WOLSELEY

Notice of Annual General Meeting

Tuesday, 1 December 2015

at 3.00pm Swiss time to be held at

Parkhotel, Industriestrasse 14, CH-6304 Zug, Switzerland

with an audio-visual link to the Meeting at 2.00pm UK time at the offices of Freshfields Bruckhaus Deringer LLP, 26-28 Tudor Street, London EC4Y 0BQ, UK

This document is important and requires your immediate attention.

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, bank manager, solicitor or accountant or other independent professional adviser duly authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom, or another appropriately authorised independent adviser if you are in a territory outside the United Kingdom.

If you have sold or otherwise transferred all of your shares in Wolseley plc, you should pass this Notice of Annual General Meeting and the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer so that they can pass these documents on to the person who now owns the shares.

A Form of Proxy for use at the Annual General Meeting is enclosed with this Notice. To be valid, Forms of Proxy must be completed and returned in accordance with the instructions printed thereon so as to be received by the Company's Registrar, Equiniti, as soon as possible and in any event not later than 29 November 2015 at 3.00pm Swiss time (2.00pm UK time), being 48 hours before the time appointed for holding the Annual General Meeting.

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of Wolseley plc, which is set out on page 3 of this document and which recommends that you vote in favour of the Resolutions to be proposed at the Annual General Meeting. The Resolutions will be voted on by way of poll.

Definitions

The following definitions apply throughout this document and the accompanying form of proxy unless the context otherwise requires.

"ADR"	an American depositary receipt evidencing any number of ADSs, issued by the ADR Depositary in accordance with the provisions of the ADR Deposit Agreement
"ADR Deposit Agreement"	the deposit agreement entered into between the Company, the ADR Depositary and holders from time to time of ADRs issued under it
"ADR Depositary"	Deutsche Bank Trust Company Americas in its capacity as the ADR depositary under the ADR Deposit Agreement
"ADS" or "American Depositary Share"	an American depositary share, representing one tenth of an Ordinary Share in the Company
"Annual General Meeting" or "Meeting" or "AGM"	the Annual General Meeting of the Company convened for 3.00pm (Swiss time) on Tuesday, 1 December 2015 (and any adjournment thereof)
"Articles"	the Articles of Association of the Company
"Company"	Wolseley plc
"CREST"	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK & Ireland is the Operator (as defined in the CREST Regulations)
"CREST Regulations"	the Companies (Uncertificated Securities) (Jersey) Order 1999
"Directors"	the directors of the Company
"Dividend"	the proposed final ordinary dividend of 60.50 pence per Ordinary Share in issue at the Record Date
"DRIP" or "Dividend Reinvestment Plan"	the dividend reinvestment plan operated by the Company
"Form of Proxy"	the form of proxy enclosed with this document for use at the Annual General Meeting
"Notice"	the notice of the Annual General Meeting set out on pages 4 and 5 of this document
"Ordinary Shares"	the issued ordinary shares of $10\frac{53}{66}$ pence each in the capital of the Company
"Record Date"	5.00pm (UK time) on Friday, 23 October 2015
"Resolutions"	the resolutions set out in the Notice

Expected timetable of principal events

	2015
Ordinary Shares marked ex-entitlement to the Dividend	22 October
Record date for entitlement to the Dividend	5.00pm (UK time) on 23 October
Latest time and date for election to participate in the DRIP for the Dividend	5.00pm (UK time) on 12 November
Latest time and date for receipt by the ADR Depositary of completed voting instruction cards from holders of ADRs	3.00pm (New York time) on 23 November
Latest time and date for receipt of Forms of Proxy from shareholders	3.00pm on 29 November
Annual General Meeting	3.00pm on 1 December
Payment of the Dividend to shareholders	3 December
Purchase of Ordinary Shares for participants in the DRIP in respect of the Dividend	3 December
Ordinary Shares purchased pursuant to the DRIP in respect of the Dividend credited to CREST accounts	8 December

Notes:

(1) References to times in this document are to Swiss time unless otherwise stated. Unless the context requires otherwise, capitalised terms used in this document shall have the meanings given to them in Part III (Definitions) of this document.

(2) If any of the above times and/or dates change, the revised times and/or dates will be notified to shareholders by an announcement to a Regulatory Information Service.

Dear Shareholder

Annual General Meeting

I am pleased to enclose the Notice convening the forthcoming Annual General Meeting for shareholders of Wolseley plc, which will be held on Tuesday, 1 December 2015. The AGM will be at Parkhotel, Industriestrasse 14, CH-6304 Zug, Switzerland, and will commence at 3.00pm, Swiss time. For the convenience of our shareholders who are unable to travel to Zug, an audio-visual link to the Meeting is proposed to be available at the offices of Freshfields Bruckhaus Deringer LLP, 26-28 Tudor Street, London EC4Y 0BQ, United Kingdom, commencing at 2.00pm, UK time.

The Directors will be in Zug. Shareholders attending the venue in London will be able to see and hear the proceedings of the AGM in Zug and will have the opportunity to ask the Directors questions about the business of the Meeting and about the Company via the audio-visual link. Shareholders attending the venue in London will not be regarded as present at the AGM (or any adjournment thereof) and will therefore not be entitled to vote at the Meeting. A failure of the audio-visual link will not in any way affect the validity of the proceedings of the AGM which shall continue in Zug.

If you are a shareholder who will be attending at the venue in London, I would urge you to vote in advance of the Meeting by completing and submitting your Form of Proxy so as to be received as soon as possible and in any event by no later than 3.00pm, Swiss time (2.00pm, UK time) on 29 November 2015. Further details are given on page 9 of this document.

Details of the locations of the Meeting in Zug and of the venue in London can be found on page 12 of this document.

The business to be considered at the AGM is set out in the Notice, which you can find on pages 4 and 5 of this document. Explanatory notes on each Resolution to be considered at the AGM appear on pages 7 to 9 of this document.

Final Dividend

Shareholders are being asked to approve a final dividend of 60.50 pence per Ordinary Share for the financial year ended 31 July 2015. If approved, the final dividend will be paid on 3 December 2015 to all shareholders who were on the register of members of the Company at 5.00pm (UK time) on 23 October 2015.

2016 Buy-Back Programme

On 29 September 2015, the Company announced its intention to commence a £300 million share repurchase programme to be completed over the twelve-month period to September 2016 (the "2016 Buy-Back Programme"), reflecting the Group's strong financial position and management's confidence in the business. The 2016 Buy-Back Programme will be carried out using the authority for the Company to purchase its own shares approved by shareholders at the last AGM and, if passed, the authority for the Company to purchase its own shares set out in Resolution 20.

