FERGUSON

Notice of General Meeting of Ferguson plc

Wednesday, 23 May 2018

at 12.30pm Swiss time at IBZ Schulen AG, Landis + Gyr-Strasse 1, CH-6300 Zug, Switzerland with an audio-visual link to the Meeting at 11.30am UK time at The Lincoln Centre, 18 Lincoln's Inn Fields, London WC2A 3ED, United Kingdom is set out in Part IV of this document.

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.

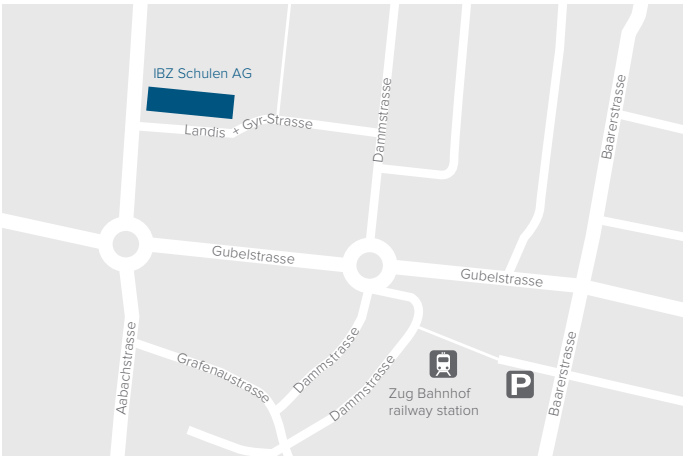
If you have sold or otherwise transferred all of your shares in Ferguson plc, you should pass this Notice of General Meeting and the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer so that they can pass these documents on to the person who now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

A Form of Proxy for use at the 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 12.30pm Swiss time (11.30am UK time) on 21 May 2018, being 48 hours before the time appointed for holding the General Meeting.

Application will be made to the UK Listing Authority for the New Ordinary Shares arising from the proposed Share Consolidation to be admitted to the premium segment of the Official List and to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that dealings in Existing Ordinary Shares will continue until 5.00pm (UK time) on 8 June 2018 and that Admission of the New Ordinary Shares will become effective and dealings for normal settlement will commence at 8.00am (UK time) on 11 June 2018.

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of Ferguson plc, which is set out on pages 4 and 5 of this document and which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting. The Resolutions will be voted on by way of poll.

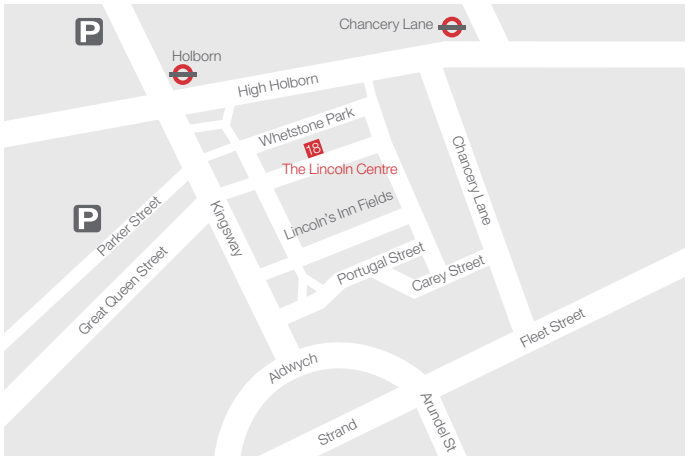
Zug, Switzerland: General Meeting venue



Zug

Venue:	IBZ Schulen AG, Landis + Gyr-Strasse 1, CH-6300 Zug, Switzerland
Time:	12.30pm (Swiss time)
Location:	IBZ Schulen AG is 45km away from Zurich airport
By train:	Take the train from Zurich airport to Zug – IBZ Schulen AG is approximately 10 minutes' walk from Zug railway station
Voting:	By proxy in advance of the meeting and voting in person at the meeting Voting will be on a poll, one vote for every share held Further details about how to vote are given on pages 15 and 16 of this document
Attendance:	Please bring your attendance card with you All joint Shareholders may attend and speak
Ferguson presence:	Board of Directors of Ferguson plc and executive management

London, UK: Audio-visual link venue



London

Venue:	The Lincoln Centre, 18 Lincoln's Inn Fields, London WC2A 3ED United Kingdom
Time:	11.30am (UK time)
Underground:	Approximately 10 minutes' walk from Holborn, Chancery Lane and Covent Garden underground stations
Car parking:	Nearby car parks include: Lincoln's Inn Visitors' Car Park, Lincoln's Inn Fields, London WC2A 3TL (booking not possible) NCP Covent Garden, Parker Street, Parker Mews, London WC2B 5NT (booking online recommended: www.ncp.co.uk)
Voting:	By proxy in advance of the meeting only You will not be able to vote at the London venue Further details about how to vote are given on pages 15 and 16 of this document
Attendance:	Please bring your attendance card with you All joint Shareholders may attend and speak
Ferguson presence:	Company representatives available to answer questions. Directors available via audio-visual link

Part		Page
PART I	Letter from the Chairman	4
PART II	Information about the Special Dividend and the Share Consolidation	6
PART III	Definitions	11
PART IV	Notice of General Meeting	13

