



BURBERRY  
ESTABLISHED 1856

NOTICE OF ANNUAL GENERAL MEETING 2014



# **NOTICE OF ANNUAL GENERAL MEETING**

***This document is important and requires your immediate attention.***

*If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice from a stockbroker, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000.*

*If you have sold or otherwise transferred all of your shares in Burberry Group plc, please forward this document, together with the accompanying documents, as soon as possible to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.*

# LETTER FROM THE CHAIRMAN

Dear Shareholder,

I am pleased to send you details of the Annual General Meeting ('AGM') of Burberry Group plc, which will be held on Friday, 11 July 2014 at 11.00am at the offices of Slaughter and May, One Bunhill Row, London EC1Y 8YY. The formal Notice of AGM and the resolutions to be proposed at the AGM are set out on pages 3 to 5 of this document. In keeping with the Company's usual practice, it is intended to call a poll on each of the resolutions set out in the Notice of AGM.

## **Election and re-election of directors**

In accordance with the UK Corporate Governance Code, all of the continuing directors will retire at the AGM and all are offering themselves for re-election. During the year, Christopher Bailey, Jeremy Darroch and Matthew Key have been appointed to the Board, and in accordance with the Company's Articles of Association will offer themselves for election.

## **Remuneration**

In order to comply with new legislation we are proposing two separate resolutions relating to remuneration. Resolution 2, which will be a binding vote, seeks shareholder approval for the Directors' Remuneration Policy as set out on pages 90 to 97 of the Company's Annual Report and Accounts. Resolution 3, which will be an advisory vote, seeks shareholder approval for the Directors' Remuneration Report.

Given the expiry of our existing long-term incentive plans we are also seeking shareholder approval under Resolution 17 for a new executive share plan (the 'Burberry Group plc Executive Share Plan 2014' or 'ESP'), further details of which are set out in the Appendix to this Notice.

We reward our people on a basis which is strongly aligned to sustainable long-term performance and delivering value to our shareholders. At the same time we must take into account the global markets in which the Group operates and from which it recruits. Particularly, the very competitive environment within the global luxury industry for the recruitment and retention of high calibre creative and executive talent. The Board believes that both the Directors' Remuneration Policy and the ESP will position the Company well to attract and retain the talent it needs for the next phase of its growth.

Explanatory notes on all the business to be considered at the meeting appear on pages 6 to 8 of this document.

## **Recommendation**

The directors consider that each of the proposed resolutions to be considered at the AGM are in the best interests of the Company and its shareholders as a whole. The directors unanimously recommend that you vote in favour of each of the proposed resolutions, as we intend to do in respect of our own beneficial holdings.

Yours sincerely

**Sir John Peace**  
Chairman

5 June 2014

Burberry Group plc  
Registered office:  
Horseferry House  
Horseferry Road  
London  
SW1P 2AW

Registered in England and Wales  
Registered Number: 03458224

**Notice is hereby given that the Annual General Meeting ('AGM') of Burberry Group plc (the 'Company') will be held at the offices of Slaughter and May, One Bunhill Row, London EC1Y 8YY on Friday, 11 July 2014 at 11.00am to transact the following business:**

Shareholders are asked to consider and, if thought fit, pass resolutions 1 to 19 as Ordinary Resolutions and resolutions 20 to 22 as Special Resolutions.

**Resolution 1**

Report and Accounts

To receive the Company's Annual Report and Accounts for the financial year ended 31 March 2014.

**Resolution 2**

Directors' Remuneration Policy

To approve the Directors' Remuneration Policy set out on pages 90 to 97 of the Company's Annual Report and Accounts.

**Resolution 3**

Directors' Remuneration Report

To approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) for the year ended 31 March 2014, set out on pages 88 to 106 of the Company's Annual Report and Accounts.

**Resolution 4**

Final Dividend

To declare a final dividend of 23.2p per Ordinary Share for the year ended 31 March 2014.

**Resolution 5**

To re-elect Sir John Peace as a director of the Company.

**Resolution 6**

To re-elect Philip Bowman as a director of the Company.

**Resolution 7**

To re-elect Ian Carter as a director of the Company.

**Resolution 8**

To elect Jeremy Darroch as a director of the Company.

**Resolution 9**

To re-elect Stephanie George as a director of the Company.

**Resolution 10**

To elect Matthew Key as a director of the Company.

