form, such request must be signed by a shareholder(s), state such shareholder(s) full name(s) and address and sent to the Company Secretary at Greggs plc, Greggs House, Quorum Business Park, Benton Road, Newcastle upon Tyne, NE12 8BU.
 - in the case of a request made in electronic form, such request must state such shareholder(s) full name(s) and address and be sent to investorrelations@greggs.co.uk.

Nominated persons

19. If you are a person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights ("**Nominated Person**") you may have a right under an agreement between you and the member ("**Relevant Member**") of the Company who has nominated you to have information rights, to be appointed or to have someone else appointed as a proxy for the Annual General Meeting.

If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights.

Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

Biographical details

20. Biographical details and Committee memberships of each Director who is being proposed for re-election by members are set out in the annual report and accounts posted to members at the same time as this circular and available on the Company's website at <https://corporate.greggs.co.uk>.

Documents on display

21. The following documents will be available for inspection at the Company's registered office from the date of this notice until the time of the Annual General Meeting and at the meeting venue itself for at least 15 minutes prior to the meeting until the end of the meeting:
- copies of the service contracts of Executive Directors of the Company;
 - copies of the letters of appointment of the Non-Executive Directors of the Company;
 - copies of the deeds of indemnity for Executive and Non-Executive Directors of the Company; and
 - copies of the Rules of the PSP and PAYE schemes due for approval at the Annual General Meeting

Communication

22. Except as provided above, members who have general queries about the Annual General Meeting should contact the Company Secretary at Greggs plc, Greggs House, Quorum Business Park, Benton Road, Newcastle upon Tyne, NE12 8BU or on 0191 281 7721 (no other methods of communication will be accepted).

You may not use any electronic address provided either:

- in this notice of Annual General Meeting; or
- any related documents (including the Chairman's letter and proxy form),

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

Explanatory Notes:

Ordinary Business

Section 439 of the Companies Act 2006 requires quoted companies, at each general meeting at which statutory accounts are to be laid, to propose an ordinary resolution approving the Directors' remuneration report for the year. Resolution 11 will be proposed as an ordinary resolution for this purpose.

Special Business

The Companies Act 2006 provides that Directors shall only allot unissued shares with the authority of shareholders in general meeting. Resolution 12 will be proposed as an Ordinary Resolution for the renewal of the Directors' general authority to allot shares up to an aggregate nominal amount of £674,000, representing approximately one third of the current issued share capital of the Company. The Directors have no present intention of exercising this authority and the authority will, unless renewed, varied or revoked by the Company, expire on 20 August 2020, or, if earlier the date of the next Annual General Meeting of the Company.

The Companies Act 2006 also provides that any allotment of new shares for cash must be made pro rata to individual shareholders' holdings, unless such provisions are disapplied under section 570 of the Companies Act 2006. Resolution 13 will be proposed as a Special Resolution for the renewal of the Directors' authority to allot equity securities for cash, without first offering them to shareholders pro rata to their holdings. This authority facilitates issues made by way of rights to shareholders which are not strictly in accordance with section 561(1) of the Companies Act 2006, and authorises other allotments of up to a maximum aggregate nominal amount of £101,000, representing approximately 5 per cent of the current issued share capital of the Company. This authority also allows the Directors, within the same aggregate limit, to sell for cash shares that may be held by the Company in treasury (the Company does not currently hold any such shares). The Directors have no present intention of exercising this authority and in line with best practice, the Company has not issued more than 7.5% of its issued share capital for cash on a non-pro rata basis over the last three years.

Resolution 14 will be proposed as a Special Resolution for the renewal of the Company's authority to purchase its own shares in the market up to an aggregate nominal amount of £202,000, representing approximately 10 per cent of the issued share capital of the Company. The price payable shall not be more than 5 per cent above the average price of the middle market quotation as derived from the Daily Official List of London Stock Exchange plc for the Ordinary Shares for the five business days before the purchase is made and in any event not less than the nominal value of each Ordinary Share. It is the Directors' intention only to exercise the authority to purchase the Company's shares where it would increase the earnings per share of those Ordinary Shares that are not re-purchased. The Company intends either to cancel such shares or to hold them in treasury. This power will only be used if the Directors consider that to do so would be in the best interests of shareholders generally. The total number of warrants and options to subscribe for equity shares that are currently outstanding is 2,636,357, which represents approximately 2.6% of the current issued share capital of the Company. If the full authority to buyback shares (i.e. the existing authority and that being sought under Resolution 14 is used this would represent approximately 2.9% of the current issued share capital of the Company.