Expected timetable of principal events 2018

Latest time and date for receipt of Forms of Proxy from Shareholders	12.30pm (Swiss time) on 21 May
General Meeting	12.30pm (Swiss time) on 23 May
Record date for Shareholder entitlement to the Special Dividend and for the Share Consolidation	6.00pm (UK time) on 8 June
ADR record date for ADR holder entitlement to the Special Dividend	6.00pm (Eastern Time) on 8 June
Existing Ordinary Shares marked ex-entitlement to the Special Dividend and effective date of the Share Consolidation	8.00am (UK time) on 11 June
Commencement of dealings in New Ordinary Shares	8.00am (UK time) on 11 June
CREST accounts credited with New Ordinary Shares	11 June
Commencement of dealings in new ADSs	9.30am (Eastern Time) on 11 June
Latest time and date for election to participate in the DRIP for the Special Dividend	5.00pm (UK time) on 12 June
Latest time and date for election to receive payment of the Special Dividend in US dollars	5.00pm (UK time) on 12 June
Pound sterling Special Dividend value announced	19 June
Payment (where applicable) of fractional entitlements for New Ordinary Shares; despatch (where applicable) of certificates for New Ordinary Shares	25 June
Payment (where applicable) of the Special Dividend to Shareholders	29 June
Purchase of New Ordinary Shares for participants in the DRIP in respect of the Special Dividend	29 June
New Ordinary Shares purchased pursuant to the DRIP in respect of the Special Dividend credited to CREST accounts	4 July

(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.

(3) All events in the above timetable scheduled to take place after the General Meeting are conditional on the approval by Shareholders of the Resolutions as proposed. The despatch of certificates for New Ordinary Shares (where applicable), ADSs (where applicable) and the payment of the Special Dividend and fractional entitlements (where applicable) are conditional upon the New Ordinary Shares being admitted to the Official List of the UK Listing Authority and being admitted to trading on the London Stock Exchange.

FERGUSON

Dear Shareholder

16 April 2018

On 27 March 2018, the Company announced that it was proposing to return substantially all of the proceeds from the disposal of Stark Group, its Nordics building materials distribution business, which are surplus to the Company's short-term investment requirements, by way of a Special Dividend of US$4 per Existing Ordinary Share (equivalent to approximately US$1 billion) and an accompanying Share Consolidation. This return reflects the Board's confidence in our strong balance sheet and the ongoing operating cash flows of the business. I am now writing to provide you with further details of the proposed Special Dividend and the Share Consolidation.

The Notice of General Meeting is set out in Part IV of this document.

Background

On 10 November 2017, the Company announced that it had entered into an agreement to sell Stark Group, its Nordics building materials distribution business, to an affiliate of Lone Star Funds, a global private equity firm, for €1,025 million on a debt-free and cash-free basis.

In light of the transaction the Board recently carried out a review of the Group's balance sheet structure. It concluded the Group had significant surplus capital over and above what is required to fund organic growth, a progressive ordinary dividend and bolt-on acquisitions. After the proposed capital return the Board is confident that the Group's strong balance sheet will continue to provide flexibility to execute our strategy and generate attractive future returns for Shareholders.

Special Dividend and Share Consolidation

We announced on 27 March 2018 that a Special Dividend of US$4 per Existing Ordinary Share (equivalent to approximately US$1 billion) would be returned to Shareholders through a Special Dividend to be paid to those Shareholders on the register of members at 6.00pm (UK time) on 8 June 2018. The Special Dividend per existing American Depositary Share is US$0.40. The default payment currency for the Special Dividend will be in pounds sterling. For further information on how you can elect to receive the Special Dividend in US dollars see page 6.

The purpose of this circular is to provide details of the proposed Special Dividend and the Share Consolidation. The Board has recommended for approval the Special Dividend in accordance with the requirements of the Companies (Jersey) Law 1991 and the Company's Articles of Association.

Reasons for the Special Dividend and Share Consolidation

The Board is specifically seeking Shareholder approval to undertake a Share Consolidation in conjunction with the Special Dividend under Resolution 1. The purpose of the Share Consolidation is to ensure, in so far as is practical, immediately before and after the record date for the Special Dividend the Company's share price remains broadly comparable, which enables continuity in earnings per share calculations.

At the close of business on Friday, 13 April 2018 (being the last practicable date prior to the posting of the circular) when the closing mid-market price per Existing Ordinary Share was 5,304 pence and there were 247,843,386 Existing Ordinary Shares in issue (excluding treasury shares), the total amount of the Special Dividend was equivalent to 5.3 per cent of the market capital of the Company. The effect of the Share Consolidation will be to reduce the number of Existing Ordinary Shares by approximately the same percentage.

As all ordinary shareholdings in the Company will be consolidated Shareholders' percentage holdings in the issued share capital of the Company will (save in respect of fractional entitlements) remain unchanged.

Explanation of Resolutions and other business to be considered at the General Meeting

In addition, at the Meeting, Shareholder approval will also be sought to renew the existing annual authority to enable the Company to make market purchases of its own shares under Resolution 2. The request for this renewal is as a consequence of the Share Consolidation exercise and is required in order to preserve the position that would have been the case had the Share Consolidation not taken place. This new authority to make market purchases will cover the period between the date of the General Meeting and the 2018 AGM and Shareholders will be then asked to renew this authority in accordance with normal practice at the 2018 AGM.

