

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own advice from your stockbroker, solicitor, accountant or other appropriate adviser.

If you have sold or transferred your entire holding of ordinary shares in MJ Gleeson plc please send this document (together with the Proxy Form) 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 transmission to the purchaser or transferee.

MJ GLEESON PLC

(incorporated in England and Wales under the Companies Act 2006
with registered number 09268016)

NOTICE OF ANNUAL GENERAL MEETING

As you have agreed to accept receipt of accounts electronically, accounts for the year ended 30 June 2016 are available for download from:

<http://mj.gleeson-homes.co.uk/investor-relations/annual-interim-results>

This document should be read as a whole and in conjunction with the accompanying Proxy Form. Your attention is drawn to the letter from the Chairman of MJ Gleeson plc which is set out on pages 3 to 5 of this document recommending, on behalf of the Directors, that you vote in favour of the resolutions to be proposed at the Annual General Meeting referred to below.

Notice of the Annual General Meeting, to be held at The Royal Automobile Club, 89 Pall Mall, London, SW1Y 5HS at 11:30 a.m. on Thursday 08 December 2016, is set out on pages 6 to 19 of this document. Enclosed with this document is a Proxy Form for use in respect of the Annual General Meeting. Whether or not you intend to be present at the Annual General Meeting you are requested to either complete, sign and return the hard copy Proxy Form as soon as possible, and in any event, so as to be received by Capita Asset Services PXS 1, 34 Beckenham Road, Beckenham, BR3 4ZF not later than 11:30 a.m. on 6 December 2016 or complete an electronic Proxy Form (by logging onto www.capitashareportal.com) and submit it not later than 11:30 a.m. on 6 December 2016. If you hold shares in CREST you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Capita Registrars (CREST Participant ID RA10) so that it is received no later than 11:30 a.m. on 6 December 2016. Completion and return of a Proxy Form (either in hard copy or electronic form) or CREST Proxy Instruction will not prevent shareholders from attending and voting in person at the Annual General Meeting should they so wish.

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LETTER FROM THE CHAIRMAN OF MJ GLEESON PLC

(Registered in England and Wales under the Companies Act 2006 with registered number 09268016)

Registered Office: 6 Europa Court, Sheffield Business Park, Sheffield, S9 1XE.

Directors

Dermot Gleeson (Chairman)
Jolyon Harrison (Chief Executive Officer)
Stefan Allanson (Chief Financial Officer)
Colin Dearlove (Non-Executive Director and Senior Independent Director)
Ross Ancell (Non-Executive Director)
Christopher Mills (Non-Executive Director)

4 November 2016

To the ordinary shareholders and, for information only, to participants in the MJ Gleeson plc share purchase plans.

Dear Shareholder

Introduction

The Annual General Meeting (the "AGM") of MJ Gleeson plc (the "Company") is to be held at The Royal Automobile Club, 89 Pall Mall, London SW1Y 5HS on Thursday, 8 December 2016 at 11:30a.m. The formal notice of the AGM of the Company (the "Notice") and the resolutions to be proposed at the AGM (the "Resolutions") are set out on pages 6 to 19 of this document. In addition to the ordinary business of an AGM there are a number of items of special business to be transacted at the meeting.

THE RESOLUTIONS

Ordinary Business

Resolutions 1 to 12 will be proposed as ordinary resolutions.

Annual Report and Accounts for the year ended 30 June 2016

Resolution 1 deals with the receipt and adoption of the annual financial statements of the Company and the reports of the Directors and Auditor for the year ended 30 June 2016.

Final dividend in respect of the year ended 30 June 2016

The Board recognises the importance of both capital growth and dividend income to our existing and potential shareholders. Resolution 2 deals with the recommendation of the Directors that a final dividend of 10.0p per ordinary share be paid to ordinary shareholders on 15 December 2016 that were on the register at the close of business on 18 November 2016.

Re-appointment of Directors

Resolutions 3 to 8 deal with the re-appointment of all of the Directors who offer themselves for re-appointment in accordance with the articles of association of the Company. Full biographical information on all the Directors is set out on pages 30 and 31 of the Annual Report and Accounts for the year ended 30 June 2016 dispatched with this circular.

Appointment of Auditor

Resolution 9 deals with the appointment of PricewaterhouseCoopers LLP as Auditor of the Company. The Audit Committee has undertaken a tender process for the audit of the Company and Group. KPMG LLP were unsuccessful in retaining the audit and PricewaterhouseCoopers LLP were selected for appointment. KPMG LLP will stand down as the Company's auditor at the conclusion of the AGM and pursuant to section 519(3) of the Companies Act 2006 has provided a statutory statement of circumstances upon ceasing to hold office; a copy of this statement is provided as an appendix to this notice (part D).

Auditor Remuneration

Resolution 10 gives the Directors the authority to determine the Auditor's remuneration.

Directors' Remuneration Report

Resolution 11 seeks shareholders' approval of the Directors' Remuneration Report as set out on pages 44 to 47 and pages 58 to 63 of the Annual Report and Accounts for the year ended 30 June 2016. The report contains information on the remuneration the Directors each received in the year under review. This is an advisory vote only.

Directors' Remuneration Policy

Resolution 12 seeks shareholders' approval of the Directors' Remuneration Policy which is set out on pages 48 to 57 of the Annual Report and Accounts for the year ended 30 June 2016. The Directors' Remuneration Policy is subject to a binding shareholder vote by way of ordinary resolution at least once every three years. The current policy was approved by shareholders at the Company's 2014 AGM, so is not formally due for review until 2017. However, the Remuneration Committee have undertaken a review of the policy and concluded that a number of changes to the policy are required. A letter from the Chairman of the Remuneration Committee which details these changes and the reasons for them is set out in Part A of this circular.

Special Business

Resolutions 13 to 15 will be proposed as ordinary resolutions.

Bonus Plan

Resolution 13 seeks shareholders' approval of a new Company Annual and Deferred Bonus Plan, the principal terms of which are summarised in Part B of this circular.

Long-Term Incentive Plan

Resolution 14 seeks shareholders' approval of a new Company Long-Term Incentive Plan, the principal terms of which are summarised in Part C of this circular.