Resolution 15 will be proposed as an Ordinary Resolution. The existing PSP expires on 12 May 2019 and needs to be renewed. The Directors are therefore proposing the adoption of the PSP, which is substantially the same as the existing plan except where changes are required to comply with the UK Corporate Governance Code and institutional investor guidelines. A summary of the PSP is set out in Appendix 1 of the Explanatory Notes to this notice.

A copy of the PSP is available for inspection at the Company's registered office during usual business hours until the close of the AGM and will be available at the place where the AGM is being held from 15 minutes prior to and during the AGM.

Resolution 16 will be proposed as an Ordinary Resolution. The existing SAYE Option Plan will expire on 12 May 2019 and needs to be renewed. The Directors are therefore proposing the adoption of the SAYE Plan, which is substantially the same as the existing plan except where changes are required to comply with currently legislation and HMRC guidance. A summary of the SAYE Plan is set out in Appendix 2 of the Explanatory Notes to this notice.

A copy of the SAYE Plan is available for inspection at the Company's registered office during usual business hours until the close of the AGM and will be available at the place where the AGM is being held from 15 minutes prior to and during the AGM.

Resolution 17 will be proposed as a Special Resolution to allow the Company to continue to hold general meetings on 14 clear days' notice. The Company is currently able to call general meetings other than Annual General Meetings on 14 clear days' notice in accordance with its Articles of Association. However, the Companies (Shareholders' Rights) Regulations 2009 (the "**Regulations**"), which came into force on 3 August 2009, increased the required notice period for all general meetings to 21 days, which overrides the authority provided for in the Articles of Association. The Company is able to reserve the authority to call general meetings (other than the Annual General Meeting) on 14 clear days' notice, provided shareholders have approved this by passing a resolution annually at each Annual General Meeting and the Company has met the requirements for electronic voting under the Regulations. The Company does not intend to call general meetings on 14 clear days' notice as a matter of routine but would like to retain the flexibility to do so where the Directors believe that it is in the best interests of the Company, for example, where the Directors believe there is a financial or operational advantage which outweighs the benefit to shareholders of a longer notice period.

Appendix 1 – Summary of the PSP

The existing Performance Share Plan was originally approved by shareholders in 2009 for a ten-year term and expires on 12 May 2019. The Greggs plc Performance Share Plan (the “PSP”) will replace the previous plan and will operate in substantially the same way as the previous plan, save where amendments are required to ensure the PSP complies with the UK Corporate Governance Code and institutional investor guidelines. The principal features of the PSP are set out below, with the changes summarised first followed by the remaining features of the PSP which are unchanged from the existing plan.

Changes to PSP

Structure of awards

Awards granted to executive directors must be subject to a performance target and have a minimum period of five years between the date of grant and the date on which the participant can first sell any shares acquired pursuant to the award (other than in respect of settling an associated personal tax liability). This change seeks to ensure that executive directors build up significant holdings in the Company's shares.

Awards granted to employees other than executive directors may be (but are not required to be) subject to a performance period or a minimum holding period.

Clawback and malus

Awards may be clawed back in specific circumstances during the period of three years following vesting. These specified circumstances are:

- where the financial results of the Company have been materially misstated;
- where the participant has committed serious misconduct which could have warranted summary dismissal;
- where the performance conditions were assessed based on inaccurate or misleading information; or
- where the participant has committed acts which have resulted in or contributed to serious reputational damage to, or corporate failure of, the Company or a group member.

In the event that any of the above circumstances apply at a time when an award has not yet vested, the Remuneration Committee may reduce the number of shares subject to any existing award, including reducing to zero.

Exercise of discretion

Both the grant and vesting of any awards are subject to the discretion of the Remuneration Committee. Awards will be made in line with the Remuneration Policy and Board discretion will only be exercised in accordance with the Remuneration Policy.

Summary of remaining provisions of PSP

General

The PSP is a discretionary plan pursuant to which the Company may make awards to employees of the Group which consist of either options to acquire Ordinary Shares, conditional rights to acquire Ordinary Shares or rights to acquire Ordinary Shares that are forfeitable in the event that specified conditions are not met. Awards made under the PSP are personal to participants and, except in limited circumstances (being death or forfeiture), cannot be transferred. Awards may be made at any award price (including nil priced awards) as determined by the Remuneration Committee.