Further details and a summary explanation of the Resolutions are set out in the Notice of General Meeting in Part IV of this document.

The Meeting will be held on 23 May 2018 at IBZ Schulen AG, Landis + Gyr-Strasse 1, CH-6300 Zug, Switzerland, and will commence at 12.30pm, 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 Lincoln Centre, 18 Lincoln's Inn Fields, London WC2A 3ED United Kingdom, commencing at 11.30am, UK time.

The Directors attending the Meeting will be in Zug. Shareholders attending the venue in London will be able to see and hear the proceedings of the Meeting in Zug and will have the opportunity to ask the Directors questions about the business of the Meeting via the audio-visual link. Shareholders attending the venue in London will not be regarded as present at the Meeting (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 Meeting which shall continue in Zug. There will be an opportunity of those present in both Zug and London to ask questions.

Action to be taken

The Resolutions for consideration at the Meeting will be decided on a poll rather than on a show of hands in accordance with current recommended best practice. This means that each Shareholder has one vote for every Ordinary Share held.

Although we would like as many Shareholders as possible to attend the Meeting, I do appreciate that this is not always possible. However, even if you are not able to attend the Meeting in Zug in person your vote is still important.

If you are a Shareholder who will not be able to attend the Meeting in Zug in person 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 12.30pm, Swiss time, (11.30am, UK time), on 21 May 2018. Alternatively, you may also register your proxy appointment(s) and voting instructions electronically.

Please refer to the notes to the Notice of General Meeting set out on pages 15 and 16 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.

Recommendation

Your Board considers that the passing of the proposed Resolutions set out in the Notice is in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend that you vote in favour of the Resolutions, as they intend to do in respect of their own beneficial holdings of Ordinary Shares.

Yours sincerely



Gareth Davis
Chairman

Ferguson plc Grafenauweg 10, 6301 Zug, Switzerland
Tel +41 (0)41 723 22 30 **Fax** +41 (0)41 723 22 31 www.fergusonplc.com

Registered in Jersey, Company No. 106605. Registered office: 26 New Street, St Helier, Jersey JE2 3RA, Channel Islands

You are strongly encouraged to vote online at www.sharevote.co.uk

Part II

Information about the Special Dividend and the Share Consolidation

1. Special Dividend

The Company announced on 27 March 2018, that the Board proposed a Special Dividend of approximately US$1 billion (to be accompanied by a consolidation of the Company's share capital), following the Group's completion of its sale of the Stark Group and reflecting its ongoing confidence in the strength of the Company's financial position. The Special Dividend represents US$4 per Existing Ordinary Share.

On 1 August 2017, the Company changed its presentational currency from pounds sterling to US dollars. From the financial year ending 31 July 2018 onwards, dividends will be declared in US dollars and therefore will be exposed to fluctuations in foreign exchange rates when converted into a pounds sterling equivalent. The default payment currency for dividends will remain in pounds sterling, unless Shareholders elect for payment to be in US dollars. For payments made in pounds sterling the USD/GBP exchange rate will be announced ahead of the relevant dividend payment date.

The pound sterling amount to be paid in respect of the Special Dividend will be calculated on 18 June 2018 and announced on 19 June 2018, based on the average of the market exchange rates on the three dealing days commencing 14 June 2018, using the market closing mid-point spot rate as at 4.30pm (UK time).

Existing elections to receive dividend payments in US dollars will be applied to the Special Dividend payment and will continue to apply to dividends paid in respect of the New Ordinary Shares. Shareholders who wish to make any changes to any such elections in advance of the Special Dividend, or to elect to receive dividends in US dollars, will need to submit a completed application form to the Registrar by no later than 5.00pm (UK time) on 12 June 2018 otherwise it will only apply to subsequent dividends. If you wish to do so, please contact the Registrar whose contact details can be found on the back page of this document.

Existing dividend mandates to bank or building society accounts given in relation to dividends paid in respect of Existing Ordinary Shares will continue to apply to the New Ordinary Shares. Current Dividend Reinvestment Plan ("DRIP") elections will be applied to the Special Dividend payment. Eligible Shareholders who do not currently participate in the DRIP and who wish to participate in time for the Special Dividend will need to submit a completed application form to the Registrar, by no later than 5.00pm (UK time) on 12 June 2018. Conversely, Shareholders who currently participate in the DRIP but who wish to make any changes to their existing DRIP elections in advance of the Special Dividend will need to submit a completed application form to the Registrar by no later than 5.00pm (UK time) on 12 June 2018. All existing instructions relating to the DRIP will operate in respect of New Ordinary Shares. You will receive New Ordinary Shares instead of the Special Dividend payment if you participate in the DRIP for the Special Dividend.

The trustee of each of the Company's two employee benefit trusts has, in accordance with the terms of each trust, waived its entitlement to the Special Dividend in respect of its holding of Existing Ordinary Shares.

Payment of the Special Dividend is conditional on Resolution 1 (as set out in the Notice of General Meeting in Part IV), being passed by Shareholders. The Board is proposing to pay the Special Dividend to Shareholders who are on the Register at 6.00pm (UK time) on 8 June 2018. The Special Dividend is expected to be paid to Shareholders (including CREST Shareholders) on 29 June 2018. Payment of the Special Dividend will be from the capital contribution reserves of the Company.