The Board of Directors

I would like to draw your attention to Resolutions 5 to 14 which relate to the re-election of our Directors. In accordance with the UK Corporate Governance Code, all Directors will be standing for re-election this year. A brief summary of the skills and experience of each Director is set out on page 6 of this document. More in-depth biographies can be found in our Annual Report and Accounts for the year ended 31 July 2015 on pages 54 and 55. Each of the Directors being proposed for re-election has been subject to a performance evaluation. Each Director is considered to be effective in their role and to be committed to making available the appropriate time for Board meetings and other duties. Further details of the performance evaluation are set out in the Governance report on page 62 of the 2015 Annual Report and Accounts. I believe that each of the re-appointments in Resolutions 5 to 14 (inclusive) is in the best interests of the Company.

Actions to be taken by shareholders

All Resolutions for consideration at the Meeting will be decided on a poll rather than on a show of hands. This means that each shareholder has one vote for every Ordinary Share held.

Although we like as many shareholders as possible to attend our AGM, I do appreciate that this is not always possible. However, even if you are not able to attend the AGM in Zug in person your vote is still important. If you are not able to attend the AGM in Zug in person, or you are attending the venue in London, I would encourage you, regardless of the number of Ordinary Shares you own, to complete, sign and return the accompanying Form of Proxy to our Registrar as soon as possible but, in any event, so as to be received by no later than **3.00pm, Swiss time, (2.00pm, UK time), on 29 November 2015**. Alternatively, you may also register your proxy appointment(s) and voting instructions electronically. Please refer to the notes to the Notice set out on pages 7 to 10 of this document for further details of how to appoint a proxy or proxies, the deadlines for submission and also how to vote electronically. Registration of a proxy appointment will not prevent you from attending and voting at the Meeting if you so wish. CREST members may also choose to use the CREST electronic proxy appointment service in accordance with the procedures set out in the notes to the Notice. Holders of American Depositary Shares may give voting instructions to the ADR Depositary by completion of a separate voting instruction card sent to such holders.

Recommendation

Your Board considers that all of the proposed Resolutions set out in the Notice to be put to the AGM are in the best interests of the Company and its shareholders as a whole. Accordingly, the Directors unanimously recommend that shareholders vote in favour of the Resolutions, as they intend to do in respect of their own beneficial holdings of 264,512 Ordinary Shares which, as at 21 October 2015 (being the latest practicable date prior to publication of this document), represented 0.10 per cent. of the total issued share capital of the Company, excluding treasury shares.

Questions and answers

The AGM provides an opportunity for you to ask questions about the business of the Meeting and to raise other matters about the business of the Company. I will endeavour to ensure that discussions are kept relevant and that as many shareholders as possible have the opportunity to speak. If you are unable to attend the Meeting in Zug or the venue in London, or you would otherwise like to ask questions about the business to be considered at the Meeting, we would like to hear from you in advance of the AGM. Please send such questions to me at AGM2015@wolseley.com.

Whilst we cannot answer questions individually, we will endeavour to publish responses to the topics most frequently raised by such questions on our website in advance of the AGM, as well as making copies of such responses available at the AGM in Zug and at the venue in London. I do hope that you will be able to attend our AGM and I look forward to seeing as many of you as possible.

Yours sincerely



Gareth Davis Chairman

Wolseley plc
Registered No. 106605, Jersey

Corporate Headquarters:
Grafenauweg 10
CH-6301 Zug
Switzerland

Registered office:
26 New Street
St Helier
Jersey JE2 3RA
Channel Islands

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting (the "AGM") of Wolseley plc (the "Company") will be held at Parkhotel, Industriestrasse 14, CH-6304 Zug, Switzerland, on Tuesday, 1 December 2015 at 3.00pm (Swiss time), with an audio-visual link to the AGM proposed to be available at the offices of Freshfields Bruckhaus Deringer LLP, 26-28 Tudor Street, London EC4Y 0BQ, United Kingdom at 2.00pm (UK time).

Shareholders attending the venue in London will not be regarded as present at the AGM (or any adjournment thereof) and will therefore not be entitled to vote at the AGM. A failure of the audio-visual link will not in any way affect the validity of the proceedings of the AGM which shall continue in Zug.

You will be asked to consider and, if thought fit, to pass the resolutions set out below (the "Resolutions"), of which Resolutions numbered 1 to 18 (inclusive) and 21 will be proposed as ordinary resolutions and Resolutions numbered 19 and 20 will be proposed as special resolutions.

As a member of the Company, you are entitled to appoint a proxy or proxies to exercise all or any of your rights to attend, speak and vote at the AGM.

Ordinary Resolutions

Resolution 1
To receive the Company's Annual Report and Accounts, the related Directors' report and Auditors' report and the Company's strategic report for the financial year ended 31 July 2015.

Resolution 2
To approve the Directors' Remuneration Report (other than the Remuneration Policy referred to in Resolution 3) as contained in the Company's Annual Report and Accounts for the financial year ended 31 July 2015.

Resolution 3
To approve the Remuneration Policy set out on pages 79 to 90 of the Directors' Remuneration Report contained within the Company's Annual Report and Accounts for the financial year ended 31 July 2015 which will take effect from the date on which this Resolution is passed.

Resolution 4
To declare a final dividend of 60.50 pence per ordinary share for the financial year ended 31 July 2015.

Resolution 5
To re-elect Ms Tessa Bamford as a Director of the Company.

Resolution 6
To re-elect Mr John Daly as a Director of the Company.

Resolution 7
To re-elect Mr Gareth Davis as a Director of the Company.

Resolution 8
To re-elect Ms Pilar López as a Director of the Company.

Resolution 9
To re-elect Mr John Martin as a Director of the Company.

Resolution 10
To re-elect Mr Ian Meakins as a Director of the Company.

Resolution 11
To re-elect Mr Alan Murray as a Director of the Company.

Resolution 12
To re-elect Mr Frank Roach as a Director of the Company.

Resolution 13
To re-elect Mr Darren Shapland as a Director of the Company.

Resolution 14
To re-elect Ms Jacqueline Simmonds as a Director of the Company.

Resolution 15
To appoint Deloitte LLP as the Company's auditors, until the conclusion of the next annual general meeting of the Company.

Resolution 16
To authorise the Directors to agree the remuneration of the Company's auditors.