Plan Limits

In any ten year period not more than 10 per cent of the issued share capital of the Company may be issued under the PSP or any other share plan operated by the Group (whether or not discretionary); and not more than 5 per cent of the issued share capital of the Company may be issued under the PSP or any other discretionary share plan operated by the Group. These limits do not include awards which have lapsed but will include awards satisfied with treasury shares as if they were newly issued shares for so long as required by UK institutional investor guidelines. Awards may be scaled down if they exceed these limits.

In any financial year employees may be granted awards over shares with a maximum value of 115% of basic salary. In exceptional circumstances, the Remuneration Committee may determine that an award can be granted over shares with a value of up to 150% of basic salary.

Timing of awards

Awards may normally only be granted within the six week period beginning with (i) the date of shareholder approval of the PSP, (ii) the date on which the Company announces its results for any period or (iii) the date on which any dealing restrictions which prevented awards being granted are lifted. Awards may be granted outside these periods where the Remuneration Committee determines that exceptional circumstances apply which justify the making of an award. No awards may be made after the tenth anniversary of the approval of the PSP.

Dividend equivalents

Awards (other than certain forfeitable share awards or options) may include the right for participants to receive an additional benefit equal in value to any dividends that they would have otherwise received on vested shares.

Vesting and cessation of employment

Generally awards will vest on the later of the third anniversary after the award date, a date specified at the time of making the award or the date on which the Remuneration Committee determines that any performance conditions have been met. On vesting options may be exercised, any shares subject to a conditional award shall be transferred to the participant and forfeitable shares shall cease to be subject to forfeiture.

Special rules apply where participants die, retire, are made redundant or suffer injury, ill-health or disability, where employment ceases as a result of a participant's employing company leaving the Group or where the Remuneration Committee determines that the circumstances of a participant's cessation of employment are such to justify awards continuing following cessation.

Cash alternative

The Company may, on the exercise of an option, cash settle the option rather than satisfying it via the issue or transfer of shares or alternatively satisfy only the net of tax value of the option via the issue or transfer of shares.

Corporate events

Awards will vest in the event of a change of control, certain corporate events, on a winding up of the Company or, if the Remuneration Committee so determines, if the Company will be affected by a demerger, distribution or similar corporate transaction. The portion of an award that will vest shall be determined by the Remuneration Committee in its absolute discretion taking into account the time the award has been held and performance against any relevant performance targets.

Variation of share capital

In the event of any variation in the share capital of the Company, the Remuneration Committee may adjust the number of shares subject to an award, the description of shares under awards or the award price in such manner as it sees fit.

Amendments

The Remuneration Committee may make any amendments to the PSP which are of a minor nature to benefit the administration of the PSP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants of the PSP or the Group. Shareholder approval will be required for certain changes to the advantage of participants of the PSP including the basis for determining employee entitlements under the PSP, eligibility under the PSP, the limit on the number of shares over which awards can be made, the price at which shares may be acquired pursuant to an award and the adjustment of awards in certain circumstances.

Appendix 2 – Summary of the SAYE

The existing SAYE Option Plan was originally approved by shareholders in 2009 for a ten-year term and will expire on 12 May 2019. The Greggs plc SAYE Option Plan (the “**SAYE Plan**”) will replace the previous plan and will operate in the same way as the previous plan, save where amendments are required to ensure the SAYE Plan complies with current legislation and HMRC guidance. The SAYE Plan has been designed to be capable of meeting the requirements of Schedule 3 to the Income Tax (Earnings and Pensions) Act 2003 (“**Schedule 3**”). The principal features of the SAYE Plan are set out below.

Eligibility

Invitations to participate will be given to all employees and all full-time directors of the Company and of any participating subsidiary of the Company (the “Group”) who have been employed for a continuous period of at least three months (or such other minimum period as the Remuneration Committee may specify before an invitation is made) and who are UK resident for income tax purposes. Invitations may also be issued to other employees or directors of the Group at the discretion of the Remuneration Committee.