Share Capital - authority to allot

Resolution 15 seeks to confer on the Directors the authority to allot ordinary shares and other shares in the Company or grant rights to subscribe for, or convert any security into shares in the Company ("relevant securities") up to an aggregate nominal amount of £360,803 (representing approximately one third of the Company's issued ordinary share capital as at 23 September 2016). This authority will expire fifteen months from the date of the passing of the Resolution or at the conclusion of the next Annual General Meeting, if earlier, and will revoke the previous authorities to the extent that they have not already been utilised. Your Directors have no present intention of issuing any share capital of the Company, save in respect of employee share schemes, but the passing of the Resolution will enable your Directors to take advantage of any opportunities which may arise. As at 23 September 2016 the Company held none of its own shares as treasury shares.

The Directors will also seek shareholders' approval of four special resolutions, as follows:

Disapplication of pre-emption rights

Under section 561 of the Companies Act 2006 (the "2006 Act") all equity securities which a company proposes to issue for cash have to be offered to existing shareholders in proportion to their existing holdings. Your Directors believe that this would be too restrictive to enable the Company to take advantage of opportunities which may arise. Resolution 16 seeks to authorise the directors to allot equity securities (or sell shares held in treasury) for cash without complying with the statutory pre-emption procedure provided the allotment (or sale) is either (a) in connection with a rights issue, open offer or other pre-emptive issue or sale or (b) is a non-pre-emptive issue or sale for cash which is limited to securities of an aggregate nominal amount of £54,120, which is equivalent to approximately 5% of the Company's issued ordinary share capital (excluding treasury shares) as at 23 September 2016, in line with institutional investor guidelines.

This year, in accordance with the Pre-Emption Group's Principles, we are also seeking an additional approval, set out in Resolution 17, for disapplication of pre-emptive rights on shares issued for cash up to a further nominal amount of £54,120, which is equivalent to approximately 5% of the Company's issued ordinary share capital (excluding treasury shares) as at 23 September 2016. This authority can only be exercised for acquisitions or capital investments that the Directors determine fall within the Pre-Emption Group's Principles.

Purchase own shares

Resolution 18, if passed, will authorise the Company to make one or more market purchases of its own shares having a maximum aggregate nominal value of £108,240, being equivalent to approximately 10% of the issued share capital at 23 September 2016. The maximum and minimum prices which may be paid for each ordinary share pursuant to this authority are as specified in Resolution 18. Your Directors have no immediate plans to utilise this proposed authority but consider it desirable for it to be available to provide additional flexibility in the management of the Company's capital resources. The Directors would exercise this authority only if they believed that to do so would be in the interests of the shareholders generally and would be likely to result in an increase in earnings per share ("EPS"). Any EPS targets included in employee share incentive schemes would be adjusted to take account of any buyback. If any shares are purchased pursuant to this authority they will be cancelled by the Company.

Notice of General Meetings

Before the coming into force of the Companies (Shareholder Rights) Regulations 2009 on 3 August 2009, the Company was able to call general meetings, other than an Annual General Meeting, on 14 clear days' notice without obtaining shareholder approval. Changes made to the 2006 Act by these Regulations increase the notice period required for general meetings of the Company to 21 clear days unless shareholders approve a shorter notice period (which cannot however be less than 14 clear days) and provided that certain conditions are met. Annual General Meetings will continue to be held on at least 21 clear days' notice. One condition is that the Company offers a facility for shareholders to vote by electronic means. This condition is met if the Company offers a facility allowing shareholders to appoint a proxy by means of a website. The Company provides this facility (please see "Action to be taken" below and the notes to the Notice of the meeting below for the Company's arrangements for electronic proxy appointment). The other condition is that there is an annual resolution of shareholders approving the reduction of the minimum notice period from 21 clear days to 14 clear days. Therefore, in order to continue to be able to call general meetings on 14 clear days' notice, Resolution 19 seeks such approval. The approval will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed.

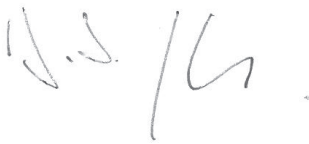
Action to be taken

Accompanying this document is a hard copy Proxy Form for use in relation to the Annual General Meeting. Proxy Forms should be completed and returned in accordance with the instructions printed thereon, so that they arrive at the Company's registrars, Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, BR3 4ZF as soon as possible and in any event not later than 11:30 a.m. on Tuesday, 6 December 2016. Electronic proxy appointment is available for this year's Annual General Meeting. Electronic proxy appointment enables shareholders to lodge their proxy appointment by electronic means via the website provided by the Company's registrars, Capita Asset Services at www.capitashareportal.com. If you hold shares in CREST you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Capita Registrars (CREST Participant ID: RA10) so that it is received no later than 11:30 a.m. on 6 December 2016. Completion and return of a Proxy Form (in either hard copy or electronic form) or CREST Proxy Instruction will not prevent shareholders from attending and voting in person at the Annual General Meeting should they so wish. Please note that all Proxy Forms (in hard copy or electronic form) and CREST Proxy Instructions must be received by the Company's registrars, Capita Asset Services, no later than 11:30 a.m. on 6 December 2016.

Recommendation

Your Directors consider that each of the proposed Resolutions in the Notice are in the best interests of the Company and its shareholders as a whole. Accordingly, your Directors unanimously recommend that shareholders vote in favour of the Resolutions as they intend to do in relation to their beneficial holdings, where appropriate, amounting in aggregate to 12,889,945 shares (representing approximately 23.8% of the issued share capital of the Company).

Yours sincerely

A handwritten signature in black ink, appearing to read 'D. Gleeson', with a flourish at the end.