Resolution 17
That the Company, and any company which is or becomes its subsidiary during the period to which this Resolution relates, be authorised pursuant to Articles 210 and 211 of the Company's Articles of Association, during the period commencing on the date of this Resolution and ending on the date of the Company's next annual general meeting, to:

17.1 make political donations to political parties and/or independent election candidates;

17.2 make political donations to political organisations other than political parties; and

17.3 incur political expenditure,

provided that in each case any such donations and expenditure made by the Company or by any such subsidiary shall not exceed £125,000 per company and together with those made by any such subsidiary and the Company shall not exceed in aggregate £125,000.

Resolution 18
To renew the power conferred on the Directors pursuant to Article 12 of the Company's Articles of Association (the "Articles") to allot or sell Equity Securities (as defined in the Articles), and for that purpose, the Authorised Allotment Amount (as defined in the Articles) shall be an aggregate nominal amount of up to £9,248,490 and in addition the Authorised Allotment Amount shall be increased by an aggregate nominal amount of up to £9,248,490, provided that the Directors' power in respect of such latter amount may only be used in connection with a pre-emptive issue (as defined in the Articles). This authority shall, unless previously revoked or varied, expire at the conclusion of the Company's next annual general meeting (or, if earlier, at the close of business on the date which is 15 months after the date of the passing of this Resolution) save that the Directors may, before such expiry, make offers or agreements (whether or not conditional) within the terms of this authority which would or might require Equity Securities to be allotted or sold after such expiry, and the Directors may allot or sell Equity Securities pursuant to such offers or agreements as if the authority conferred on them hereby had not expired.

Special Resolutions

Resolution 19

That, subject to and conditionally upon the passing of Resolution 18, the Directors be empowered pursuant to Article 12.4 of the Company's Articles of Association (the "Articles") to allot or sell Equity Securities (as defined in the Articles) wholly for cash as if Article 13 of the Articles (Pre-emption rights) did not apply and for the purposes of paragraph (b) of Article 12.4 of the Articles, the Non Pre-emptive Amount (as defined in the Articles) shall be an aggregate nominal value of up to £1,387,273. This authority shall, unless previously revoked or varied, expire at the conclusion of the Company's next annual general meeting (or, if earlier, at the close of business on the date which is 15 months after the date of the passing of this Resolution), save that the Directors may before such expiry make offers or agreements (whether or not conditional) within the terms of this authority which would or might require Equity Securities to be allotted or sold after such expiry and the Directors may allot or sell Equity Securities pursuant to such offers or agreements as if the authority conferred on them hereby had not expired.

Resolution 20

That, pursuant to Article 57 of the Companies (Jersey) Law 1991, the Company be and is hereby generally and unconditionally authorised to make market purchases of its ordinary shares, provided that:

20.1 the maximum number of ordinary shares hereby authorised to be purchased is 25,683,046 ordinary shares of $10^{53}/_{66}$ pence;

20.2 the minimum price (exclusive of expenses) which may be paid for each ordinary share is $10^{53}/_{66}$ pence (being the nominal value of an ordinary share);

20.3 the maximum price (exclusive of expenses) which may be paid for each ordinary share is the higher of:

(a) an amount equal to 105 per cent. of the average of the middle market quotations of an ordinary share of the Company as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day 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 as derived from the London Stock Exchange Trading System;

20.4 the power hereby granted shall expire at the conclusion of the next annual general meeting of the Company or 18 months from the date of the passing of this Resolution (whichever is earlier);

20.5 a contract to purchase shares under this authority may be made prior to the expiry of this authority and concluded in whole or in part after the expiry of this authority; and

20.6 pursuant to Article 58A of the Companies (Jersey) Law 1991, the Company may hold as treasury shares any ordinary shares purchased pursuant to the authority conferred in this Resolution.

Ordinary Resolution

Resolution 21

That the Wolseley Group Long Term Incentive Plan 2015 (the "LTIP"), the principal terms of which are set out in the Appendix to the Notice of AGM and the rules of which are produced to this Meeting and, for the purposes of identification, initialled by the Chairman of the Meeting, be approved and adopted, and the Directors be authorised to do all acts and things which they may consider necessary or desirable to carry the LTIP into effect (including, without limitation, making any amendments to the rules of the LTIP or establishing any sub-plans or appendices to take account of tax, exchange control, securities law, regulatory or other legal issues in particular jurisdictions).

By order of the Board



Graham Middlemiss
Group Company Secretary

23 October 2015

Wolseley plc
Registered No. 106605, Jersey

Corporate Headquarters:
Grafenauweg 10
CH-6301 Zug
Switzerland

Registered office:
26 New Street
St Helier
Jersey JE2 3RA
Channel Islands

Directors' details

Tessa Bamford

Non Executive Director

Joined March 2011

Member of the Audit, Remuneration and Nominations Committees.

Ms Bamford has extensive City experience having held senior advisory roles in both the UK and USA across a range of sectors. Ms Bamford is a consultant at Spencer Stuart and a Non Executive Director of Barratt Developments plc.

John Daly

Non Executive Director

Joined May 2014

Member of the Audit, Remuneration and Nominations Committees.

Mr Daly has considerable business and management experience in a variety of senior leadership roles in major international plcs. Mr Daly is also a Non Executive Director of Britvic plc, G4S plc and Reynolds American Inc.

Gareth Davis

Non Executive Director and Chairman (from January 2011)

Joined July 2003

Chairman of the Nominations Committee and member of the Major Announcements Committee.

Mr Davis has extensive international board and general management experience, having served on various company boards for many years. Mr Davis is Chairman of William Hill PLC and of DS Smith Plc.

Pilar López

Non Executive Director

Joined January 2013

Member of the Audit, Remuneration and Nominations Committees.

Ms López has strong financial and international experience within global businesses. Ms López is Country Manager for Microsoft Spain.

John Martin

Chief Financial Officer

Joined April 2010

Chairman of the Major Announcements, Disclosure and Treasury Committees and a member of the Executive Committee.

Mr Martin has extensive operational and financial management experience. Mr Martin also has significant experience of cost control, driving productivity, finance and systems transformation programmes, leading business expansion projects, acquisitions, disposals, capital efficiency, tax, treasury and compliance activities.

Ian Meakins

Group Chief Executive

Joined July 2009

Chairman of the Executive Committee. Member of the Major Announcements, Treasury and Disclosure Committees.

Mr Meakins has broad international board and general management experience in brand, retail and wholesale distribution management; strategic vision and extensive operational leadership. Mr Meakins is a Non Executive Director of Centrica plc.

Alan Murray

Non Executive Director

Joined January 2013

Member of the Audit, Remuneration and Nominations Committees and Senior Independent Director.