Savings Contract

Participants in the SAYE Plan must enter into a savings contract with a bank or building society selected by the Remuneration Committee. Under this contract a participant agrees to save a specified monthly amount for either three or five years (as determined by the Remuneration Committee prior to the relevant invitation date). The amount saved per month cannot be less than a minimum amount specified by the Remuneration Committee (which cannot be less than £5) or more than the maximum amount specified by the Remuneration Committee (which cannot be more than £500) (or any other amount specified in Schedule 3).

Participants will be granted options to acquire shares in the Company. The number of ordinary shares under option will be the number of shares which have an aggregate option price not exceeding the total proceeds of the savings contract (including any bonus which could be paid as part of the savings contract).

Grant of options

For the first grant of options under the SAYE Plan only, invitations to apply for options may be issued within the period of six weeks following the date of approval of the SAYE Plan by shareholders. Thereafter invitations may be issued within the period of six weeks after the date on which the Company announces its annual or interim results in any year. Options may also be granted at any other time when the Remuneration Committee determines that circumstances are exceptional so as to justify the grant of options.

No options can be granted more than 10 years after the date on which the SAYE Plan receives renewed shareholder adoption approval.

Exercise price

Options will be granted at a price which is not less than 80 per cent of the market value of an Ordinary Share on the relevant invitation date, such market value to be (at the discretion of the board) either the middle market quotation of an Ordinary Share on the dealing day before invitations to apply for options are issued or the average of the middle market quotations of an Ordinary Share for the three immediately preceding dealing days before invitations to apply for options are issued, in each case as derived from the Official List of the UK Listing Authority. In any case, where the option is to subscribe for new shares the price cannot be less than the nominal value of an ordinary share.

Exercise and lapse of options

Except as described below, options may normally only be exercised within six months of the maturity of the relevant savings contract by a person who is then a director or an employee of the Group.

Options granted under the SAYE Plan are personal to the relevant participants and may not be charged, assigned or transferred. An option will lapse immediately if it is charged, assigned or transferred.

Where a participant who is an employee or director dies before the maturity of the savings contract his or her option may be exercised by his or her personal representatives within 12 months of the date of death. Where a participant dies within 6 months of the maturity of the relevant savings contract his or her option may be exercised by his or her personal representatives within 12 months of maturity of the savings contract. Options not exercised within these time periods will lapse.

A participant may also exercise their option within 6 months of ceasing to be employed or hold office within the Group where the cessation occurs as a result of:

- (a) injury, disability, redundancy or retirement;
- (b) a TUPE transfer;
- (c) their employing company or business being disposed of outside the Group.

Options not exercised within the relevant time periods will lapse.

Where the exercise of an option occurs before the maturity of the relevant savings contract the number of Ordinary Shares over which it can be exercised will be limited by reference to the accrued proceeds of the savings contract at the date of exercise.

A participant may also exercise his or her options within a limited period following take-over of the Company or a reconstruction, amalgamation or voluntary winding up of the Company. In certain circumstances participants may release their options in exchange for options over shares in a company acquiring the Company, provided that the options are equivalent for the purposes of Schedule 3.

SAYE Plan limits

The maximum number of shares over which options to subscribe may be granted under the SAYE Plan on any one day may not exceed (when aggregated with shares issued or issuable under all the employee share schemes operated by the Company in the immediately preceding 10 years) 10 per cent of the issued ordinary share capital of the Company in issue immediately prior to that day.

Variation of capital

If a variation in the capital of the Company occurs, the Remuneration Committee may make appropriate adjustments to the exercise price and the number of shares under option or, where an option has been exercised at that time, the number or description of shares to be allotted or transferred in a manner which the Remuneration Committee, in its reasonable opinion considers fair and appropriate. Any variation must ensure that the value of the shares in the option and its aggregate exercise price are substantially the same immediately before and after the adjustment. Where the option is to subscribe for new shares in the Company, the option price may not be less than the nominal value of a share.

Amendment and termination

The SAYE Plan may generally be administered and amended by the Board provided that certain amendments may not be made without the approval of the Company in general meeting (except for minor amendments to benefit the administration of the Scheme, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for option holders or for any member of the Group). No amendment may be made that causes the SAYE Plan to cease to meet the requirements of Schedule 3.

Miscellaneous

Benefits provided to participants under the SAYE Plan will not form part of their wages or remuneration or count as pay or remuneration for pension fund or other purposes.