Dermot Gleeson
Chairman

NOTICE OF ANNUAL GENERAL MEETING (THE “NOTICE”)

Notice is hereby given that the Annual General Meeting of MJ Gleeson plc (the “Company”) will be held at The Royal Automobile Club, 89 Pall Mall, London SW1Y 5HS at 11:30 a.m. on Thursday, 8 December 2016 for the following purposes:

ORDINARY BUSINESS

To consider and, if thought fit, pass the following ordinary resolutions:

1. To receive and adopt the Report of the Directors and the financial statements together with the Auditor’s Report for the year ended 30 June 2016.
2. To approve the recommendation of the Directors that a final dividend of 10.0p per ordinary share be declared.
3. To re-appoint Stefan Allanson, who offers himself for re-appointment, as a Director of the Company.
4. To re-appoint Dermot Gleeson, who offers himself for re-appointment, as a Director of the Company.
5. To re-appoint Jolyon Harrison, who offers himself for re-appointment, as a Director of the Company.
6. To re-appoint James Ross Ancell, who offers himself for re-appointment, as a Director of the Company.
7. To re-appoint Christopher Mills, who offers himself for re-appointment, as a Director of the Company.
8. To re-appoint Colin Dearlove, who offers himself for re-appointment, as a Director of the Company.
9. To appoint PricewaterhouseCoopers LLP as Auditor of the Company to hold office until the conclusion of the next Annual General Meeting of the Company at which the financial statements are to be laid.
10. To authorise the Directors of the Company to determine the Auditor’s remuneration.
11. To approve the Directors’ Remuneration Report (other than the part containing the Director’s Remuneration Policy) for the year ended 30 June 2016.
12. To approve the Director’s Remuneration Policy contained in the Annual Report and Accounts for the year ended 30 June 2016.

SPECIAL BUSINESS

To consider and, if thought fit, pass the following ordinary resolution:

- 13 To approve the MJ Gleeson plc Annual and Deferred Bonus Plan (‘Bonus Plan’), the principal terms of which are summarised in Part B of the Circular and the rules of which are produced in draft to the Meeting and initialled by the Chairman for the purposes of identification, and that (i) the Directors of the Company be and are hereby authorised to do all acts and things necessary to establish and carry the same into effect and (ii) the Directors of the Company be and are hereby also authorised to establish further schemes based on the Bonus Plan, modifying the rules of the Bonus to apply in any overseas jurisdictions to take account of local tax, exchange control or securities laws, provided that any ordinary shares made available under such schemes are treated as counting against any limits on individual or overall participation in the Bonus Plan.
14. To approve the MJ Gleeson plc Long-Term Incentive Plan (‘LTIP’), the principal terms of which are summarised in Part C of the Circular and the rules of which are produced in draft to the Meeting and initialled by the Chairman for the purposes of identification, and that (i) the Directors of the Company be and are hereby authorised to do all acts and things necessary to establish and carry the same into effect and (ii) the Directors of the Company be and are hereby also authorised to establish further schemes based on the LTIP to apply in any overseas jurisdictions to take account of local tax, exchange control or securities laws, provided that any ordinary shares made available under such schemes are treated as counting against any limits on individual or overall participation in the LTIP.
15. That for the purposes of section 551 of the Companies Act 2006 (the “2006 Act”) the Directors be and are hereby generally and unconditionally authorised in accordance with Article 8 of the articles of association of the Company to allot shares in the Company or grant rights to subscribe for or convert any security into shares in the Company (“relevant securities”) of a nominal amount of £360,803 (being the “Section 551 Amount” for the purposes of such Article 8) for a period expiring at the conclusion of the Company’s next Annual General Meeting or 15 months from the date of the passing of this Resolution, if earlier, being (the “prescribed period” for the purposes of such Article 8) upon the terms set out in said Article 8.

To consider and, if thought fit, pass the following special resolutions:

16. That, if Resolution 15 is passed, the Board be authorised to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale; such authority to be limited to:
 - (A) allotments for rights issues and other pre-emptive issues; and
 - (B) the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (A) above) up to a nominal amount of £54,120,such authority to expire at the end of the next AGM of the Company (or, if earlier, at the close of business on 7 March 2018 but, in each case, prior to its expiry 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 authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.
17. That, if Resolution 15 is passed, the Board be authorised in addition to any authority granted under Resolution 16 to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale; such authority to be:

- (A) limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £54,120; and
- (B) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board of the Company determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Dis-applying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

such authority to expire at the end of the next AGM of the Company (or, if earlier, at the close of business on 7 March 2018 but, in each case, prior to its expiry 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 authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

18. That the Company be and is hereby generally and unconditionally authorised for the purposes of section 701 of the 2006 Act to make one or more market purchases (as defined in Section 693 (4) of the 2006 Act) on the London Stock Exchange of any of its own ordinary shares provided that:
- (i) the maximum aggregate nominal value of ordinary shares hereby authorised to be purchased is £108,240;
 - (ii) the minimum price (exclusive of expenses) which may be paid for each ordinary share is an amount equal to the nominal value of each ordinary share;
 - (iii) the maximum price (exclusive of expenses) which may be paid for each ordinary share is the highest of (a) an amount equal to 5% 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 date on which the ordinary share is contracted to be purchased and (b) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share on the trading venues where the purchase is carried out;
 - (iv) unless previously revoked or varied, the authority hereby conferred shall expire on whichever is the earlier of:
 - (a) the date 15 months from the date of the passing of this Resolution; or
 - (b) the conclusion of the next Annual General Meeting of the Company; and
 - (v) the Company may make a contract or contracts to purchase its own ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed by the Directors wholly or partly after the expiry date of such authority, and may make a purchase of its own ordinary shares in pursuance of any such contract or contracts.