Mr Murray has considerable international operational experience and extensive executive management experience within global businesses. Mr Murray is a Non Executive Director of Owens-Illinois, Inc and a member of the Supervisory Board of HeidelbergCement AG.

Frank Roach

Chief Executive Officer, USA

Joined December 2005

Member of the Executive Committee.

Mr Roach has strong business and operational leadership skills; extensive experience of management of subsidiaries and joint ventures and business development; as well as wide ranging sales experience. He is responsible for all of the North America businesses and devotes his time primarily to the future development of Ferguson Enterprises Inc, in the USA.

Darren Shapland

Non Executive Director

Joined May 2014

Chairman of the Audit Committee from 25 November 2014 and member of the Remuneration and Nominations Committees.

Mr Shapland has considerable operational and financial experience, having had a long career in retail running the finance functions of large plcs and holding directorships at international companies. Mr Shapland is Chairman of Poundland Group plc, Notonthehighstreet.com, Topps Tiles plc and Maplin Electronics Limited.

Jacqueline Simmonds

Non Executive Director

Joined May 2014

Chair of the Remuneration Committee and member of the Audit and Nominations Committees.

Ms Simmonds has extensive executive remuneration and human resources experience with large international businesses.

Explanatory notes

Resolutions 1 to 18 (inclusive) and 21 are proposed as ordinary resolutions, which means that for each of those Resolutions to be passed, more than half the votes cast must be cast in favour of the Resolution. Resolutions 19 and 20 are proposed as special resolutions, which means that for each of those Resolutions to be passed, at least three-quarters of the votes cast must be cast in favour of the Resolution.

Resolution 1 – Annual Report and Accounts

The Directors are required to present to shareholders at the Annual General Meeting the Company's audited accounts, the strategic report and the Directors' and Auditors' reports for the financial year ended 31 July 2015.

Resolutions 2 and 3 – Directors' Remuneration Report and Remuneration Policy

Although not required by Jersey law, as a matter of good governance the Company puts before shareholders in the Annual General Meeting separate resolutions to approve the Directors' Remuneration Report (other than the Remuneration Policy) and the Remuneration Policy. The Directors' Remuneration Report for the financial year ended 31 July 2015 is set out on pages 77 to 102 of the 2015 Annual Report and Accounts and includes a table containing details of the Directors' emoluments. The Company's auditors, PricewaterhouseCoopers LLP, have audited those parts of the Directors' Remuneration Report capable of being audited and their report may be found on page 166 of the 2015 Annual Report and Accounts.

In addition, although not required by Jersey law, the Directors' Remuneration Report includes certain disclosures required under the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended): the remuneration reporting regulations which apply to UK incorporated quoted companies ("Remuneration Reporting Regulations"). Such disclosures include a remuneration table showing a single figure of pay for each Director who served during the 2014/2015 financial year and charts giving an indication of the level of remuneration that could be received by Executive Directors in accordance with the Remuneration Policy in respect of minimum on target and maximum performance.

The vote on the Directors' Remuneration Report (other than the Remuneration Policy) is advisory.

Following a period of consultation with shareholders, the Company is proposing to change its Remuneration Policy this year. The new Remuneration Policy is set out on pages 79 to 90 of the Directors' Remuneration Report contained within the Annual Report and Accounts for the financial year ended 31 July 2015. It sets out the Company's policy on remuneration and potential payments to Directors going forward. As the Company is not UK-incorporated, the provisions contained within the Remuneration Reporting Regulations and the relevant provisions of the UK Companies Act have no legal effect. However, the Company has taken steps to limit the power of the Remuneration Committee so that, with effect from the date on which the Remuneration Policy is approved, the Committee can only authorise remuneration payments or payments for loss of office in respect of the Chairman and the Executive Directors that it honestly and reasonably believes are consistent with the Remuneration Policy as approved by shareholders. In that way the Company considers the vote of shareholders on the Remuneration Policy to be binding in its application to the Chairman and Executive Directors.

If approved by the shareholders, the Remuneration Policy will be subject to a vote by ordinary resolution at least every three years, except in the event that a change to the Remuneration Policy is proposed or the vote on the Directors' Remuneration Report is not passed in any year subsequent to the approval of the Remuneration Policy in which case the Remuneration Policy will be subject to a vote by ordinary resolution at the following AGM.

Resolution 4 – Final dividend

The Board is recommending a final dividend for the financial year ended 31 July 2015 of 60.50 pence per ordinary share which can only be paid after the shareholders at a general meeting have approved it. If approved at the AGM, the final dividend will be paid on 3 December 2015 to shareholders on the register of members of the Company at 5.00pm (UK time) on 23 October 2015.

Resolutions 5 to 14 – Re-election of Directors

All Directors are standing for annual re-election in line with the recommendation of the UK Corporate Governance Code, proposed through separate Resolutions numbered 5 to 14 (inclusive).

It is the view of the Chairman that the performance of each of the Directors continues to be effective and that each Director demonstrates commitment to the role, has sufficient time to meet his or her commitment to the Company and has individual skills and experience which are relevant and beneficial to support the Board in fulfilling its duties. A summary of the skills and experience of each of the Directors is set out on page 6 of this document.

Resolutions 15 and 16 – Appointment and remuneration of Auditors

The Company is required to appoint auditors at each general meeting at which accounts are presented to shareholders. During the year a full and thorough tender process for the audit contract was conducted, details of which can be found on pages 68 and 69 of the 2015 Annual Report and Accounts. Resolution 15 proposes that Deloitte LLP be appointed in place of PricewaterhouseCoopers LLP as the Company's auditors until the conclusion of the next annual general meeting. It is normal practice for a company's directors to be authorised to determine the level of the auditors' remuneration for the ensuing year. Resolution 16 proposes to give such authority to the Directors.

Resolution 17 – Political donations

This Resolution enables the Directors to incur expenditure of up to £125,000 in aggregate in respect of the activities identified in the relevant provisions of Resolution 17 (including any such expenditure by a subsidiary company) without unintentionally breaching the provisions of the Articles. It is not proposed or intended to alter the Company's policy of not making political donations, within the normal meaning of that expression. However, without the authorisation contained in this Resolution, some of the Company's activities may inadvertently fall within the prohibition contained in the Company's Articles and the Company's ability to communicate its views effectively to political audiences and to relevant interest groups could be inhibited. The authority sought will, if granted, last until the conclusion of the next annual general meeting of the Company when the Directors intend to seek renewal of this authority. The Company will continue its policy of not giving any cash contributions to any political party. Any expenditure which may be incurred under the authority of this Resolution will be disclosed in next year's Annual Report and Accounts.