The payment of the Special Dividend will not impede the Company's ability to pay dividends in the future. The Board believes that the expected growth and performance of the current asset portfolio will continue to support the Group's dividend policy for the foreseeable future.

The Board has recommended for approval the Special Dividend in accordance with the Company's Articles of Association.

2. Share Consolidation

The Company is proposing to combine the payment of the Special Dividend with a Share Consolidation. The purpose of the Share Consolidation is to seek, so far as possible, to maintain comparability of the Company's share price at a broadly similar level before and after payment of the Special Dividend. The Share Consolidation is conditional on the New Ordinary Shares being admitted to the premium segment of the Official List and being admitted to trading on the London Stock Exchange's main market for listed securities. Accordingly, Shareholders are being asked to approve the Special Dividend and the Share Consolidation by way of a single combined special resolution as set out in the Notice.

As at the close of business on 13 April 2018 (being the latest practicable date prior to the publication of this document), when the closing mid-market price per Existing Ordinary Share was 5,304 pence and there were 247,843,386 Existing Ordinary Shares in issue (excluding treasury shares), the total amount of the Special Dividend was equivalent to approximately 5.3 per cent of the market capitalisation of the Company. The effect of the Share Consolidation will be to reduce the number of Existing Ordinary Shares in issue by approximately the same percentage, with the result that Shareholders on the Register on the Special Dividend and Share Consolidation Record Date will, on completion of the Share Consolidation, receive 18 New Ordinary Shares for every 19 Existing Ordinary Shares (and in that proportion for any other number of Existing Ordinary Shares then held).

Although following the Share Consolidation each Shareholder will hold fewer New Ordinary Shares than the number of Existing Ordinary Shares held before, each Shareholder's shareholding as a proportion of the total number of issued ordinary shares in the capital of the Company will be the same immediately before and after the implementation of the Share Consolidation, save in respect of fractional entitlements. Apart from having a different nominal value, the New Ordinary Shares will carry the same rights as set out in the Articles that currently attach to the Existing Ordinary Shares. As a consequence of the Share Consolidation, the nominal value of New Ordinary Shares will become $11^{227/563}$ (nominal value of Existing Ordinary Shares is $10^{53/66}$).

To effect the Share Consolidation it may be necessary to issue, repurchase for cancellation or cancel from the Company's holding in treasury, such number of Existing Ordinary Shares so that the number of the Company's Existing Ordinary Shares is exactly divisible by 19. Shareholders whose holdings of Existing Ordinary Shares cannot be consolidated into an exact number of New Ordinary Shares will be left with a fractional entitlement. Fractions of New Ordinary Shares will not be allocated to Shareholders. Instead, the shares representing the fractions of New Ordinary Shares will be aggregated and sold in the market as soon as practicable after the Share Consolidation becomes effective for the best price reasonably obtainable on behalf of the Shareholders entitled to the fractions. The net proceeds of the sale, after the deduction of the expenses of the sale, will be paid in due proportion to the relevant Shareholders or, where any one Shareholder's entitlement is less than £2.00, such Shareholder's entitlement will be donated to a charity or charities selected by the Directors in their sole discretion. Payment of fractional entitlements (where applicable) is expected to be despatched on 25 June 2018 by CREST payment or by cheque. CREST Shareholders will receive their fractional entitlement payment via their CREST accounts. Non-CREST Shareholders, regardless of whether they have an existing mandate to a bank or building society account, will receive a cheque for their fractional entitlement (where applicable).

All Shareholders will have their shareholding consolidated. Shareholders who hold one Existing Ordinary Share will receive cash only and no New Ordinary Shares.

Holders of ADRs should read sections 5 and 6 of this Part II, which contain important information regarding the Special Dividend and Share Consolidation which is relevant to them, and a description of certain US federal income tax consequences of the Special Dividend and Share Consolidation.

3. Effects of Proposals

For purely illustrative purposes, examples of the effects of the Special Dividend and the Share Consolidation in respect of certain holdings of Existing Ordinary Shares are set out below:

Number of Existing Ordinary Shares	Number of New Ordinary Shares	Fractional entitlement*	Special Dividend
1	0	0.95	US$4
10	9	0.47	US$40
19	18	0.00	US$76
100	94	0.74	US$400
250	236	0.84	US$1,000
500	473	0.68	US$2,000
1,000	947	0.37	US$4,000

* The fractional entitlement represents the fraction of a New Ordinary Share which will be sold on behalf of Shareholders as soon as practicable after the Share Consolidation. The net proceeds of the sale, after the deduction of the expenses of the sale, will be paid in due proportion to the relevant Shareholders or, where any one Shareholder's entitlement is less than £2.00, such Shareholder's entitlement will be donated to a charity or charities selected by the Directors in their sole discretion.

Following the Share Consolidation and assuming no further shares are issued or repurchased for cancellation or cancelled from the Company's treasury holding (except as required to effect the Share Consolidation) between 13 April 2018 (being the latest practicable date prior to publication of this document) and the Share Consolidation becoming effective, the Company's issued ordinary share capital will comprise 252,602,622 New Ordinary Shares.

If the Share Consolidation is approved, trading in New Ordinary Shares on the London Stock Exchange is expected to commence on an ex-dividend and post-consolidation basis at 8.00am (UK time) on 11 June 2018.