**Resolution 11**

To re-elect David Tyler as a director of the Company.

**Resolution 12**

To elect Christopher Bailey as a director of the Company.

**Resolution 13**

To re-elect Carol Fairweather as a director of the Company.

**Resolution 14**

To re-elect John Smith as a director of the Company.

**Resolution 15**

Reappointment of auditors

To reappoint PricewaterhouseCoopers LLP as Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next AGM at which accounts are laid before the Company.

**Resolution 16**

Auditors' remuneration

To authorise the Audit Committee of the Company to determine the Auditors' remuneration for the year ended 31 March 2015.

**Resolution 17**

Executive Share Plan 2014

That:

- i. the rules of the Burberry Group plc Executive Share Plan 2014 (the 'ESP'), the main features of which are summarised in the Appendix to this Notice, and a copy of which is produced to the meeting and initialled by the Chairman for the purposes of identification, be approved, and the directors be authorised to make such modifications to the ESP as they consider necessary to take account of the requirements of the Financial Conduct Authority and best practice, and adopt the ESP so modified and do all acts and things necessary or desirable to operate the ESP; and
- ii. the directors be authorised to establish such further plans for the benefit of employees outside the UK based on the ESP subject to such modifications as may be necessary or desirable to take account of securities laws, exchange control and tax legislation, provided that any Ordinary Shares of the Company made available under such further plans are treated as counting against any limits on individual participation, or overall participation in the ESP.

**Resolution 18**

Political donations and expenditure

That in accordance with sections 366 and 367 of the Companies Act 2006 (the 'Act') the Company is, and all companies that are, at any time during the period for which this resolution has effect, subsidiaries of the Company as defined in the Act are, authorised in aggregate to:

- i. make political donations to political parties and/or independent electoral candidates not exceeding £10,000 in total;
- ii. make political donations to political organisations other than political parties not exceeding £10,000 in total; and
- iii. incur political expenditure not exceeding £10,000 in total,

(as such terms are defined in sections 363 to 365 of the Act) in each case during the period beginning with the date of passing this resolution until the conclusion of the Company's AGM to be held in 2015 (or, if earlier, 11 October 2015). In any event, the aggregate amount of political donations and political expenditure made or incurred under this authority shall not exceed £25,000.

**Resolution 19**

Directors' authority to allot shares

That the directors be hereby generally and unconditionally authorised to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £73,200 provided that this authority shall apply until the conclusion of the Company's AGM to be held in 2015 (or, if earlier, 11 October 2015), but in each case, so that the Company may make offers or enter into any agreements during the relevant period which would, or might, require relevant securities to be allotted after the authority expires and the directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

**Resolution 20**

Directors' authority to disapply pre-emption rights

That subject to the passing of Resolution 19, the directors be hereby empowered to allot equity securities (within the meaning of the Act) for cash under the authority given by that resolution and/or to sell ordinary shares of 0.05p each in the capital of the Company ('Ordinary Shares') held by the Company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, provided that the power shall be limited to:

- i. 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 to:
  - a) holders of Ordinary Shares in proportion (as nearly as may be practicable) to their existing holdings; and
  - b) holders of other equity securities, as required by the rights of those securities, or as the directors otherwise consider necessary,

and so that the directors may impose any limits or restrictions and make any arrangements which they consider 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 matter whatsoever; and

- ii. the allotment (otherwise than under paragraph i. above) of equity securities or sale of treasury shares up to an aggregate nominal amount of £11,050.

Such power shall apply until the conclusion of the AGM to be held in 2015 (or, if earlier, 11 October 2015) but 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 directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the power had not ended.

**Resolution 21**

Authority to purchase own shares

That the Company be hereby generally and unconditionally authorised pursuant to section 701 of the Act to make market purchases (as defined in section 693(4) of the Act), of Ordinary Shares provided that:

- i. the maximum number of Ordinary Shares which may be purchased is 44,300,000 being just under 10 per cent of the Company's issued share capital as at 20 May 2014;
- ii. the minimum price (excluding stamp duty and expenses) which may be paid for each such share is 0.05p;
- iii. the maximum price (excluding stamp duty and expenses) which may be paid for each such share is the higher of:
  - a) an amount equal to 5 per cent above the average of the middle market quotations for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the relevant share is purchased; and
  - b) the higher of the price of the last independent trade and the highest current independent bid as stipulated by the Buy-back and Stabilisation Regulations (EC 2273/2003); and
- iv. the authority hereby conferred shall apply until the conclusion of the Company's AGM to be held in 2015 (or, if earlier, 11 October 2015) (except in relation to the purchase of shares the contracts for which are concluded before such expiry and which are executed wholly or partly after such expiry) unless such authority is renewed prior to such time.

