



COMPANY NUMBER: 98221

CARR'S MILLING INDUSTRIES PLC
NOTICE OF ANNUAL GENERAL MEETING

Dear Shareholder

2014 Annual General Meeting

The Annual General Meeting of Carr's Milling Industries PLC ("the Company") is to be held at the Crown Hotel, Wetheral, Carlisle on Tuesday 13 January 2015.

Tea and coffee will be served before the Annual General Meeting and lunch will also be available afterwards.

As you will see from the Notice of Annual General Meeting contained in this document, in addition to the ordinary business contained in Resolutions 1 to 9, there are items of special business contained in Resolutions 10 to 13 and these are explained and summarised below.

Resolutions 1 to 9 are ordinary resolutions which will be passed if more than 50% of the votes cast are in favour of the Resolutions. Resolutions 10 to 13 are special resolutions which will be passed if at least 75% of the votes cast are in favour of the resolutions.

Resolutions 3 to 5 are separate resolutions to re-elect all the Directors who retire in accordance with the UK Corporate Governance Code. The Board believes that each of them continues to perform effectively with full commitment to his role.

Resolutions 3–5 – Re-election of Directors

All of the Non-Executive Directors are standing for re-election to the Board.

Robert Heygate was appointed to the Board in 1991. He is the joint Managing Director of Heygate & Sons Ltd, the UK's largest independent flour milling company. He is the longest standing Non-Executive Director of the Company and is Chairman of the Audit Committee. He is also a member of the executive of Camden BRI Association and sits as Chairman on its audit committee. For almost 30 years he has been a member of the executive of the National Association of British & Irish Millers. Age 69.

Alistair Wannop was appointed to the Board in September 2005. He is the Senior Independent Director of the Board and the Chairman of the Remuneration Committee. Alistair has been the Chairman of both the County NFU and the MAFF northern regional advisory panel. He has served as a Director of The English Farming and Food Partnership, Rural Regeneration Cumbria, and Cumbria Vision. Alistair is a fellow of the Royal Agricultural Society of England. Age 52.

Christopher Holmes was appointed to the Board in January 1992, and as CEO in September 1994. Previously he held senior management positions in the agricultural division of J Bibby & Sons. C N C Holmes retired as Chief Executive Officer on 28 February 2013 and commenced as Executive Chairman on that date until becoming Non-Executive Chairman on 1 August 2013. Age 63.

Having regard to the roles that they perform and the individual input and contribution they make, the Board has concluded that each candidate's performance more than justifies nomination for re-election by shareholders.

Resolution 8 – Remuneration Committee Report

Resolution 8 asks Shareholders to receive and approve the Remuneration Committee Report which is set out on pages 27 to 32 of the Annual Report & Accounts. The Board considers that appropriate executive remuneration plays a vital part in helping to achieve the Company's overall objectives. This Resolution is an advisory vote, as permitted by law, and no entitlement to remuneration is conditional upon this Resolution being passed.

Resolution 9 – Sub-division of ordinary shares

Resolution 9 is an ordinary Resolution to sub-divide the ordinary shares of 25p each in the capital of the Company (issued and unissued) so that shareholders will receive 10 new ordinary shares of 2.5p for each existing ordinary share of 25p.

The Directors anticipate that such a sub-division will improve the liquidity of the market in the Company's shares and reduce the bid/offer spread of the Company's shares. The value of each shareholding will not be affected by the proposed sub-division. The new ordinary shares will, in all respect, rank *pari passu* with and, except for the difference in nominal value, be subject to the same rights and restrictions as the existing ordinary shares and, in particular, the holders of new ordinary shares will have the same voting rights, the same rights to participate in dividends or income of the Company and the same rights on a liquidation of the Company as holders of existing ordinary shares. There will be no increase in total share capital as result of the sub-division, no new shares are being marketed or made available to non-shareholders in whole or in part, and no additional funds are being raised.

The Company will make appropriate adjustments to awards held by participants in the Company's share schemes and will write to participants separately informing them of the effect of the sub-division on their awards and options and the adjustments to be made, which are, in some cases, subject to the approval of the Company's auditors and the Inland Revenue.