If the Share Consolidation is approved, the Company will send holders of certificated Existing Ordinary Shares new share certificates in respect of their New Ordinary Shares. The new share certificates are expected to be posted at the risk of Shareholders by 25 June 2018 to the registered address of the relevant Shareholders or, in the case of joint Shareholders, to the registered address of the Shareholder whose name appears first in the Register. These will replace existing share certificates which should be destroyed once the new certificate is received. Pending the receipt of new certificates, transfers of New Ordinary Shares held in certificated form will be certified against the Company's Register. Shareholders who hold their entitlement to New Ordinary Shares in uncertificated form through CREST will have their CREST accounts adjusted to reflect their entitlement to New Ordinary Shares on 11 June 2018.

Holders of ADRs should refer to section 5 of this Part II for more details.

If Shareholders do not approve Resolution 1, the Special Dividend will not be paid and the Share Consolidation will not take place.

The current ISIN (JE00BFNWV485) in relation to Existing Ordinary Shares will be disabled in CREST as at 5.00pm (UK time) on 8 June 2018. A new ISIN (JE00BFYFZP55) in relation to the New Ordinary Shares will come into effect at 8.00am (UK time) on 11 June 2018.

4. Ferguson Employee Share Schemes

Participants in the Ferguson Employee Share Schemes who hold unvested share awards and unexercised share options at the Special Dividend and Share Consolidation Record Date will not be entitled to receive the Special Dividend. Following the Special Dividend and Share Consolidation, the number of Ordinary Shares that participants may acquire under their outstanding awards and options will be unchanged, as will any exercise price that is payable.

The Company has established two employee benefit trusts which, as at 13 April 2018 (being the latest practicable date prior to the publication of this document), held approximately 1,446,090 unallocated Existing Ordinary Shares in aggregate. These Existing Ordinary Shares may be used to satisfy share awards and options granted under the Ferguson Employee Share Schemes. The trustee of each trust has waived its entitlement to any dividends (including the Special Dividend) on its holding of unallocated Existing Ordinary Shares. Such Existing Ordinary Shares will be subject to the Share Consolidation.

For practical reasons, there may be a delay in the processing of option exercises during the period of approximately one week preceding the Special Dividend and Share Consolidation Record Date. Participants in the Ferguson Employee Share Schemes wishing to exercise unexercised vested options and to sell Existing Ordinary Shares prior to such record date, or wishing to exercise share options and hold Existing Ordinary Shares which will qualify for the Special Dividend and Share Consolidation, should therefore take any necessary action to exercise their options before 1 June 2018. Participants are advised to seek their own independent advice regarding the financial or tax consequences of exercising options at the time of the Special Dividend and Share Consolidation.

5. ADRs

Special Dividend and Share Consolidation

The Company is proposing to pay the Special Dividend to all ADR holders on the ADR register as at 6.00pm (Eastern Time) on 8 June 2018 (being the ADR record date).

Following the Share Consolidation becoming effective, the Existing Ordinary Shares held by the ADR Depositary will be replaced with New Ordinary Shares. As a result of the Special Dividend and Share Consolidation, for each existing ADS held at the ADR record date, holders will, upon cancellation of their existing ADRs, be issued and receive new ADSs. In connection with the Special Dividend, such holders will also be paid accordingly per ADS (to be converted into US dollars and distributed to ADR holders in accordance with the ADR Deposit Agreement after giving effect to the fees provided for therein of US$0.02 per ADS). Fractions of new ADSs will not be allocated to holders of existing ADRs. All fractions to which holders of existing ADRs would otherwise have been entitled will be aggregated and sold in the market as soon as practicable after the Share Consolidation becomes effective and the net proceeds of sale will be paid to the holders of the existing ADRs entitled thereto.

Existing ADSs represent one-tenth of an Existing Ordinary Share. The new ADSs will represent one-tenth of a New Ordinary Share.

Following the Share Consolidation becoming effective, the ADR Depositary will mail a notice to registered holders of ADRs regarding the mechanics of the cancellation of their existing ADRs. For those ADR holders who hold a book-entry position through the Direct Registration System ("DRS"), the ADR Depositary will automatically cancel the existing ADRs and mail a new DRS Statement advising the number of new ADSs to be credited to the holder's account along with the Special Dividend (to be distributed in accordance with the ADR Deposit Agreement after giving effect to the fees provided for therein) and any net proceeds from the sale of fractional ADSs to which the holder may be entitled. No action will be necessary on the part of the ADR holder. For registered holders of certificated ADRs, instructions for the cancellation of such certificated ADRs will be set out in the Letter of Transmittal. If such holders do not surrender their certificates for cancellation, they will not receive the new entitlement and all dividends will be held until such time as they surrender their old certificates. ADR holders who hold their ADSs through a broker, financial institution or other nominee or otherwise, must rely on the procedures of such broker, financial institution or other nominee. The ADR Depositary will, upon surrender of the existing ADSs for cancellation, cancel such existing ADSs and deliver new ADSs, the Special Dividend (net the cash distribution fees provided for in the ADR Deposit Agreement) and any net proceeds from the sale of fractional ADSs to which the holder may be entitled. The ADR Depositary will not deduct the ADR cancellation fee provided for in the ADR Deposit Agreement, which will be payable by the Company.