19. That a General Meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice.

By order of the Board



S P Allanson
Company Secretary

4 November 2016

NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

1. A copy of all contracts of service and letters of appointment between the Company and its Directors may be inspected at the Company's registered office during normal business hours on any weekday (excluding public holidays) from the date of this Notice until the date of the Annual General Meeting and at the place of the meeting for 15 minutes prior to the meeting and at the meeting itself.
2. A member may appoint one or more proxies to attend, speak and vote on his or her behalf at the Annual General Meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the Proxy Form (the "Proxy Form"). A proxy need not be a member of the Company but must attend the meeting to represent you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the Proxy Form are set out in these notes and in the notes to the Proxy Form.
3. A proxy may be appointed by any of the following methods:
 - completing and returning the enclosed hard copy Proxy Form (and any power of attorney or other authority under which it is executed or a notarially certified copy thereof) and depositing it with the Company's registrars, Capita Asset Services, at the address below;
 - registering electronically by submitting an electronic Proxy Form by logging onto www.capitashareportal.com. Full details of the procedures are given on the website; or
 - in the case of a CREST member, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.
4. To be valid, any hard copy Proxy Form or other instrument appointing the proxy and any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or other authority must be lodged with the Company's registrars, Capita Asset Services PXS 1, 34 Beckenham Road, Beckenham, BR3 4ZF no later than 11:30 a.m. on 6 December 2016. Any amendments that the shareholder makes to the Proxy Form must be initialled by him/her.
5. As an alternative to completing and returning the hard copy Proxy Form, you may submit your Proxy Form electronically by accessing www.capitashareportal.com. To be valid any electronic Proxy Form must be received by the Company's registrars, Capita Asset Services, no later than 11:30 a.m. on 6 December 2016.
6. You may appoint more than one proxy provided 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, contact the Company's registrars, Capita Asset Services PXS 1, 34 Beckenham Road, Beckenham, BR3 4ZF.
7. A hard copy Proxy Form is enclosed and instructions for use are shown on the form. The return of a completed Proxy Form (either in hard copy form or electronic form) or any CREST Proxy Instruction (as described in notes 15 to 17 below) will not prevent a shareholder attending the Annual General Meeting and voting in person should they decide afterwards to do so.
8. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand in the register of members.
9. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
10. Any person to whom this Notice is sent who is a person nominated under section 146 of the 2006 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 meeting. 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.
11. The statement of the rights of shareholders in relation to the appointment of proxies in notes 3, 5, 6 and 7 above does not apply to Nominated Persons. The rights described in these notes can only be exercised by shareholders of the Company.
12. Only those shareholders who are registered on the register of members of the Company at close of business on 6 December 2016 (or, if the meeting is adjourned, shareholders entered on such register 48 hours (excluding non-working days) before the time fixed for the adjourned meeting) shall be entitled to attend the Annual General Meeting and to vote in respect of the number of shares registered in their names at the time. Changes to entries on the register of members after close of business on 6 December 2016 or, if the meeting is adjourned, not less than 48 hours (excluding non-working days) before the time fixed for the adjourned meeting, shall be disregarded in determining the rights of any person to attend and/or vote at the Annual General Meeting.
13. As at 3 November 2016 (being the last business day prior to the publication of this Notice) the Company's issued share capital consists of 54,120,495 ordinary shares carrying one vote each. Therefore, the total voting rights in the Company as at 3 November 2016 are 54,120,495.
14. 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 adjournments of it by utilising the procedures described in the CREST Manual. CREST personal members and 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.

15. 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 specifications and must contain the information required for such instructions as described in the CREST Manual (available via www.euroclear.com/CREST). 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 the issuer’s agent (CREST participant ID: RA10) by the latest time(s) for receipt of proxy appointments specified in this notice. For this purpose the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the Company’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.
16. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal systems 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 services provider(s) are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
17. 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.
18. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.
19. In order to revoke a proxy instruction and terminate the authority of a person to act as proxy this may be done by notice in writing delivered to the Registrar not later than the last time at which a Proxy Form should have been received to be valid in accordance with notes 4 and 5 above.
20. Shareholders should note that it is possible that, pursuant to requests made by shareholders of the Company under section 527 of the 2006 Act, the Company may be required to publish on a website a statement setting out any matter relating to: (i) 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 Annual General Meeting; or (ii) any circumstance connected with an Auditor of the Company ceasing to hold office since the previous meeting at which Annual Accounts and Reports were laid in accordance with section 437 of the 2006 Act. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the 2006 Act. Where the Company is required to place a statement on a website under section 527 of the 2006 Act, it must forward the statement to the Company’s Auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required to publish on a website under section 527 of the 2006 Act.
21. Any corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all of its powers as a member provided that where more than one corporate representative is appointed, they do not do so in relation to the same shares.
22. Any member attending the Annual General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
23. A copy of this Notice, and other information required by section 311A of the 2006 Act, can be found at www.mjgleeson.com.
24. Under sections 338 and 338A of the 2006 Act, members meeting the threshold requirements in those sections have the right to require the Company (i) to give to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company’s constitution or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than 6 clear weeks before the meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.
25. Any website or electronic address (within the meaning of section 333(4) of the Act) provided either in this Notice of Annual General Meeting or in any related documents (including the Chairman’s letter and the Proxy Form) may not be used to communicate with the Company for any purposes other than those expressly stated.
26. The rules of the Bonus Plan and the LTIP are available for inspection at the Company’s offices: 6 Europa Court, Sheffield Business Park, Sheffield, S9 1XE or by writing to the Company Secretary at sallanson@mjgleeson.com during usual office hours (Saturdays, Sundays and public holidays excepted) from the date of dispatch of this document up to and including the date of the Meeting, and at the Meeting itself.

PART A

LETTER FROM THE CHAIRMAN OF THE REMUNERATION COMMITTEE OF THE BOARD OF DIRECTORS OF MJ GLEESON PLC

4 November 2016

Dear Shareholder

Background

As you will be aware, the current Remuneration Policy ("Policy") was formally approved by shareholders at the Company's 2014 AGM on 12 December 2014 and received a 96.5% vote in favour. The Policy became effective for a period of up to three years from the date of approval, which would suggest a normal review date of 2017.

The Company, under Jolyon Harrison's (CEO) leadership, has delivered exceptional performance, growth and associated returns to its shareholders. Since Mr. Harrison's appointment in July 2012, the Group has seen year on year continued growth in its key performance metric of Profit before tax, from £5.8 million in 2013 (Mr Harrison's first year in office) up to £28.2 million in the most recent financial year, 2016, an increase of 386% (equivalent to 69% per annum compound growth). Over the same period the increase in share price (and dividends paid) has resulted in an increase in total shareholder returns of 313% (this compares to an increase of 187% in our peer group and a 68% increase in the FTSE Small Cap Index). The development and growth of the business, along with a desire to ensure that future performance is sustained and rewarded has led the Committee to conclude that a review of the Policy should be conducted, and an amended Policy brought forward in 2016.

The Committee's objective is to amend the new Policy to provide continued alignment with business requirements and shareholder expectations.