**Resolution 22**

Notice of general meetings

That the directors be hereby authorised to call general meetings (other than an AGM) on not less than 14 clear days' notice.

By order of the Board

**Catherine Sukmonowski**  
Company Secretary

5 June 2014

Burberry Group plc  
Registered office:  
Horseferry House  
Horseferry Road  
London  
SW1P 2AW

Registered in England and Wales  
Registered Number: 03458224

# EXPLANATION OF RESOLUTIONS

The notes on the following pages give an explanation of the proposed resolutions.

## **Resolution 1**

### Report and Accounts

The directors of the Company are required to present the Annual Report and Accounts to the meeting.

## **Resolution 2**

### Directors' Remuneration Policy

This Resolution is a new resolution inviting shareholders to vote on the Directors' Remuneration Policy ('Policy'), which can be found on pages 90 to 97 of the Company's Annual Report and Accounts. The Policy sets out the Company's proposed forward looking policy on directors' remuneration. New regulations came into force with effect from October 2013 in relation to the reporting of directors' remuneration which require the Policy to be subject to a binding vote. The intention is that if approved, the Policy will legally take effect from the date of the AGM (11 July 2014) and apply for a period of three years (until the 2017 AGM).

## **Resolution 3**

### Directors' Remuneration Report

This Resolution is the annual resolution inviting shareholders to vote on the Directors' Remuneration Report (excluding the Directors' Remuneration Policy), which can be found on pages 88 to 106 of the Company's Annual Report and Accounts. This sets out details of payments made to directors in the year to 31 March 2014. The Directors must include specified information within the Directors' Remuneration Report in accordance with new regulations, and the Directors' Remuneration Report has been prepared accordingly. This vote is advisory only.

## **Resolution 4**

### Final Dividend

The Board recommends that shareholders approve a final dividend in respect of the year ended 31 March 2014 of 23.2p per Ordinary Share.

## **Resolutions 5 to 14**

### Election and re-election of directors

In accordance with the UK Corporate Governance Code, all of the continuing directors will retire at the AGM and all are offering themselves for re-election.

The Board unanimously proposes and recommends to shareholders that Christopher Bailey, Jeremy Darroch and Matthew Key be elected as directors of the Company.

Christopher Bailey was appointed Chief Creative and Chief Executive Officer with effect from 1 May 2014, succeeding Angela Ahrendts. Christopher has been at Burberry since 2001 and has overseen all consumer-facing activities, including product design, creative marketing, store design, consumer technology and digital innovation. The Board believes that Christopher's vision and leadership will keep Burberry on the forefront creatively, digitally and financially.

Jeremy Darroch is currently Chief Executive Officer of British Sky Broadcasting Group plc and was appointed to the Board on 5 February 2014. Jeremy brings significant experience of leading a global media company combined with digital and financial expertise.

Matthew Key joined the Board on 1 September 2013 and was recently Chairman and Chief Executive Officer of Telefónica Digital. His deep knowledge of digital and mobile, along with his extensive experience of building compelling consumer brands, bring valuable skills to the Board.

Biographical details of all directors standing for election or re-election at the AGM can be found on pages 66 to 67 of the Company's Annual Report and Accounts. The Board is satisfied that each of the directors standing for election or re-election continues to perform effectively and demonstrates commitment to his or her role, including commitment of time for Board and Committee meetings and any other duties.

## **Resolutions 15 and 16**

### To authorise the reappointment of PricewaterhouseCoopers LLP as auditors and to determine their remuneration

At every general meeting at which accounts are presented to shareholders, the Company is required to appoint auditors to serve from the end of the meeting until the next such meeting. PricewaterhouseCoopers LLP ('PwC') have indicated that they are willing to continue as the Company's auditors for another year. The Audit Committee has reviewed PwC's effectiveness and recommends their reappointment. The Resolutions authorise the Company to reappoint them and, following normal practice, to authorise the Audit Committee to determine their remuneration.