Available information
The Company is subject to ongoing reporting obligations in the United Kingdom and is therefore required to publish certain business and financial information in accordance with the rules and practices of the United Kingdom and relevant regulatory authorities in such jurisdiction (the "Exchange Information"), which includes a description of the nature of the Company's business and the Company's most recent balance sheet and profit and loss account, and similar statements for preceding years. Such information is available in the Investors & Media section under Results & Reports on the Ferguson plc website at www.fergusonplc.com and on the website of the London Stock Exchange at www.londonstockexchange.com. The Exchange Information has been prepared in accordance with UK format, style and content, which differs from US format, style and content.

6. Taxation

The following section is a summary guide only to certain aspects of tax in the UK, US, Jersey and Switzerland. This is not a complete analysis of the potential tax effects of the Special Dividend and the Share Consolidation nor will it relate to the specific tax position of all Shareholders in all jurisdictions. This summary does not purport to be a legal opinion. Shareholders are advised to consult their own tax advisers as to the effects of the Special Dividend and the Share Consolidation in relevant jurisdictions.

A. United Kingdom taxation

The following summary is intended as a general guide only and relates only to certain limited aspects of the UK taxation treatment of the Special Dividend and the related Share Consolidation. It is based on current UK tax law and what is understood to be the current practice of HMRC as at the date of this Notice, both of which may change, possibly with retroactive effect. The summary applies only to Shareholders who are resident for tax purposes in (and only in) the UK (except insofar as express reference is made to the treatment of non-UK residents), who are the absolute beneficial owners of their shares and any dividends paid on them and hold them as an investment. The tax position of certain categories of Shareholders who are subject to special rules (such as persons acquiring their shares in connection with employment, dealers in securities, insurance companies and collective investment schemes) is not considered. Shareholders who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the UK are strongly recommended to consult their own independent tax advisers.

Special Dividend

The Company will not be required to withhold amounts on account of UK tax when paying the Special Dividend.

A UK resident Shareholder's liability to UK tax on the Special Dividend will depend upon the individual circumstances of that Shareholder. If that Shareholder has made an election to receive the Special Dividend in US dollars, such liability to UK tax must be calculated on the amount of the Special Dividend received as converted to pounds sterling at an appropriate rate of exchange, which will generally be the spot rate of exchange prevailing on the date the dividend income arises. Shareholders who are in any doubt as to which exchange rate to use should seek tax advice. Shareholders receiving their Special Dividend in pounds sterling should enter that amount in their tax returns.

(i) UK resident individual Shareholders
With effect for the tax year beginning 6 April 2018, a UK resident individual Shareholder will not be subject to income tax on the Special Dividend such individual Shareholder receives from the Company if the total amount of dividend income received by the individual in the tax year (including the Special Dividend from the Company) does not exceed a dividend allowance of £2,000, which will be taxed at a nil rate (the "Dividend Allowance"). For these purposes "dividend income" includes UK and non-UK source dividends and certain other distributions in respect of shares.

In determining the income tax rate or rates applicable to a UK resident individual shareholder's taxable income, dividend income is treated as the highest part of such individual shareholder's income. Dividend income that falls within the Dividend Allowance will count towards the basic or higher rate limits (as applicable) which may affect the rate of tax due on any dividend income in excess of the Dividend Allowance.

To the extent that (taking account of any other dividend income received by the Shareholder in the same tax year) the Special Dividend exceeds the Dividend Allowance, it will be subject to income tax at 7.5 per cent to the extent that it falls below the threshold for higher rate income tax. To the extent that (taking account of other dividend income received in the same tax year) it falls above the threshold for higher rate income tax then the Special Dividend will be taxed at 32.5 per cent to the extent that it is within the higher rate band, or 38.1 per cent to the extent that it is within the additional rate band.

(ii) UK resident corporate Shareholders
For UK resident corporate Shareholders, it is likely that the Special Dividend will fall within one or more of the classes of dividend qualifying for exemption from corporation tax. However, it should be noted that the exemptions are not comprehensive and are also subject to anti-avoidance rules. Shareholders within the charge to corporation tax should consult their own independent tax advisers.

(iii) UK resident exempt Shareholders
UK resident Shareholders who are not liable to UK tax on dividends, including exempt pension funds and charities, will not be entitled to any tax credit in respect of the Special Dividend.

(ii) Non-UK resident Shareholders
No tax credit will attach to the Special Dividend paid by the Company. Shareholders resident outside the UK may also be subject to non-UK taxation on dividend income under local law and should consult their own independent tax advisers.