Resolution 18 – Authority to allot shares

The Company's Directors may only allot or sell Equity Securities (as defined in the Articles) if authorised to do so by shareholders. The authority conferred on the Directors at the last annual general meeting to allot Equity Securities expires on the date of the forthcoming AGM. This Resolution will give authority for the Directors to allot or sell Equity Securities (including any held in treasury) in accordance with the latest guidelines issued by the Investment Association ("IA") and Article 12 of the Articles:

(a) up to a maximum aggregate nominal amount of £9,248,490 representing one-third of the total issued ordinary share capital (excluding treasury shares) as at 21 October 2015 (being the latest practicable date before the publication of this document) without restriction; and

(b) the same amount again, but only in respect of a pre-emptive issue to existing shareholders by way of a rights issue or similar offer (with exclusions to deal with fractional entitlements to shares and overseas shareholders to whom the rights issue cannot be made due to legal and practical problems).

In accordance with the IA guidance, this authority shall expire at the conclusion of the Company's next annual general meeting (or, if earlier, at the close of business on the date which is 15 months after the date of the passing of this Resolution). Other than for the purposes of the Company's employee share plans, the Directors have no present intention of exercising this authority. However, it is considered prudent to maintain the flexibility that this authority provides.

The Company's Directors intend to renew this authority annually. As at 21 October 2015, being the latest practicable date before the publication of this document, the Company held 9,774,919 shares in treasury which represented 3.81 per cent. of the total issued share capital of the Company (excluding treasury shares).

Resolution 19 – Dis-application of pre-emption rights

This is a special resolution. Pursuant to Article 13 of the Articles, if the Directors wish to allot Equity Securities (as defined in the Articles) wholly for cash or to sell or transfer shares out of treasury wholly for cash, they must in the first instance offer them to existing shareholders in proportion to their holdings. However, there may be occasions when the Directors need flexibility to finance business opportunities by the issue of shares without a pre-emptive offer to existing shareholders. This cannot be done under the Articles unless the shareholders have first waived their pre-emption rights.

This Resolution will therefore empower the Directors to allot Equity Securities, pursuant to the authority granted under Resolution 18 above, wholly for cash, and to sell or transfer shares out of treasury wholly for cash, without application of the pre-emption rights contained in Article 13 of the Articles. Other than in connection with a rights issue, scrip dividend or other similar issue, the authority contained in this Resolution will be limited to an aggregate nominal value of £1,387,273 which represents approximately 5 per cent. of the issued ordinary share capital of the Company (excluding treasury shares) as at 21 October 2015 (being the latest practicable date prior to the publication of this document). This authority will expire at the conclusion of the next annual general meeting of the Company (or, if earlier, at the close of business on the date which is 15 months after the date of passing of this Resolution). The Directors have no present intention of exercising this authority and, in accordance with the Pre-emption Group's Statement of Principles, the Directors further confirm that they have no present intention of issuing more than 7.5 per cent. of the total issued share capital on a non pre-emptive basis in any rolling three-year period.

Resolution 20 – Authority to purchase shares

This is a special resolution. This Resolution renews the existing authority, granted at the last annual general meeting, which expires on the date of the forthcoming AGM. In certain circumstances, it may be advantageous for the Company to purchase its own Ordinary Shares and this Resolution seeks authority to enable the Company to make market purchases of up to 25,683,046 of its own Ordinary Shares (being less than 10 per cent. of the issued ordinary share capital of the Company (excluding treasury shares) as at 21 October 2015 (being the latest practicable date prior to the publication of this document). The maximum price (exclusive of expenses) which may be paid for each share shall be an amount equal to the higher of (a) 105 per cent. of the average of the middle market quotations for an ordinary share in the Company derived from the London Stock Exchange Daily Official List for the five business days immediately prior to the day on which the 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 derived from the London Stock Exchange Trading System. The minimum price (exclusive of expenses) per share shall be $10^{53}/_{66}$ pence, being the nominal value of an Ordinary Share. The authority conferred by this Resolution will expire at the conclusion of the Company's next annual general meeting or, if earlier, the close of business on the date which is 18 months after the date of passing of this Resolution.

On 29 September 2015, the Company announced its intention to commence a £300 million programme to repurchase its own shares over the twelve-month period to September 2016 (the "2016 Buy-Back Programme") by way of on-market purchase. Subject to Resolution 20 being passed, the Directors intend to continue repurchasing shares pursuant to the 2016 Buy-Back Programme. The Directors will use this authority to purchase shares only after careful consideration (taking into account market conditions, other investment opportunities, appropriate gearing levels and the overall financial position of the Company). Further, the Directors intend to use this authority to buy back shares only if they believe that to do so would have a positive effect on earnings per share and would be in the best interests of shareholders taken as a whole.

Part 11 of the Companies (Jersey) Law 1991 allows shares repurchased by the Company to be held as treasury shares (rather than the Company having to cancel them). Treasury shares may be subsequently cancelled, sold or used to satisfy options issued to employees for the purpose of employee share schemes. No dividends will be paid on shares which are held as treasury shares and no voting rights will attach to them. As at 21 October 2015, being the latest practicable date before the publication of this document, the Company held 9,774,919 shares in treasury, and the Directors currently intend that any shares which are repurchased will be held in treasury as permitted by Part 11 of the Companies (Jersey) Law 1991.

As at 21 October 2015, being the latest practicable date before the publication of this document, there were outstanding share options and share awards to subscribe for unissued shares relating to 1,749,347 Ordinary Shares, which represents 0.68 per cent. of the Company's issued ordinary share capital (excluding treasury shares) at that date. If the authority to purchase the Company's shares were to be exercised in full, these share options and share awards would represent 0.76 per cent. of the issued ordinary share capital of the Company (excluding treasury shares).

Resolution 21 – Adoption of the Wolseley Group Long Term Incentive Plan 2015

Following a review of the Company's long term incentive arrangements, shareholders are being asked to approve the adoption of the Wolseley Group Long Term Incentive Plan 2015 (the "LTIP") under which the Company will grant its most senior executives awards which give them the right to receive Ordinary Shares (or ADRs) in the Company in the future subject to the satisfaction of stringent performance conditions measured over a three-year period. If the LTIP is adopted, no further awards will be made under the Wolseley Group Executive Share Option Plan 2012 or the Wolseley Group Long Term Incentive Plan 2012.