In undertaking the review, the Committee believes it is important that the future Remuneration Policy is tailored to MJ Gleeson's circumstances, such that it:

- *Supports the Company's strategy over the next stage of development;*
- *Continues to act as an appropriate tool with which to attract, retain and motivate the Executive Directors who are critical to executing the business strategy and driving the continued creation of value for shareholders;*
- *Ensures that remuneration is competitive against companies of a similar size and complexity; and*
- *Takes into account practice in the Company's listing environment whilst being cognisant of its major shareholders' views and expectations.*

As a result of this review, the Committee concluded that a number of changes to the Policy are required. These changes, if approved, will mean that MJ Gleeson has in place a Policy which is appropriate for the next three-year period of the Company's development.

The principal terms of the new Policy, Bonus Plan and long-term incentive arrangement, to be known as the MJ Gleeson plc Long-Term Incentive Plan (the 'LTIP'), are set out in this letter and in Parts B and C.

Context of remuneration review

As noted above, MJ Gleeson has continued to deliver strong growth and associated returns to investors. The key strategic objectives of the Company are:

- The development and sale of low cost homes in the North of England (Gleeson Homes).
- The promotion and sale of strategic land assets in the South of England (Gleeson Strategic Land).
- Build Gleeson Homes into a business that can treble in size, by units sold.

The Committee's aim is to ensure that the remuneration of the Company's management provides appropriate incentives and remains directly aligned with these strategic objectives. The Committee has considered these strategic objectives in order to formulate the proposed Policy, metrics and associated targets for the short and long-term incentive plans.

Summary of proposed changes to Policy:

The key proposed changes to the Policy are set out below:

- Introduce a one-off award with a value of £3m for the CEO payable on achievement of the earlier of:
 - Achieving a Total Shareholder Return (TSR) of £10 per share at the end of a 3-year performance period or cessation if earlier, measured over an average of 180 days; or
 - A change of control or a substantial exit (defined as the disposal of all or the majority of MJ Gleeson) for shareholders provided that the event was deemed by the Remuneration Committee to have delivered value to the shareholders.
- The adoption of a two-year holding period following the three-year performance period for future share awards under the LTIP. Our current long-term incentive rules are due to expire next year, therefore we will be taking the opportunity to update our rules and put the LTIP to shareholders for approval alongside the Policy at the 2016 AGM.

A number of minor adjustments to the previous Policy wording will be included as part of the binding Policy vote at the 2016 AGM. These changes are intended to reflect best practice which has developed since the Policy was approved in 2014 and are intended to enable the effective operation of the existing arrangements.

The Committee considered a number of approaches on how to motivate and incentivise the CEO to deliver against challenging strategic objectives.

The Committee recognise that a one-off award does not conform to standard market practice. However, the Committee believes that the proposed award provides the CEO with a meaningful incentive for delivering against our challenging strategic objectives over the next 3 years and creating significant additional value for our shareholders.

It is the Committee's opinion that the proposed approaches are better aligned with the Group's remuneration objectives and the Company's strategy and will enable us to ensure Executives continue to remain fully aligned with business performance.

Summary of new Policy

The table below summarises the key elements of the new Policy to be operated for the Executive Directors.

Element	Summary of new Policy and any changes
Base salary	<p>The Committee sets salary levels to reflect the scope of the roles and the performance and experience of the relevant Executive Director. It should be noted that the Committee only uses comparator information to sense-check the decisions based on these factors to ensure it maintains compliance with the Policy. When considering comparator companies, the Committee looks for companies that are broadly in line with MJ Gleeson's size, structure and complexity (with companies in the FTSE all-share index and specifically those in the home or construction sectors currently acting as the primary reference).</p> <p>In accordance with our current approved Policy, with effect from 1 July 2016, the Committee has made the following salary increases:-</p> <ul style="list-style-type: none"> • Increase CEO salary to £400,000 from £396,900 (0.8%) • Increase CFO salary to £250,000 from £180,000 (38.9%) <p>The material increase in the salary of Stefan Allanson, the CFO, reflects the fact that he was employed initially as CFO and Company Secretary designate and only subsequently appointed to the Board as CFO during 2015. On his appointment his salary was set below-market and substantially below that of his predecessor. The Committee has determined that the increase proposed is appropriate and reflects Stefan's performance and contribution since his Board appointment. It is the Company's intention to potentially increase the salary to £300,000 at the next review date subject to the CFO's continued performance and development in the role.</p>
Benefits and pension	<p>Maximum company pension contribution and/or salary supplement of up to 25% of salary (currently 15% for both the CEO and CFO) and competitive benefits package provided.</p>
Bonus Plan	<p>There will be no changes to the maximum annual opportunity (i.e. it will remain 150% of base salary).</p> <p>In line with the approved Policy, the maximum annual opportunity proposed for FY17 is as follows:</p> <ul style="list-style-type: none"> • CEO: 100% of salary (no change). • CFO: 100% of salary (increased from 75% of salary). <p>Annual bonuses will continue to be paid in cash unless the Executive voluntarily defers a portion into shares.</p> <p>The Committee will continue to review performance targets annually.</p> <p>A minimum of two-thirds of the maximum bonus opportunity will be based on financial measures and up to one-third can be based on non-financial measures.</p> <p>The FY17 annual bonus award will be based on the following:</p> <ul style="list-style-type: none"> • CEO: Group PBT (2/3rd) and personal performance targets including strategic milestones (1/3rd). • CFO: Group PBT (100% weighting).
LTIP	<p>There will be no changes to the maximum annual LTIP opportunity. In line with the approved Policy, the maximum annual opportunity proposed for FY17 is as follows:</p> <ul style="list-style-type: none"> • CEO: 300% of salary (no change). • CFO: 150% of salary (increased from 75% of salary). <p>In line with the award made in FY16, the LTIP award for the CEO will be 300% p.a. in respect of awards due to be made in FY17 and FY18. No award will be made in FY19 and beyond reflecting the adoption of the one-off CEO award.</p> <p>The LTIP will continue to vest based on TSR performance measured over a period of three financial years.</p> <p>The rules of the LTIP will contain standard clauses giving the Committee discretion to adjust the number of shares subject to the award and the absolute TSR target in the case of any capital reorganisation.</p> <p>Introduction of a two year holding period post-vesting, during which participants cannot sell their vested LTIP awards (other than to cover Income Tax and NIC).</p> <p>New LTIP Rules will be put to shareholders for approval alongside the new Policy.</p>

Element	Summary of new Policy and any changes
One off CEO award	<p>The Committee is proposing to introduce a one-off cash award equal to £3 million for the CEO which will be payable subject to the earlier of the following:</p> <ul style="list-style-type: none">• Achieving a Total Shareholder Return (TSR) of £10 (i.e. average share price measured over an average 180 days at the end of the performance period plus dividends paid over the period) at the end of a 3 year performance period, or cessation if earlier; or• A change of control / substantial exit for shareholders within 3 years, provided the event was deemed by the Committee at the time or shortly after the event to have delivered value to shareholders.