**Resolution 17**

**Executive Share Plan 2014**

Further details explaining the background to the proposed Burberry Group plc Executive Share Plan 2014 ('ESP') are set out in the Appendix to this document on pages 11 and 12.

**Resolution 18**

**Political donations and expenditure**

This Resolution seeks authority from shareholders for the Company and its subsidiaries to make donations to EU political parties, other political organisations or independent electoral candidates, or incur EU political expenditure. It is the Company's policy not to make donations to political parties and the Company has no intention of altering this policy. However, the definitions in the Act of 'political donation', 'political organisation' and 'political expenditure' are broadly drafted. In particular, they may extend to bodies such as those concerned with policy review, law reform, representation of the business community and special interest groups, which the Company and its subsidiaries may wish to support. Accordingly, the Company is seeking this authority to ensure that it does not inadvertently commit any breaches of the Act through the undertaking of routine activities which would not normally be considered to result in the making of political donations. The aggregate amount of expenditure permitted by this authority will be capped at £25,000.

**Resolutions 19 and 20**

**Authorities to allot shares and disapply pre-emption rights**

Resolution 19 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 £73,200 (representing 146,400,000 Ordinary Shares). This amount represents approximately one-third of the issued Ordinary Share capital (excluding treasury shares) of the Company as at 20 May 2014, being the latest practicable date prior to publication of this Notice.

The directors have no current plans to issue shares other than in connection with employee share schemes. The Company does not currently hold any of its shares in treasury.

Resolution 20 would give the directors the authority to allot Ordinary Shares (including 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. This authority would be limited to allotments or sales in connection with rights issues or other pre-emptive offers, or otherwise up to an aggregate maximum nominal amount of £11,050 (representing 22,100,000 Ordinary Shares). This aggregate nominal amount represents approximately 5 per cent of the issued Ordinary Share capital of the Company as at 20 May 2014, the latest practicable date prior to publication of this Notice. In respect of this aggregate nominal amount, 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 7.5 per cent should not take place without prior consultation with shareholders.

The authority sought under this Resolution is a standard authority taken by most listed companies each year. The directors consider that it is in the best interests of the Company and its shareholders generally that they should have the flexibility conferred by the above authorities to make small issues of shares for cash (on a pre-emptive or, where appropriate, a non pre-emptive basis) as suitable opportunities arise, although they have no present intention of exercising any of these authorities.

The authorities sought under Resolutions 19 and 20 will expire on the conclusion of the AGM to be held in 2015 (or, if earlier, 11 October 2015).



**Resolution 21**

Purchase of own shares

This Resolution seeks shareholder approval for the Company to make market purchases of up to 44,300,000 Ordinary Shares, being just under 10 per cent of the issued share capital (excluding treasury shares) as at 20 May 2014 and specifies the minimum and maximum prices at which the Ordinary Shares may be bought.

In certain circumstances it may be advantageous for the Company to purchase its own shares and the directors consider it to be desirable for the general authority to be available to provide flexibility in the management of the Company's capital resources. Purchases of the Company's own shares will be made if to do so would be in the best interests of the Company and of its shareholders generally, and would result in an increase in earnings per share.

The Company may either retain any of its own shares which it has purchased as treasury shares with a view to possible use at a future date or cancel them. Holding the shares as treasury shares gives the Company the ability to use them quickly and cost-effectively and would provide the Company with additional flexibility in the management of its capital base. No dividends will be paid on, and no voting rights will be exercised in respect of, treasury shares. It is the Company's current intention that of any shares repurchased under this authority, sufficient shares will be held in treasury to meet the requirements, as they arise, of the Company's share incentive arrangements, with the remainder being cancelled.

The total number of awards and options to subscribe for Ordinary Shares outstanding as at 20 May 2014 (being the latest practicable date prior to the publication of this notice), was 8,540,817 representing approximately 1.93 per cent of the issued share capital (excluding treasury shares)

at that date. If the existing share purchase authority given on 12 July 2013 (to the extent not already utilised) and the authority being sought under this Resolution were utilised in full, the issued share capital would be reduced by an equivalent amount and the outstanding awards and options would represent approximately 2.40 per cent of the issued share capital as at 20 May 2014. No warrants over Ordinary Shares in the capital of the Company are in existence as at 20 May 2014.

This authority will expire on the conclusion of the AGM to be held in 2015 (or, if earlier, 11 October 2015).