If Resolution 9 is passed, the sub-division will occur at 5.30 pm on 13 January 2015 (the "Record Date"). Application will be made to the Financial Conduct Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (the UK Listing Authority) for the sub-divided ordinary shares to be admitted to Official List of the UK Listing Authority and to be admitted to trading on the London Stock Exchange plc's market for listed securities, respectively (Admission). It is expected that Admission will become effective and dealings in the sub-divided ordinary shares will commence at 8.00 am on 14 January 2015. Based on the issued share capital at the date of this circular, the above application would be made for the admission of 89,438,200 ordinary shares of 2.5p each.

The new 2.5p ordinary shares will be in registered form and will be capable of being held in certificated and uncertificated form. The Company's ordinary shares in their existing form will not be capable of being settled in CREST after close of business on 13 January 2015 and 10 ordinary shares of 2.5p each in place of each ordinary share of 25p will be credited to the accounts of holders in CREST on 14 January 2015. The Company expects to send new certificates in respect of ordinary shares held in certificated form to shareholders no later than 21 January 2015. Certificates will be sent at the risk of shareholders. If you do not receive a new share certificate, please call Capita Asset Services, on 0871 664 0300 or +44 (0) 208 639 3399 between 9.00 a.m. to 5.00 p.m. (London time) Monday to Friday. Calls to the helpline from within the UK are charged at 10 pence per minute (including VAT) plus your service providers' network extras. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that the Receiving Agent cannot provide advice on the merits of the proposals or give any financial, legal or tax advice. Share certificates in respect of the existing 25p ordinary shares will cease to be valid from this date and should be destroyed once new share certificates have been received.

Certain limited information on United Kingdom taxation with regard to the sub-division is set out below. This is intended as a general guide only. If you are in any doubt as to your tax position, or you are resident or subject to tax in any jurisdiction other than the United Kingdom, you should consult your independent adviser. The sub-division will not constitute a disposal of the existing ordinary shares for the purpose of UK capital gains tax legislation. For those purposes, the new ordinary shares will be treated as having been acquired on the same date and for the same consideration as the existing ordinary shares. The Company will not be required to withhold tax at source when paying a dividend.

Resolution 10 – Authority to allot shares

Under the Companies Act 2006, the Directors of a public company are unable to allot shares without the authority of the Shareholders in a general meeting. Resolution 10 authorises the Directors to allot shares in the Company up to an aggregate nominal amount of £737,865 This represents 2,951,461 ordinary shares of 25p each in the capital of the Company, which is approximately 33 per cent of the Company's issued share capital (excluding treasury shares) as at 11 November 2014 (being the last practicable date before the printing of this document).

As at 11 November 2014 (being the last practicable date before the printing of this document), no shares in the Company were held as treasury shares.

This authority will last until the end of the next Annual General Meeting of the Company or 31 March 2016 if earlier. The Directors do not have any present intention of exercising this authority except in connection with the issue of ordinary shares in respect of the Company's share option plans.

This Resolution complies with guidelines issued by investor bodies and, in accordance with normal practice, the Directors will seek annual renewal of this authority.

The Association of British Insurers' guidance on the approval of allotments of shares states that, in addition to request for authorisation to allot new shares in an amount up to one-third of the existing issued share capital of a company, it would regard as routine requests to authorise the allotment of a further one-third in connection with a rights issue. Resolution 10 is the usual general authority to allot shares up to approximately 33 per cent of the Company's issued share capital (which as in previous years is accompanied by a disapplication of Shareholders pre-emption rights Resolution in Resolution 11).

Resolution 11 – Disapplication of pre-emption rights

If equity securities are to be allotted for cash, the Companies Act 2006 ("the Act") requires that those equity securities and treasury shares are offered first to existing Shareholders on a pro rata basis, i.e. in proportion to the number of equity securities they each hold at that time. Equity securities include the Company's ordinary shares.

There may be circumstances, however, when it is in the interests of the Company to be able to allot equity securities for cash and to sell treasury shares for cash without first offering them to existing Shareholders.