Recommendation

The directors consider the new Policy as well as the Bonus Plan and LTIP to be in the best interests of the Company and shareholders as a whole. They therefore recommend that you vote in favour of Resolutions 11, 12, 13 and 14 set out in the Notice convening the Annual General Meeting as they intend to do in respect of their own beneficial holdings.

Yours sincerely,



Ross Ancell
Chairman of the Remuneration Committee
MJ Gleeson plc

PART B

SUMMARY OF THE PRINCIPAL TERMS OF THE MJ GLEESON PLC ANNUAL AND DEFERRED BONUS PLAN (THE 'BONUS PLAN')

Operation

The operation of the Bonus Plan in respect of the Executive Directors and other key executives of the Company will be overseen by the Remuneration Committee of the Board of Directors of the Company.

The Bonus Plan is both a cash bonus plan and a discretionary executive share plan under which a proportion of a participant's bonus may be deferred into an award over ordinary shares of the Company (together, a 'Bonus Plan Award'). Under the Bonus Plan, the Board may, within certain limits, grant to eligible employees deferred awards over ordinary shares taking the form of Options, Conditional Share Awards or Restricted Shares (known for the purpose of this summary as 'Bonus Plan Deferred Awards'). No payment is required for the grant of a Bonus Plan Deferred Award. Where the participant becomes entitled to acquire the ordinary shares, the Bonus Plan Deferred Award is said to have vested.

Eligibility

The Bonus Plan has been established for the Executive Directors although, at the discretion of the Board, other employees may participate in this plan. Non-Executive Directors are not eligible to participate.

Limits

The maximum Bonus Plan Award level will be 150% of salary for Executive Directors. Bonus Plan Awards will normally be paid out in cash following an assessment of performance against targets for the financial year unless the Executive Director voluntarily defers all or a portion into shares. Any amount deferred into Bonus Plan Deferred Awards over ordinary shares of the Company will vest after three years subject to continued employment.

In respect of the Bonus Plan Deferred Awards, the Bonus Plan may operate over new issue shares, treasury shares or shares purchased in the market. The Company may issue no more than 10% of its shares within a 10 year period to satisfy awards to participants in the Bonus Plan and any other employees' share scheme operated by the Company under which shares are issued. In addition, no more than 5% of shares may be issued under the Bonus Plan and any other discretionary employees' share scheme adopted by the Company. Shares issued out of treasury for the Bonus Plan Deferred Awards count towards these limits for so long as this is required by institutional shareholder guidelines. Bonus Plan Deferred Awards which are renounced or lapse shall be disregarded for the purposes of these limits.

The Board will monitor the issue of shares during the 10 year period.

Benefits not pensionable

Benefits received under the Bonus Plan are not pensionable.

Grant of Bonus Plan Deferred Awards

Bonus Plan Deferred Awards will normally be granted within a 42 day period following (i) the date of approval of the Bonus Plan by the shareholders of the Company, (ii) the day after the publication of the results of the Company for any period, (iii) any other time at which the Board determines there are exceptional circumstances which justify the grant of the award or (iv) the day after the lifting of any Dealing Restrictions which prevented the grant of Bonus Plan Deferred Awards.

No Bonus Plan Deferred Awards may be granted more than 10 years after the date the Bonus Plan is approved by shareholders of the Company.

Vesting of Bonus Plan Deferred Awards

Bonus Plan Deferred Awards will normally vest 3 years after grant subject only to continued employment within the Group.

Taxation

The vesting or exercise of Bonus Plan Deferred Awards is conditional upon the participant paying any relevant taxes due.

Malus and clawback for Bonus Plan Awards

The circumstances in which malus and clawback could apply are as follows:

- discovery of a material misstatement resulting in an adjustment to the audited consolidated accounts of the Company or Group companies;
- the assessment of any performance target or condition in respect of a Bonus Plan Award was based on error, or inaccurate or misleading information;
- the discovery that any information used to determine the number of Plan Shares subject to an Award or the value of a Cash Award was based on error, or inaccurate or misleading information;
- action or conduct of an award holder which, in the reasonable opinion of the Board, amounts to fraud or gross misconduct; and
- events or behaviour of an award holder have led to the censure of the Company by a regulatory authority or have had a significant detrimental impact on the reputation of any Group company provided that the Board is satisfied that the relevant award holder was responsible for the censure or reputational damage and that the censure or reputational damage is attributable to him.

The malus period would be up to the date of the bonus determination for the cash bonus and for the Bonus Plan Deferred Awards, for three years after that up to vesting.

The clawback period will be three years from the date of the bonus determination for any cash payments under the Bonus Plan.

Cessation of employment

Where a participant's employment is terminated after the end of a performance year but before the payment is made, the participant may remain eligible for a Bonus Plan Award for that performance year subject to an assessment of the performance targets over the period. Where a Bonus Plan Award is made it shall be delivered in the same way and at the same time as if the participant had not ceased to be in Relevant Employment.

If the participant is a good leaver during the relevant performance year, a bonus will normally be paid in the same way and at the same time as if the participant had not ceased to be in Relevant Employment, pro-rated for length of service and the achievement of performance targets measured over the full performance year. Any unvested Bonus Plan Deferred Awards will also vest on the normal vesting date pro-rated for length of service.

The Board has the discretion to determine that a Bonus Plan Award may be paid fully in cash at the date of cessation, and/or that Bonus Plan Deferred Awards will vest early on cessation, and/or to not pro rate the award for time served as an employee.

A 'good leaver' is defined as a participant ceasing to be in employment with the Group by reason of death, ill-health, injury, disability, redundancy, retirement, the company employing the participant ceasing to be a member of the Group, the participant's employing business being sold out of the Group or at the Board's discretion.

Anyone who is not a good leaver will be a bad leaver. For a bad leaver, there will be no cash bonus pay-out for the year in which they leave and any unvested Bonus Plan Deferred Awards will lapse.