**Resolution 22**

Notice of general meetings

This Resolution seeks to renew an authority granted at last year's AGM to allow the Company to call general meetings, other than an AGM, on 14 clear days' notice. Changes made to the Act by the Shareholders' Rights Regulations increase the notice period required for general meetings of the Company to 21 days unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days (AGMs will continue to be held on at least 21 clear days' notice). Prior to the Shareholders' Rights Regulations coming into force, the Company was able to call general meetings, other than an AGM, on 14 clear days' notice without obtaining such shareholder approval.

The shorter notice period would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole.

The approval will be effective until the Company's next AGM to be held in 2015 (or, if earlier, 11 October 2015).

## OTHER NOTES

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

1. To be entitled to attend and vote at the AGM (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the register of members of the Company at 6.00pm on Wednesday, 9 July 2014 (or, in the event of any adjournment, on the date which is two working days before the time of the adjourned meeting). Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
2. To be admitted to the AGM, members are asked to present their admission card (which is attached to the Form of Proxy) or present proof of identity.
3. On arrival at the place of the AGM, all those entitled to attend and vote will be required to register and collect a poll card.
4. All resolutions at the AGM will be decided by poll. The directors believe a poll is more representative of shareholders' voting intentions because shareholders' votes are counted according to the number of shares held and all votes tendered are taken into account.
9. The return of a completed Form of Proxy, other such instrument or any CREST Proxy Instruction will not prevent a shareholder attending the AGM and voting in person if he/she wishes to do so.
10. Unless voting instructions are indicated on the Form of Proxy, a proxy may vote or withhold his vote as he thinks fit on the resolutions or on any other business (including amendments to resolutions) which may come before the meeting. Please note that a 'vote withheld' (as it appears on the proxy or voting instruction form) is not a vote in law and will not be counted in the calculation of the proportion of votes 'for' or 'against' a resolution.
11. 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).
12. If more than one valid proxy appointment is submitted, the appointment received last before the latest time for the receipt of proxies will take precedence.

### **Appointment of proxies**

5. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this Notice. If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact Equiniti on 0871 384 2839. Calls to this number are charged at 8 pence per minute plus network extras. Lines are open 8.30am to 5.30pm, Monday to Friday. The Equiniti overseas helpline number is +44 (0) 121 415 7047.
6. To be valid any Form of Proxy or other instrument appointing a proxy must be received by the Company's Registrar, Equiniti, by no later than 11.00am on Wednesday, 9 July 2014. Please send the completed proxy form to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA or visit [www.sharevote.co.uk](http://www.sharevote.co.uk) and follow the instructions provided.
7. In the case of a member which is a company, the Form of Proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
8. Any power of attorney or any other authority under which the Form of Proxy is signed (or a duly certified copy of such power or authority) must be included with the Form of Proxy.

### **Appointment of proxies through CREST**

13. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so 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 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.
14. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via [www.euroclear.com](http://www.euroclear.com)). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Equiniti (ID RA19) by 11.00am on Wednesday, 9 July 2014. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

15. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited 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, 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 system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
16. 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.

#### **Nominated persons**

17. Any person to whom this Notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
18. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 5 and 6 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.

#### **Corporate representatives**

19. Any corporate shareholder may appoint one or more corporate representative(s) who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

#### **Questions at the AGM**

20. Any member attending the meeting has the right to ask questions. The Company must cause to be answered at the AGM any question relating to the business being dealt with at the AGM which is put by a member attending the meeting, except in certain circumstances, including: (i) if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered; (ii) if to do so would interfere unduly with the preparation for the meeting or involve

the disclosure of confidential information; or (iii) the answer has already been given on a website in the form of an answer to a question.

#### **Issued shares and total voting rights**

21. As at 20 May 2014 (being the latest practicable date prior to the publication of this Notice) the Company's issued share capital consists of 443,664,624 Ordinary Shares, carrying one vote each. Therefore the total voting rights in the Company as at 20 May 2014 are 443,664,624.

#### **Website publication of audit concerns**

22. Under section 527 of the Act, members meeting the threshold requirements set out in that section have the right to require the Company at no expense to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts for the year ended 31 March 2014 (including the auditors' report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous AGM. Any such statement will be forwarded to the Company's auditor not later than the time the statement is made available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Act to publish on a website.

#### **Information available on website**

23. A copy of this Notice and other information required by section 311A of the Act can be found at [www.burberryplc.com](http://www.burberryplc.com).