Recommendation

The Directors consider that each of these Resolutions is in the best interests of the Company and the shareholders as a whole and accordingly unanimously recommend that all shareholders vote in favour of all Resolutions, as the Directors intend to do in respect of their own beneficial holdings of 264,512 Ordinary Shares which, as at 21 October 2015 (being the latest practicable date prior to the publication of this document), represented 0.10 per cent. of the total issued share capital of the Company (excluding treasury shares).

Notes

1. Entitlement to attend and vote

1.1 All Resolutions at the AGM will be decided by a poll. The Company believes that this is a more transparent and equitable method of voting, as shareholder votes are counted according to the number of shares held, ensuring an exact and definitive result.

1.2 The Company, pursuant to the Companies (Uncertificated Securities) (Jersey) Order 1999, specifies that only those persons entered on the register of members of the Company as at 3.00pm, Swiss time (2.00pm, UK time), on 29 November 2015 (the "Specified Time") (or, if the AGM is adjourned, on the register of members of the Company 48 hours before the time of the adjourned meeting) shall be entitled to attend or vote at the AGM in respect of the number of shares registered in their name at that time. Subsequent changes to entries on the register of members of the Company after the Specified Time shall be disregarded in determining the rights of any person to attend or vote at the AGM.

2. Appointment of proxies

2.1 Shareholders entitled to attend and vote at the AGM convened by this Notice are entitled to appoint a proxy or proxies to exercise all or any of their rights to attend, speak and vote in their place at the Meeting. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A Form of Proxy, which may be used to make such appointment and give proxy instructions, accompanies this Notice and instructions for its use are shown on the Form of Proxy. The appointment of a proxy does not preclude members from attending the Meeting and voting if they so wish, however, if they do attend the AGM any proxy appointment will be treated as revoked. A shareholder may only appoint a proxy or proxies by:

(a) completing and returning the Form of Proxy accompanying this Notice in accordance with the instructions contained therein;

(b) going to **www.sharevote.co.uk** and following the instructions provided (see note 3 below); or

(c) using the CREST system (including CREST Personal Members), having an appropriate CREST message transmitted (see note 4 below).

2.2 The appointment of a proxy, and the original or duly certified copy of the power of attorney or other authority (if any) under which it is signed or authenticated, should be deposited with the Company's Registrar, Equiniti (Jersey) Limited, c/o Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA (the "Registrar") or received via the Sharevote service or lodged via the CREST proxy service (in each case) not later than 3.00pm, Swiss time (2.00 pm, UK time), on 29 November 2015 or 48 hours before the time appointed for holding any adjourned meeting. If more than one proxy appointment is returned in respect of the same holding of shares, either by paper or by electronic communication (save as described in note 2.1 above), that proxy received last by the Registrar before the latest time for the receipt of proxies will take precedence.

2.3 To appoint more than one proxy, you may either photocopy the Form of Proxy accompanying this document or contact the Company's Registrar, Equiniti, to request additional personalised forms.

2.4 Further instructions for appointing a proxy or proxies are contained in the explanatory notes to the Form of Proxy accompanying this Notice.

3. Electronic proxy voting

Shareholders may register the appointment of their proxy or proxies or voting directions electronically via the Sharevote service at **www.sharevote.co.uk**, where full details of the procedure are given. Shareholders are advised to read the terms and conditions of use carefully and will need the Reference Number, Card ID and Account Number set out on the Form of Proxy. Electronic communication facilities are available to all shareholders and those who use them will not be disadvantaged. The Company will not accept any communication that is found to contain a computer virus.

4. Electronic proxy appointment through CREST

CREST members who wish to appoint a proxy or proxies or to give or amend an instruction to a previously appointed proxy through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual or as set out on the Euroclear website (**www.euroclear.com**). CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Equiniti (ID 7RA01) by no later than 3.00pm, Swiss time (2.00pm, UK time), on 29 November 2015. 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 issuer's agent is able to retrieve the message. No such message received through the CREST network after this time will be accepted

and any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means.

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

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Article 34 of the Companies (Uncertificated Securities) (Jersey) Order 1999.

5. Corporate representatives

Any body corporate which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers, provided that if two or more representatives purport to exercise any power (including any vote) in respect of the same shares:

(a) if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way; and

(b) in other cases, the power is treated as not exercised.

6. Nominated persons

Any person to whom this Notice is sent, who is not a shareholder but is a person nominated by a shareholder under Article 73 of the Articles to enjoy information rights (a "nominated person"), may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a nominated person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statement of the rights of shareholders in relation to the appointment of proxies in notes 2 to 4 above does not apply to nominated persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.

7. Voting rights

As at 21 October 2015, being the latest practicable date prior to the publication of this document, the Company's issued share capital consisted of 266,605,384 Ordinary Shares with each Ordinary Share carrying one vote, except for any shares held in treasury.

The Company held 9,774,919 shares in treasury and therefore the total number of voting rights in the Company as at 21 October 2015 is 256,830,465.

8. Inspection of documents

The following documents will be available for inspection during normal business hours from the date of this Notice until the time of the AGM at each of the Company's registered office (26 New Street, St Helier, Jersey JE2 3RA, Channel Islands), the corporate headquarters of the Company (Grafenauweg 10, CH-6301 Zug, Switzerland) and the Group Services office (Parkview 1220, Arlington Business Park, Theale, Reading RG7 4GA, United Kingdom), and from 15 minutes before the AGM starts until it ends at Parkhotel, Industriestrasse 14, CH 6304 Zug, Switzerland, and at the offices of Freshfields Bruckhaus Deringer LLP, 26-28 Tudor Street, London EC4Y 0BQ, United Kingdom:

- copies of the Executive Directors' service contracts;
- copies of letters of appointment of the Non Executive Directors; and
- copies of letters of indemnity for each of the Directors.

Copies of the rules of the proposed Wolseley Group Long Term Incentive Plan 2015 will be available for inspection during normal business hours from the date of this Notice until the end of the AGM at the offices of Freshfields Bruckhaus Deringer LLP, 26-28 Tudor Street, London EC4Y 0BQ, United Kingdom, and from 15 minutes before the AGM starts until it ends at Parkhotel, Industriestrasse 14, CH 6304 Zug, Switzerland.

9. Shareholders' statement

Shareholders should note that it is possible that, pursuant to requests made by shareholders of the Company under the Articles, the Company may be required to publish on a website a statement setting out:

(a) any matter relating to the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM; or

(b) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting of the Company at which annual accounts and reports were laid.