Change of control

The participant will receive the annual bonus in cash immediately prior to the date of the change of control. The level of cash payment will be determined by the Board at its discretion by reference to the time elapsed from the start of the performance year to the change of control date and the performance levels achieved as at the date of the change of control (where applicable).

The Board has discretion to determine, in exceptional circumstances, whether to pro rate the award for time served as an employee.

Any unvested Bonus Plan Deferred Awards will also vest immediately prior to a change of control.

In the event of an internal corporate reorganisation, the Board may decide (with the consent of the acquiring company) to replace unvested Bonus Plan Deferred Awards with equivalent new awards over shares in the acquiring company.

In the event of a demerger, distribution or any other corporate event, the Board may determine that Bonus Plan Award may be paid. The proportion of the Bonus Plan Award which may be paid will be determined by the Board taking into account, among other factors, the period of the performance year elapsed and the extent to which any applicable performance conditions have been satisfied at that time.

Dividend equivalents

The Board may decide that participants will receive a payment (in cash and/or additional shares) equal in value to any dividends that would have been paid on the shares which vest under their Bonus Plan Deferred Awards by reference to the period between the time when the relevant award was granted and the time when the relevant award vested. This amount may assume the reinvestment of dividends and exclude or include special dividends or dividends in specie.

Non-transferability of Bonus Plan Deferred Awards

Bonus Plan Deferred Awards are not transferable other than to the participant's personal representatives.

Allotment and transfer of shares

Any shares allotted or transferred under the Bonus Plan will rank equally with shares then in issue (except for rights arising in reference to a record date prior to their allotment or transfer).

Applications will be made to both the UK Listing Authority and the London Stock Exchange in order to obtain the relevant approvals for admission and to trading for new shares that are issued pursuant to the Bonus Plan.

Alternative settlement

At its discretion, the Board may decide to satisfy Bonus Plan Deferred Awards with a payment in cash or shares equal to any gain that a participant would have made had the relevant award been satisfied with shares.

Adjustment of Bonus Plan Deferred Awards

On a variation of the capital of the Company or in the event of a demerger or other distribution, the number of shares subject to a Bonus Plan Deferred Award may be adjusted in such manner as the Board determines.

Amendments

Amendments to the Bonus Plan rules may be made at the discretion of the Board. However, the basis for determining a participant's entitlement to be made an award and/or acquire shares, the persons to whom an award may be made, the limitations on the total number of shares over which an award can be made, individual participation limits and the adjustments that may be made following a variation of capital cannot be altered to the advantage of participants without prior shareholder approval, except for minor amendments to benefit the administration of the Bonus Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for the Group.

The Board may add to, vary or amend the Bonus Plan rules by way of a separate schedule in order that the Bonus Plan may operate to take account of local legislative and regulatory treatment for participants or the relevant Group company, provided that the parameters of these arrangements will provide no greater benefits than the Bonus Plan rules as summarised above.

Note: This Part B summarises the main features of the rules of the Bonus Plan, but does not form part of them, and should not be taken as affecting the interpretation of the detailed terms and conditions constituting the rules. Copies of the rules will be available for inspection at 6 Europa Court, Sheffield Business Park, Sheffield, S9 1XE or by writing to the Company Secretary at sallanson@mjgleeson.com during usual office hours (Saturdays, Sundays and public holidays excepted) from the date of dispatch of this document up to and including the date of the Meeting, and at the Meeting itself. The Directors reserve the right, up to the time of the Annual General Meeting, to make such amendments and additions to the rules of the Bonus Plan as they consider necessary or desirable, provided that such amendments and additions do not conflict in any material respect with the summary set out in this Part B.

PART C

SUMMARY OF THE PRINCIPAL TERMS OF THE MJ GLEESON PLC LONG-TERM INCENTIVE PLAN (THE 'LTIP')

Operation

The operation of the LTIP in respect of the Executive Directors and other key executives of the Company will be overseen by the Remuneration Committee of the Board of Directors of the Company.

The LTIP is a discretionary executive share plan. Under the LTIP, the Board may, within certain limits and subject to any applicable performance conditions, grant to eligible employees Options, Conditional Share Awards, Restricted Shares or Cash Awards (known for the purpose of this summary as 'Awards'). Where the participant becomes entitled to acquire the ordinary shares or be made the cash payment, the Award is said to have vested.

Eligibility

The LTIP has been established for the Executive Directors although, at the discretion of the Board, other employees may participate in this plan. Non-Executive Directors are not eligible to participate.

Limits

The market value of ordinary shares of the Company (measured at the time of grant) that may be awarded to a participant in any financial year will not exceed in aggregate 300% of the relevant participant's annual base salary.

In the case of the Chief Executive Officer, the one-off Cash Award described in the Chairman of the Remuneration Committee's letter will not count towards this limit.

The LTIP may operate over new issue shares, treasury shares or shares purchased in the market. The Company may issue no more than 10% of its shares within a 10 year period to satisfy awards to participants in the LTIP and any other employees' share scheme operated by the Company under which shares are issued. In addition, no more than 5% of Shares may be issued under the LTIP and any discretionary employees' share scheme adopted by the Company. Shares issued out of treasury for the LTIP count towards this limit for so long as this is required by institutional shareholder guidelines. Awards which are renounced or lapse shall be disregarded for the purposes of these limits.

The Board will monitor the issue of shares during the 10 year period.

Benefits not pensionable

Benefits received under the LTIP are not pensionable.

Grant of Awards

Awards will normally be granted within a 42 day period following (i) the date of approval of the LTIP by the shareholders of the Company, (ii) the day after the publication of the results of the Company for any period, (iii) any other time at which the Board determines there are exceptional circumstances which justify the grant of the award or (iv) the day after the lifting of any Dealing Restrictions which prevented the grant of awards.

No Awards may be granted more than 10 years after the date the LTIP is approved by shareholders of the Company.

Vesting of Awards

Awards may be subject to the achievement of pre-determined performance targets or other conditions set by the Board at the date of grant. Awards will normally vest, subject to the achievement of these conditions, three years following the date of grant or other period as determined by the Board.

Any performance conditions applying to Awards may be varied, substituted or waived if the Board considers it appropriate, provided that the Board considers that the new performance conditions are not materially less difficult to satisfy than the original conditions.