#### **Documents available for inspection**

24. The service contracts and letters of appointment for all directors, and the Executive Share Plan 2014 rules ('ESP rules'), are available for inspection at the AGM for at least 15 minutes prior to the meeting and during the meeting until the conclusion of the AGM. The ESP rules are also available for inspection from the date of this Notice until the conclusion of the AGM at the Company's registered office and at Linklaters LLP, 1 Silk Street, London, EC2Y 8HQ.

#### **Electronic communication**

25. Shareholders may at any time choose to receive all shareholder documentation in electronic form via the internet, rather than through the post in paper format. Shareholders who decide to register for this option will receive an email each time a statutory document is published on the internet. Shareholders who wish to receive documentation in electronic form should contact the Company's Registrars, Equiniti, or visit [www.shareview.co.uk](http://www.shareview.co.uk) and register for the electronic communications service.
26. Any electronic address provided either in this Notice or any related documents (including the Form of Proxy) may not be used to communicate with the Company for any purposes other than those expressly stated.

## APPENDIX

### The Burberry Group plc Executive Share Plan 2014

#### Explanatory notes

The Board is seeking approval for the Burberry Group plc Executive Share Plan 2014 ('ESP') – a new executive share plan to replace the existing Co-Investment Plan and Restricted Share Plan which are expiring. The existing plans have been in place for 10 years and have worked well to date in promoting sustainable long-term growth and have enabled the recruitment and retention of a world-class management team. The proposed ESP will simplify the long-term share incentive arrangements and continue to focus executives on delivering growth and value to shareholders.

Consistent with the current plans, participants in the ESP will be eligible to receive annual awards of shares of up to a maximum value of 400% of salary (with an exceptional plan maximum of 600% of salary), with vesting subject to performance (in the case of executive directors). To the extent the performance conditions are satisfied, 50% of the shares under award will vest after a three-year performance period and 50% will vest after a further one-year holding period.

The Remuneration Committee has determined that awards of shares would initially vest based on three performance measures measured over three years:

- (1) Growth in adjusted profit (50% to 60% of awards).
- (2) A measure to incentivise the efficient use of capital (20% to 25% of awards).
- (3) Revenue growth (20% to 25% of awards).

Growth in adjusted profit has been chosen as it continues to be the primary financial measure used by shareholders and management and the Remuneration Committee believes strong growth in profit is key to delivering superior shareholder returns.

The measure to reward the efficient use of capital is intended to incentivise management to combine superior growth in profits and revenue with attractive returns on incremental investment, but not to act as a disincentive to invest.

Burberry's strategy is designed to deliver both profit and revenue growth and therefore to align with strategy a measure based on revenue growth will provide a transparent and quantifiable indicator of performance.

Targets for the three measures will be calibrated ahead of each annual grant by reference to the latest strategic plan, long-term financial goals, latest three-year projections and broker earnings estimates for Burberry and its competitors. The threshold targets will be calibrated to be of median

difficulty, the maximum targets will be of upper quartile difficulty and will be disclosed ahead of each annual grant.

In addition to the financial performance conditions outlined above, the Remuneration Committee will have the ability to adjust the extent of vesting down or up by reference to the quality of earnings and the effective execution of strategy over the performance period, to ensure the growth delivered is long-term sustainable growth.

A summary of the main features of the proposed ESP is set out below and described in the Director's Remuneration Policy (set out on pages 90 to 97 of the Company's Annual Report and Accounts).

#### The principal terms of the ESP

##### 1. Summary

Under the ESP, a participant is granted an award of shares in the Company (an 'ESP Award'). Vesting of ESP Awards, normally after three and four years, is subject to continued employment, forfeiture for malus events and, in relation to executive directors and senior executives, the satisfaction of stretching conditions relating to the Company's performance.

##### 2. Eligibility

All employees (including executive directors) of the Company are eligible to participate in the ESP, at the discretion of the Remuneration Committee.

##### 3. Grant of ESP Awards

ESP Awards may be structured as conditional awards of shares or nil-cost options. The Company, or in the case of executive directors, the Remuneration Committee, will decide who will be granted ESP Awards and over how many shares. It is currently intended that participation will be limited to executive directors and more senior employees.

ESP Awards will normally only be granted within 42 days of the announcement of the Company's results for any period.