The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with such publication requirements. Where the Company is required to place a statement on a website under the Articles, 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 AGM includes any statement that the Company has been required under the Articles to publish on a website.

10. Addresses

Addresses, including electronic addresses provided in this Notice, are provided solely for the purposes so specified. You may not use any electronic address provided in this Notice to communicate with the Company for any purpose other than those expressly stated herein.

11. Website

A copy of this Notice, and the details of the total number of shares in issue and the total voting rights in the Company can be found at **www.wolseley.com**.

12. Holders of American Depositary Shares

Holders of ADRs who wish to attend the AGM in person should take steps to present their ADRs to the ADR Depositary for cancellation and (upon compliance with the terms of the ADR Deposit Agreement, including payment of the ADR Depositary's fees and any applicable taxes and governmental charges) delivery of Ordinary Shares so as to become registered members of the Company prior to the AGM.

AGM information

Time of the meeting

The AGM will start promptly at 3.00pm, Swiss time, on Tuesday, 1 December 2015 and therefore the audio-visual link to the AGM from the venue in London will start promptly at 2.00 pm, UK time, on Tuesday, 1 December 2015. If you are planning to attend the AGM in Switzerland or the venue in London, local maps are printed at the end of this document.

Attending the meeting

If you are attending the AGM in Switzerland or the audio-visual link to the AGM from the venue in London, please bring your attendance card with you. It authenticates your right to attend, speak and (in the case of attendance in Switzerland only) vote at the AGM and will speed your admission. You may also find it useful to bring this document and the 2015 Annual Report and Accounts in order that you may refer to them at the AGM. All joint shareholders may attend and speak at the AGM. However, in the case of shareholders who are in attendance in Switzerland, only the first shareholder listed on the register of members of the Company is entitled to vote. If for any reason the audio-visual connection to the venue in London is lost, this will not in any way affect the validity of the proceedings of the AGM which shall continue at the location specified in Switzerland.

Questions at the AGM

All shareholders and their proxies have the right to ask questions at the AGM and via the proposed audio-visual link from London (unless for some reason it ceases to be available). The Company must cause to be answered any such question relating to the business being dealt with at the AGM but no such answer need be given if (a) to do so would interfere unduly with the preparation of the AGM 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 AGM that the question be answered. The Chairman may also nominate a Company representative to answer a specific question after the AGM.

Not attending the meeting

Whoever you appoint as a proxy can vote, speak or abstain from voting as he or she decides on any other business which may validly come before the AGM. This includes proxies appointed using the CREST service. Details of how to complete the appointment of a proxy either electronically or on paper are given in the notes to the Notice and in the accompanying Form of Proxy.

Enquiries

Equiniti (Jersey) Limited maintain the Company's share register. If you have any enquiries about the Meeting or about your Wolseley plc shareholding, you may contact Equiniti:

by telephone to the shareholder helpline:

(from the UK) – 0371 384 2934
(from outside the UK) – +44 (0)121 415 7011

or in writing to:

Equiniti (Jersey) Limited
c/o Equiniti (8063)
PO Box 75
26 New Street
St Helier
Jersey JE4 8PP
Channel Islands

Deutsche Bank maintains the Company's sponsored Level I American Depositary Receipt facility. If you have any enquiries about your holding of Wolseley American Depositary Shares, you may contact Deutsche Bank:

by telephone to the shareholder helpline:

(within the US) – +1 800 937 5449 (toll-free)
(from outside the US) – +1 718 921 8124

or in writing to:

Deutsche Bank Trust Company Americas
c/o American Stock Transfer & Trust Company
Operations Center
6201 15th Avenue
Brooklyn,
NY 11219

Web enquiries: DB@amstock.com

You may also contact Wolseley plc at the following corporate address:

Grafenauweg 10
CH-6301 Zug
Switzerland
+41 (0)41 723 22 30

Data Protection Statement

Your personal data includes all data provided by you, or on your behalf, which relates to you as a shareholder, including your name and contact details, the votes you cast and your Reference Number (attributed to you by the Company). The Company determines the purposes for which and the manner in which your personal data are to be processed. The Company and any third party to whom it discloses the data (including the Company's Registrar) may process your personal data for the purposes of compiling and updating the Company's records, fulfilling its legal obligations and processing the shareholder rights you exercise.

Electronic communications

We are encouraging our shareholders to receive their shareholder information by email and via our website. Not only is this a quicker way for you to receive information, it helps us be more sustainable by reducing paper and printing materials and lowering our postage costs.

Registering for electronic shareholder communications is straightforward and is done online via **www.shareview.co.uk**, a website provided by our registrar Equiniti.

Through **www.shareview.co.uk** you can:

- set up electronic shareholder communication
- view your shareholdings
- update address details if you change address
- arrange for your dividends to be paid directly into your bank account.

Please do not use any electronic address in this document to communicate with Wolseley plc for any purpose other than those expressly stated.

Zug: AGM venue



Switzerland

Venue:	Parkhotel, Industriestrasse 14, CH-6304 Zug, Switzerland
Time:	3.00pm (Swiss time)
Location:	The Parkhotel is 27km away from Zurich airport
By train:	Take the train from Zurich airport to Zug – the Parkhotel is approximately 10 minutes' walk from Zug railway station

London: audio-visual link venue



London

Venue:	Freshfields Bruckhaus Deringer LLP, 26-28 Tudor Street, London EC4Y 0BQ, United Kingdom*
Time:	2.00pm (UK time)
By underground:	Approximately five minutes' walk from Blackfriars station and ten minutes' walk from Chancery Lane underground station
Car parking:	Nearby car parks include: Green Parking Ltd, Harmsworth House, Bouverie Street, London EC4Y 8DP (Booking recommended: 020 7356 0813) City of London Corporation, Baynard House car park, Queen Victoria Street, London EC4V 4BQ (Booking not possible)

* Please note that admission to the venue providing the audio-visual link to the Annual General Meeting is through the entrance in Tudor Street and not the main entrance to Freshfields Bruckhaus Deringer LLP at 65 Fleet Street, London EC4Y 1HS.

Appendix – Summary of the principal provisions of the Wolseley Group Long Term Incentive Plan 2015 (the "LTIP")

The LTIP is intended for the benefit only of senior executives of the Company and its subsidiaries. It includes an appendix specific to participants who are subject to US income taxation. Under the LTIP, eligible participants may be granted awards giving them the right to receive Ordinary Shares in the Company, or American Depositary Receipts evidencing American Depositary Shares, at a vesting date three years after the date of grant as long as such awards have met stringent performance conditions. In appropriate circumstances (for example, to take account of regulatory or securities laws), the Company may also grant awards that would be settled in cash. The proportion of an award that may vest will be determined by the extent to which the performance conditions are satisfied.