Resolution 11 gives the Directors power to allot equity securities for cash (pursuant to the authority obtained in Resolution 10) and to sell treasury shares for cash as if the pre-emption provisions of section 561(1) of the Act do not apply. Other than in connection with a rights issue or other similar issue, the power contained in this Resolution will be limited to an aggregate nominal amount of £111,798. This represents 447,191 ordinary shares of 25p each in the capital of the Company, which is approximately 5 per cent of the Company's issued share capital as at 11 November 2014 (being the latest practicable date before the printing of this document).

This power will last until the end of the next Annual General Meeting of the Company or 31 March 2016 if earlier. This Resolution complies with guidelines issued by investor bodies and, in accordance with normal practice, the Directors will seek annual renewal of this power.

The Company intends to comply with the principle on disapplying pre-emption rights set out by the Pre-Emption Group that (in the absence of suitable advance consultation and explanation or the matter having been specifically highlighted at the time at which the request for disapplication was made) a company should not issue more than 7.5 per cent of its ordinary share capital for cash other than to existing Shareholders in any rolling three year period.

Resolution 12 – Authority to buy own ordinary shares

Resolution 12 authorises the Company to buy its own ordinary shares in the market.

This authority allows the Company to purchase a maximum of 894,382 ordinary shares (which is approximately 10 per cent of the company's issued share capital as at 11 November 2014).

The price to be paid for any shares must not be less than 25p, being the nominal value of a share, and must not exceed 105 per cent of the average middle market quotations for the ordinary shares of the Company as derived from the London Stock Exchange Daily Official List for the 5 business days immediately preceding the day on which the ordinary shares are contracted to be purchased.

This authority will expire on the earlier of the date which is 18 months after the passing of the Resolution or the conclusion of the next Annual General Meeting to be held after the date of this Annual General Meeting.

As at 11 November 2014 (the latest practicable date before the printing of this document) options over 329,296 ordinary shares in the Company were outstanding under the Company's employee share schemes, representing 3.7 per cent of the Company's issued share capital at that date. If the existing authority to purchase shares granted at the Company's last annual general meeting and the proposed authority now being sought were to be exercised in full, such options would represent 4.1 per cent of the Company's issued share capital (excluding treasury shares) at 11 November 2014.

Shares will only be repurchased if the Directors consider such purchases to be in the best interests of Shareholders generally and that they can be expected to result in an increase in earnings per share. The authority will only be used after careful consideration, taking into account market conditions prevailing at the time, other investment opportunities, appropriate gearing levels and the overall financial position of the Company. Shares held as treasury shares will not automatically be cancelled and will not be taken into account in future calculations of earnings per share (unless they are subsequently resold or transferred out of treasury).

Resolution 13 – Notice of general meetings

Under the Act the notice period required for general meetings of the Company is 21 clear days unless Shareholders approve a shorter notice period, which cannot however be less than 14 clear days. Annual General Meetings will continue to be held on at least 21 clear days' notice.

In order to call general meetings on less than 21 clear days' notice, the Company must make a means of electronic voting available to all Shareholders for that meeting. This requirement will be satisfied if the Company offers a facility allowing Shareholders to appoint a proxy by means of a website.

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CARR'S MILLING INDUSTRIES PLC NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the one hundred and sixth annual general meeting of the Company will be held at the Crown Hotel, Wetheral, Carlisle on Tuesday 13 January, 2015 at 11.30 a.m. for the following purposes:

ORDINARY BUSINESS

1. To receive the Company's annual accounts for the financial year ended 30 August 2014 together with the Directors' report and the auditor's report on those accounts.
2. To declare a final dividend of 17.0p per share for the year ended 30 August 2014.
3. To re-elect Robert Heygate as a Director of the Company.
4. To re-elect Alistair Wannop as a Director of the Company.
5. To re-elect Christopher Holmes as a Director of the Company.
6. To re-appoint PricewaterhouseCoopers LLP as Auditors of the Company.
7. To authorise the Audit Committee of the Board to determine the remuneration of the auditors.
8. To approve the Remuneration Committee Report for the financial year ended 30 August 2014.
9. To approve that the shares of the Company be sub-divided on the basis of a ten for one share split thereby reducing the nominal value of the existing ordinary shares to 2.5 pence each.