It is intended that the first ESP Awards will be granted in 2015. No ESP Awards can be granted more than 10 years after the ESP is approved by shareholders.

##### 4. Performance condition

The Remuneration Committee will, in the case of ESP Awards granted to executive directors, set performance conditions which will be stretching and designed to promote the long-term success of the Company. An ESP Award will only vest to the extent that the performance conditions are satisfied. Full details of the performance conditions and targets to be applied to ESP Awards will be determined by the Remuneration Committee and disclosed ahead of each annual grant in the Directors' Remuneration Report.

#### 5. Individual limits

In respect of any financial year, the aggregate market value (at the time of the grant) of the shares subject to ESP Awards granted to a participant will not exceed four times his or her annual basic salary. In exceptional circumstances only, as decided by the Remuneration Committee, such ESP Awards may be granted up to a value of six times a participant's annual basic salary.

#### 6. Plan limits

In any 10 year period, not more than 10% of the issued ordinary share capital of the Company may be issued or be issuable under the ESP and all other employees' share plans operated by the Company. In addition, in any 10 year period, not more than 5% of the issued ordinary share capital of the Company may be issued or be issuable under all discretionary share award plans adopted by the Company. These limits do not include awards which have lapsed.

Treasury shares transferred to satisfy an ESP Award will be counted as if new shares had been issued for so long as it is considered best practice to do so.

#### 7. Before vesting

Participants will not be entitled to vote or receive dividends in respect of ESP Awards. However, the Remuneration Committee may decide to pay participants a dividend equivalent on vesting or, in the case of options, exercise, in respect of shares that vest.

#### 8. Vesting of ESP Awards

ESP Awards will vest, to the extent the performance conditions are met, after the period specified by the Remuneration Committee. It is currently intended that ESP Awards will vest as to 50% three years after grant, and as to the remaining 50% four years after grant.

ESP Awards may be forfeited for malus events as follows. In the event that there is a material misstatement of the Company's accounts for any financial year covered by, or part of which falls within, the period between grant and vesting, the Remuneration Committee may, in its discretion, adjust the vesting of ESP Awards downwards (including to nil).

Shares will be issued or transferred to the participant shortly after vesting, or, in the case of options, exercise, unless the Company decides to satisfy the ESP Award in cash.

#### 9. Leaving employment

An ESP Award will normally lapse if the participant leaves employment. However, if the participant leaves because of death, disability, ill-health, injury, redundancy, retirement with the agreement of the Company, sale of his employer (or in other circumstances if the Remuneration Committee allows), his ESP Award will generally continue in effect, unless the Remuneration Committee decides that it should

vest early. Where an ESP Award vests after leaving, the performance condition will be tested and the number of shares in respect of which it vests will normally be reduced for time on a pro rata basis.

#### 10. Takeovers and reorganisations

ESP Awards will generally vest early on a takeover, merger or other corporate reorganisation. Alternatively, participants may be allowed or required to exchange their ESP Awards for awards over shares in the acquiring company.

Where an ESP Award vests in these circumstances, the performance condition will be tested to the date of the transaction and the number of shares in respect of which the ESP Award vests will, unless the Remuneration Committee decides otherwise, be reduced to reflect the accelerated vesting.

#### 11. Rights issues, demergers etc

The number of shares subject to an ESP Award may be adjusted to reflect a rights issue, demerger or any variation in the share capital of the Company.

#### 12. General

ESP Awards are not transferable (except to personal representatives on death) and are not pensionable. Participants do not pay for the grant of an ESP Award.

Any shares issued following the vesting of ESP Awards will rank equally with shares of the same class in issue on the date of allotment except in respect of rights arising by reference to a prior record date.

#### 13. Amendments

The directors can amend the ESP in any way. However, shareholder approval will be required to amend certain provisions to the advantage of participants. These provisions relate to eligibility, individual and plan limits, the rights attaching to ESP Awards and shares, the adjustment of ESP Awards on variation in the Company's share capital and the amendment powers.

The directors can, without shareholder approval, make minor amendments to benefit the administration of the ESP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment. They can also amend or waive any performance conditions without shareholder approval. This power would only be used in exceptional circumstances.

The directors may also, without shareholder approval, establish further plans based on the ESP, but modified to take account of overseas securities laws, exchange controls or tax legislation. Shares made available under such further plans will be treated as counting against any limits on individual or overall participation in the ESP.