Share Consolidation

It is expected that for the purposes of UK taxation on chargeable gains the Share Consolidation will be treated as follows:

(a) the New Ordinary Shares arising from the Share Consolidation will result from a reorganisation of the share capital of the Company. Accordingly, to the extent that a Shareholder receives New Ordinary Shares, the Shareholder should not be treated as making a disposal of all or part of the Shareholder's holding of Existing Ordinary Shares by reason of the Share Consolidation being implemented, and the New Ordinary Shares which replace a Shareholder's holding of Existing Ordinary Shares (the "new holding") as a result of the Share Consolidation will be treated as the same asset acquired at the same time as the Shareholder's holding of Existing Ordinary Shares was acquired;

(b) to the extent that a Shareholder receives cash by virtue of a sale on his or her behalf of any New Ordinary Shares to which he or she has a fractional entitlement, the Shareholder will not in practice normally be treated as making a part disposal of the Shareholder's holding of Existing Ordinary Shares, the proceeds instead being deducted from the base cost of the Shareholder's new holding. If those proceeds exceed that base cost, however, or if a Shareholder holds one Existing Ordinary Share on the Special Dividend and Share Consolidation Record Date and so is not entitled to any New Ordinary Shares, the Shareholder will be treated as disposing of part or all of his or her holding of Existing Ordinary Shares and may, depending on his or her circumstances, be subject to tax in respect of any chargeable gain thereby realised; and

(c) on a subsequent disposal of the whole or part of the New Ordinary Shares comprised in the new holding, a Shareholder may, depending on his or her circumstances, be subject to tax on the amount of any chargeable gain realised.

Dividend Reinvestment Plan

It is expected that for the purposes of UK taxation, Shareholders who elect to use the cash received by way of the Special Dividend to buy additional shares under the Dividend Reinvestment Plan will be treated as follows:

(a) an individual Shareholder, for income tax purposes, will be treated in the same manner as if he or she received the Special Dividend in cash. For capital gains tax purposes, the cost of the additional shares acquired with the Special Dividend, including any dealing charges, should be the base cost of the additional shares purchased on the individual Shareholder's behalf; and

(b) a corporate Shareholder, for corporation tax purposes, will be treated in the same manner as if it received the Special Dividend in cash. For the purposes of corporation tax on chargeable gains, the cost of the additional shares acquired with the Special Dividend, including any dealing charges, should be the base cost of the additional shares purchased on the corporate Shareholder's behalf.

B. Certain United States federal income taxation considerations

The following discussion is a summary under present law of certain US federal income tax considerations relevant to the Special Dividend and Share Consolidation. It addresses only US Holders (as defined below) which hold their Existing Ordinary Shares or existing ADRs as capital assets and use the US dollar as their functional currency. The discussion is a general summary only; it is not tax advice. The discussion does not consider the circumstances of particular holders subject to special tax rules, such as banks and other financial institutions, dealers, traders in securities that elect to mark-to-market, insurance companies, regulated investment companies, real estate investment trusts, individual retirement accounts and other tax-deferred accounts, pass-through entities (including S-corporations), tax-exempt entities, US expatriates, holders actually or constructively owning 10 per cent or more of the Company's shares, persons holding their Existing Ordinary Shares or ADRs as part of a hedge, straddle, conversion or other integrated financial transaction, and persons holding Existing Ordinary Shares or existing ADRs through a permanent establishment or fixed base outside of the United States. This discussion does not consider US federal taxes other than the income tax (such as the estate and gift tax) and does not address the Medicare tax on net investment income or US state and local or non-US tax considerations.

As used here, "US Holder" means a beneficial owner of Existing Ordinary Shares or existing ADRs that for US federal income tax purposes is: (i) a citizen or individual resident of the United States; (ii) a corporation or other business entity treated as a corporation created or organised under the laws of the United States or its political subdivisions; (iii) a trust subject to the control of a US person and the primary supervision of a US court; or (iv) an estate the income of which is subject to US federal income tax without regard to its source.

The tax consequences to a partner in a partnership (or entity treated as a partnership for US federal income tax purposes) holding Existing Ordinary Shares or ADRs generally will depend on the status of the partner and the activities of the partnership. Partnerships should consult their own tax advisers about the US federal income tax consequences of the Special Dividend and Share Consolidation to them and to their partners.

The Company believes, and the following discussion assumes, that the Company is not and will not become a passive foreign investment company for US federal income tax purposes.

Special Dividend

A US Holder generally must include the Special Dividend, including the amount of non-US tax withheld, if any, in income as foreign source ordinary dividend income. The Special Dividend will not be eligible for the dividends received deduction generally available to US corporations. The Special Dividend should qualify for the preferential tax rate available for qualified dividend income of individuals and certain other non-corporate US Holders, provided that the Company is eligible for benefits under the US-Switzerland tax treaty ("Treaty") and the holder meets certain holding period requirements. The Company believes it should be eligible for the benefits of the Treaty.

Any US Holders receiving a Special Dividend in respect of Existing Ordinary Shares in pounds sterling instead of US dollars will include in income the US dollar amount of the pounds sterling received based on the exchange rate in effect on the date the Special Dividend is received by the US Holder (or in respect of a US Holder of ADRs, on the date the Special Dividend is received by the ADR Depositary), regardless of whether or not the payment is converted into US dollars at that time. If the pounds sterling received in the Special Dividend are converted into US dollars on the day received, the US Holder generally will not be required to recognise foreign currency gain or loss in respect of the conversion. However, if the US Holder (or the ADR Depositary) converts the pounds sterling into US dollars on a later date, the US Holder must include in income any gain or loss resulting from any exchange rate fluctuations during the period from the date such US Holder included the Special Dividend in income to the date such holder converts the currency into US dollars (or otherwise disposes of the pounds sterling). Generally, any gain or loss resulting from currency exchange rate fluctuations will be ordinary income or loss and will be treated as income from sources within the United States for foreign tax credit limitation purposes. A US Holder's tax basis in the pounds sterling received will equal the US dollar value on the date of receipt. US Holders receiving the Special Dividend in pounds sterling should consult their own tax advisers regarding foreign exchange gain or loss.