Performance conditions

It is proposed that the performance conditions for the first awards under the LTIP will be based as to one-third on the Company's Total Shareholder Return ("TSR") relative to a comparator group of companies comprising the FTSE 100 Index at the beginning of the performance period; as to one-third on the Company's headline Earnings per Share ("EPS") growth; and as to one-third on the Company's Cash Flow from operating activities ("OpCF"). The proposed targets for each performance condition and the consequent vesting levels for the first awards are as follows:

Vesting Level	TSR Ranking after 3 years	EPS Growth over 3 years	OpCF over 3 years
100%	Upper quartile	30% plus RPI	£2.65bn
25-100%	Between median and upper quartile	Between 9% and 30% plus RPI	Between £2.25bn and £2.65bn
25%	At median	9% plus RPI	£2.25bn
0%	Below median	Below 9% plus RPI	Below £2.25bn

Awards will vest on a straight-line basis for performance between the stated points.

The Remuneration Committee may vary the weighting given to the performance conditions or set different performance conditions for awards in subsequent years.

When measuring EPS and OpCF, the Remuneration Committee may adjust the EPS and OpCF figure if it considers it appropriate to ensure it reflects the underlying business performance of the Company.

Grant limits and forms of award

The maximum value of Ordinary Shares over which an award may be granted to an employee in any financial year is 350 per cent. of the employee's salary. Subject to the achievement of the applicable performance conditions, awards will normally vest automatically on the vesting date specified by the Board at the time of grant (which may be no earlier than the third anniversary of the date of grant) unless the participant has left employment before that date. Under the Company's shareholding guidelines executive directors are required to hold the after tax number of vested shares for a further two years (or until termination of employment if earlier).

Awards may be granted in the form of nil cost options which will be exercisable during the period from the date of vesting up to the tenth anniversary of the date of grant. For US employees, the exercise of awards or transfer of Ordinary Shares (or cash) must not occur later than 15 March in the calendar year following vesting. A participant may be entitled to dividend equivalent payments in respect of his award, in which case the number of Ordinary Shares which vest under an award may be increased to reflect the value of dividends accrued on Ordinary Shares during the vesting period or a cash sum of an equivalent value may be paid on vesting.

Cessation of employment

Awards normally lapse if a participant leaves employment. However, if the employment ends by reason of redundancy, injury, ill-health or disability, the sale of the company or business in which they work or for any reason at the Remuneration Committee's discretion, the participant's award may continue and vest on the original vesting date to the extent the performance condition has been met at such date, unless the Remuneration Committee determines that the award (or part of the award) should vest on the date on which the participant ceases to be employed. Awards will be time pro-rated unless the Remuneration Committee determines otherwise (that is, the number of Ordinary Shares to be delivered under the award will be determined by calculating the number of full months' completed employment since the date of grant as a proportion of the number of months in the normal vesting period). In the event a participant dies, then his award will vest immediately to the extent the performance condition has been met at such date and again will be time pro-rated unless the Committee in its discretion determines otherwise.

Corporate events

Awards will automatically vest following a takeover, scheme of arrangement or winding-up of the Company. The proportion of an award that will vest will be determined by the application of the applicable performance conditions at that time and the award will be time pro-rated unless the Remuneration Committee in its discretion determines otherwise. In certain circumstances, awards may be exchanged for equivalent awards over shares in an acquiring company.

Malus and clawback

Awards granted under the LTIP are subject to malus and clawback provisions for up to five years from the date of grant in the following circumstances:

i. a material financial misstatement of the Company's audited financial accounts;

ii. conduct by an executive which results in, or is reasonably likely to result in, significant reputational damage to the Company; or

iii. the negligence or gross misconduct of an executive,

and for an unlimited period of time where there is fraud effected by or with the knowledge of an executive.

Dilution limits

Ordinary Shares may be issued to satisfy awards granted under the LTIP. No award may be granted under the LTIP if it would cause the number of Ordinary Shares in the Company that have been issued pursuant to awards or options granted in the preceding 10 years under the Company's employee share plans (together with the number of ordinary shares in the capital of Wolseley Limited ("Old Wolseley"), that have been issued pursuant to awards or options granted in that same period under Old Wolseley's employee share plans), to exceed 5 per cent. of the Company's issued ordinary share capital at the proposed date of grant. This limit does not include awards or options which have lapsed and it does not relate to any Ordinary Shares purchased in the market (unless, for so long as it remains the recommended practice of institutional shareholders, they are transferred out of treasury).

Grant period

Awards under the LTIP may be granted within 42 days after the approval of the LTIP by shareholders in general meeting and thereafter, within 42 days after the announcement of the Company's results for any period, although they may be granted at other times if the Remuneration Committee considers that there are exceptional circumstances justifying a grant.

No award may be granted under the LTIP more than 10 years after the date the LTIP is approved by shareholders.

Variations of share capital

In the event of a variation in the share capital of the Company, including a rights issue or a sub-division or consolidation of the share capital, the number of shares (or ADSs) subject to the awards may be adjusted in such manner as the Remuneration Committee or Board may determine.

Amendments

The Remuneration Committee may amend the LTIP provided that the prior approval of the Company's shareholders in general meeting is obtained for any amendments which are to the advantage of participants and which relate to eligibility, the number of Ordinary Shares that may be issued under the LTIP, the maximum entitlement for a participant, the basis for determining a participant's entitlement to Ordinary Shares, the rights attaching to the Ordinary Shares and the adjustment of awards. Shareholders' approval is not required 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 the Company or any of its subsidiaries. No amendment may be made which would materially prejudice participants' interests without the prior consent of those participants who would upon vesting, be entitled to a majority of the Ordinary Shares under all outstanding awards.

Other provisions

Awards granted under the LTIP are personal to the participant and may not be transferred (except on death). Benefits under the LTIP are not pensionable. Any Ordinary Shares allotted or transferred on vesting or exercise of an award will rank equally with the Company's other ordinary shares (or, in the case of depositary shares, ADSs) then in issue. Application will be made for any Ordinary Shares allotted to be admitted to listing by the UK Listing Authority and to trading on the London Stock Exchange or in the case of ADSs, arrangements will be made for the issue of American depositary receipts traded on an appropriate US market.

The LTIP may be terminated or suspended at any time but any termination will not affect participants' subsisting rights.

WOLSELEY

Wolseley plc

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