Holding period

Awards once vested will normally be subject to a holding period set at the date of grant. The normal holding period will be two years. The holding period will only apply to the net number of Shares acquired if a participant chooses to settle their tax liability by selling Shares. During the holding period the only restriction on the participant will be that they cannot sell the Shares.

Awards may, at the discretion of the Board, be the subject of early release from the performance period or the holding period.

Taxation

The vesting or exercise of Awards is conditional upon the participant paying any relevant taxes due.

Malus and clawback for Awards

The circumstances in which malus and clawback could apply are as follows:

- discovery of a material misstatement resulting in an adjustment to the audited consolidated accounts of the Company or Group companies;
- the assessment of any performance target or condition in respect of an Award was based on error, or inaccurate or misleading information;
- the discovery that any information used to determine the number of shares subject to an Award was based on error, or inaccurate or misleading information;
- action or conduct of an award holder which, in the reasonable opinion of the Board, amounts to employee fraud or gross misconduct; and
- events or behaviour of an award holder have led to the censure of the Company by a regulatory authority or have had a significant detrimental impact on the reputation of any Group company provided that the Board is satisfied that the relevant award holder was responsible for the censure or reputational damage and that the censure or reputational damage is attributable to him.

The malus period will be up to the date of vesting. The clawback period will be two years from the date of vesting.

Cessation of employment

For good leavers, unvested Awards will vest on the normal vesting date subject to (i) the extent any applicable performance target has been satisfied at the end of the normal performance period and (ii) pro-rating to reflect the period of time elapsed between grant and cessation of employment as a proportion of the normal vesting period.

The Board has the discretion to determine that the end of the performance period is the date of cessation and that awards may vest early. The Board also has discretion regarding whether to pro-rate the Awards for time served. The Board's normal policy is that it will pro-rate awards for time.

A 'good leaver' is defined as a participant ceasing to be in employment with the Group by reason of death, ill-health, injury, disability, redundancy, retirement, the company employing the participant ceasing to be a member of the Group, the participant's employing business being sold out of the Group or at the Board's discretion.

Anyone who is not a good leaver will be a bad leaver. Bad leavers will forfeit all unvested and vested but unexercised Awards.

Change of control

Unvested Awards will vest early on a change of control subject to (i) the extent that any applicable performance measures have been satisfied at that time and (ii) pro-rating to reflect the reduced period of time between grant and early vesting as a proportion of the vesting period that has then elapsed.

The Board has discretion regarding whether to pro-rate the Awards for time served. The Board's normal policy is that it will pro-rate awards for time.

In the event of an internal corporate reorganisation, the Board may decide (with the consent of the acquiring company) to replace unvested Awards with equivalent new awards over shares in the acquiring company.

In the event of a demerger, distribution or any other corporate event, the Remuneration may determine that Awards will vest. The proportion of the Awards which vest will be determined by the Board taking into account, among other factors, the period of time the award has been held by the participant and the extent to which any applicable performance conditions have been satisfied at that time.

Dividend equivalents

The Board may decide that participants will receive a payment (in cash and/or additional shares) equal in value to any dividends that would have been paid on the shares which vest under their Awards by reference to the period between the time when the relevant award was granted and the time when the relevant award vested. This amount may assume the reinvestment of dividends and exclude or include special dividends or dividends in specie.

Non-transferability of Awards

Awards are not transferable other than to the participant's personal representatives.

Allotment and transfer of shares

Any shares allotted or transferred under the LTIP will rank equally with shares then in issue (except for rights arising in reference to a record date prior to their allotment or transfer).

Applications will be made to both the UK Listing Authority and the London Stock Exchange in order to obtain the relevant approvals for admission and to trading for new shares that are issued pursuant to the LTIP.

Alternative settlement

At its discretion, the Board may decide to satisfy Awards with a payment in cash or shares equal to any gain that a participant would have made had the relevant award been satisfied with shares.

Adjustment of Awards

On a variation of the capital of the Company or in the event of a demerger or other distribution, the number of shares subject to an Award may be adjusted in such manner as the Board determines.

Amendments

Amendments to the LTIP rules may be made at the discretion of the Board. However, the basis for determining a participant's entitlement to be made an Award and/or acquire shares, the persons to whom an Award may be made, the limitations on the total number of shares over which an Award can be made, individual participation limits and the adjustments that may be made following a variation of capital cannot be altered to the advantage of participants without prior shareholder approval, except for minor amendments to benefit the administration of the LTIP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for the Company.

The Board may add to, vary or amend the LTIP rules by way of a separate schedule in order that the LTIP may operate to take account of local legislative and regulatory treatment for participants or the relevant Group company, provided that the parameters of these arrangements will provide no greater benefits than the LTIP rules as summarised above.

Note: This Part C summarises the main features of the rules of the LTIP, but does not form part of them, and should not be taken as affecting the interpretation of the detailed terms and conditions constituting the rules. Copies of the rules will be available for inspection at 6 Europa Court, Sheffield Business Park, Sheffield, S9 1XE or by writing to the Company Secretary at sallanson@mjgleeson.com during usual office hours (Saturdays, Sundays and public holidays excepted) from the date of dispatch of this document up to and including the date of the Meeting, and at the Meeting itself. The Directors reserve the right, up to the time of the Annual General Meeting, to make such amendments and additions to the rules of the LTIP as they consider necessary or desirable, provided that such amendments and additions do not conflict in any material respect with the summary set out in this Part C.

PART D

STATEMENT OF CIRCUMSTANCES - LETTER FROM KPMG



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United Kingdom

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Fax +44 (0) 113 231 3200

Private & confidential

MJ Gleeson plc
6 Europa Court
Sheffield Business Park
Sheffield
S9 1XE

Our ref

Contact

31 October 2016

Dear Sirs

Statement to MJ Gleeson plc (no. 09268016) on ceasing to hold office as auditors pursuant to section 519 of the Companies Act 2006

The reason connected with our ceasing to hold office is the holding of a competitive tender for the audit, in which we were unsuccessful in retaining the audit.

Yours faithfully,

KPMG LLP
Audit registration number: 9188307

Audit registration address:
15 Canada Square
Canary Wharf, London E14 5GL

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