SPECIAL BUSINESS

10. To consider and, if thought fit, pass the following resolution which will be proposed as an ordinary resolution:

"THAT, in substitution for all existing and unexercised authorities and powers, the Directors of the company be and they are hereby generally and unconditionally authorised for the purpose of section 551 of the Companies Act 2006 (the "Act") to exercise all or any of the powers of the Company to allot relevant securities to such persons at such times and generally on such terms and conditions as the Directors may determine (subject always to the Articles of Association of the Company) provided that:

- a. the maximum nominal amount of such securities which may be allotted under this authority is £737,865; and
- b. this authority shall, unless previously renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the next annual general meeting or on the date which is 6 months after the next accounting reference date of the Company (if earlier) save that the Directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require relevant securities to be allotted after the expiry of such period and the Directors of the Company may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired."

11. To consider and, if thought fit, pass the following Resolution which will be proposed as a special resolution:

"THAT, subject to and conditional upon the passing of the Resolution numbered 10 in the notice convening the meeting at which this Resolution was proposed and in substitution for all existing and unexercised authorities and powers, the Directors of the Company be and are hereby empowered pursuant to section 570-573 of the Act to allot equity securities pursuant to the authority conferred upon them by Resolution 10 as if section 561 of the Act did not apply to any such allotment provided that this authority and power shall be limited to:

- a. the allotment of equity securities in connection with a rights issue or similar offer in favour of ordinary shareholders where the equity securities respectively attributable to the interest of all other shareholders are proportionate (as nearly as may be) to the respective number of ordinary shares held by them subject only to such exclusion or other arrangements as the Directors of the Company may consider appropriate to deal with fractional entitlements or legal and practical difficulties under the laws of, or the requirements of any recognised regulatory body in any, territory; and
- b. The allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal amount of £111,798 representing approximately 5% of the current issued share capital of the Company, and shall expire on the date of the next annual general meeting of the Company or (if earlier) the date which is 6 months after the next accounting reference date of the Company, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired."

12. To consider and, if thought fit, pass the following Resolution which will be proposed as a special resolution:

“**THAT**, the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 693 of the Act) of Ordinary Shares provided that:

- a. the maximum number of Ordinary Shares which may be purchased is 894,382 (representing 10% of the Company’s issued share capital);
- b. the minimum price which may be paid for each Ordinary Share is 25p;
- c. the maximum price which may be paid for each Ordinary Share is an amount equal to 105% of the average of the middle market quotations for an Ordinary Share as derived from the Daily Official List of London Stock Exchange plc for the 5 business days immediately preceding the day on which the Ordinary Share in question is purchased;
- d. unless previously revoked or varied, the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company to be held in 2013 or, if earlier, on the date which is 12 months after the date of the passing of this Resolution; and
- e. the Company may make a contract or contracts to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which contract or contracts will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of Ordinary Shares in pursuance of any such contract or contracts.”

13. To consider and, if thought fit, pass the following Resolution which will be proposed as a special resolution:

“**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



KATIE SINCLAIR
Company Secretary
Date: 12 November 2014

Old Croft
Stanwix
Carlisle
CA3 9BA

How to get to the Crown Hotel

Crown Hotel, Wetheral, Carlisle, CA4 8ES

From the M6 Travelling North

Leave M6 at Junction 42. At the roundabout at the top of the slip road, take the third exit, the B6263, signed Wetheral. Stay on this road for about two miles, passing through Cumwhinton, until you reach Wetheral. Just after the village green, turn right by the general store. Take the next left turn into the hotel car park.

From the M6 Travelling South

Leave M6 at Junction 43. At the roundabout at the top of the slip road, take the A69 towards Brampton and Newcastle. After about three quarters of a mile, turn right onto the B6263 to Wetheral. Once in the village, turn left at the village store, before the village green. Take next left into the hotel car park.

Rail

The Crown Hotel is only a couple of minutes' walk from Wetheral train station, which is on the main Carlisle - Newcastle Line.

Bus

The Hotel is situated just around the corner from the local bus route which runs on an hourly basis to and from Carlisle.



Old Croft, Stanwix
Carlisle CA3 9BA

www.carrs-milling.com