Share Consolidation
US Holders should not recognise taxable income as a result of the Share Consolidation, except to the extent cash is received in respect of a fractional New Ordinary Share or a fractional new ADS.

A US Holder's initial basis in the New Ordinary Shares or new ADSs received in the Share Consolidation will equal their aggregate basis in the Existing Ordinary Shares or existing ADRs which were exchanged for New Ordinary Shares or new ADSs.

US Holders receiving cash in respect of a fraction of a New Ordinary Share or new ADS will recognise capital gain or loss in an amount equal to the difference, if any, between the amount realised and the US Holder's tax basis in the Existing Ordinary Share or existing ADR to which such fractional entitlement relates, each determined in US dollars. A US Holder's adjusted tax basis in the Existing Ordinary Share or existing ADR generally will be its US dollar cost. This capital gain or loss generally will be US source and will be long-term capital gain or loss if the US Holder's holding period in the Existing Ordinary Share or existing ADR exceeds one year. Deductions for capital losses are subject to significant limitations.

If pounds sterling is received instead of US dollars, the amount realised with respect to pounds sterling received in respect of a fractional New Ordinary Share or new ADS will generally equal the US dollar value of the pound sterling amount received at the spot rate on the date of disposition (or, if the US Holder is a cash basis or electing accrual basis taxpayer, at the spot rate on the settlement date). A US Holder will have a tax basis in the pounds sterling received equal to the US dollar value of the pounds sterling at the spot rate on the settlement date. The US Holder will recognise foreign exchange gain or loss if the US dollar value of the pounds sterling received at the spot rate on the settlement date differs from the amount realised. Any foreign exchange gain or loss realised on the settlement date or on a subsequent conversion or other disposition of the pounds sterling for a different US dollar amount generally will be US source ordinary income or loss for foreign tax credit limitation purposes. However, if such pounds sterling are converted into US dollars on the date received by the US Holder, the US Holder generally should not be required to recognise any gain or loss on such conversion.

Information reporting and backup withholding
Amounts received with respect to the Special Dividend and cash received in the Share Consolidation may be reported to the US Internal Revenue Service unless the holder establishes a basis for exemption. Backup withholding tax may apply to reportable payments unless the holder provides its taxpayer identification number or otherwise establishes a basis for exemption. Any amount withheld under the backup withholding tax rules may be credited against the holder's US federal income tax liability, if any, or refunded if such US Holder provides the required information to the IRS. Holders of ADRs and Existing Ordinary Shares should consult their own tax advisers as to their qualification for exemption from backup withholding and the procedure for establishing an exemption.

Certain US Holders are required to report information with respect to New Ordinary Shares or new ADSs not held through an account with a financial institution to the IRS. Investors who fail to report required information could become subject to substantial penalties.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR HOLDER OF EXISTING ORDINARY SHARES OR ADRs. EACH HOLDER OF EXISTING ORDINARY SHARES OR ADRs IS ADVISED TO CONSULT ITS OWN TAX ADVISER ABOUT THE TAX CONSEQUENCES OF THE SPECIAL DIVIDEND AND THE SHARE CONSOLIDATION IN LIGHT OF THE HOLDER'S OWN CIRCUMSTANCES.

C. Jersey taxation

The following summary of the tax treatment of the Company and Shareholders (other than residents of Jersey) is based on Jersey taxation law and practice as they are understood to apply at the date of this document and is subject to changes in such taxation law and practice. It does not constitute legal or tax advice and does not address all aspects of Jersey tax law and practice. Shareholders should consult their professional advisers as to their tax position under the laws of any jurisdiction in which they may be liable to taxation.

The Company

The Company is incorporated in Jersey but is not regarded as resident for tax purposes in Jersey. Therefore, the Company will not be liable to Jersey income tax other than on Jersey source income (except where such income is exempted from income tax pursuant to the Income Tax (Jersey) Law 1961, as amended).

Withholding

Dividends on the Existing Ordinary Shares (including the Special Dividend) and dividends on the New Ordinary Shares resulting from the Share Consolidation may be paid by the Company without withholding or deduction for or on account of Jersey income tax.

Shareholders

Shareholders (other than residents of Jersey) will not be subject to any tax in Jersey in respect of the Special Dividend, the Share Consolidation, the Dividend Reinvestment Plan or in respect of the holding, sale or other disposition of their Ordinary Shares.

If you are in any doubt as to your tax position you should consult your professional tax adviser.

D. Swiss withholding tax

The following summary is intended as a general guide only and relates only to the Swiss withholding tax treatment of the Special Dividend. It is based on current Swiss tax law and what is understood to be the current practice of the Swiss Tax Authorities both of which may change, possibly with retroactive effect. The comments relating to Swiss withholding tax apply to all Shareholders, regardless of the place of residence.

Shareholders who are in any doubt as to their tax position are strongly recommended to consult their own independent tax advisers.

The Special Dividend will be paid from capital contribution reserves created following a reduction of capital of the Company. On distributions out of reserves, the Company is in principle subject to Swiss withholding tax of 35 per cent. However, distributions out of capital contribution reserves are not subject to withholding tax and, accordingly, the Special Dividend will not be subject to Swiss withholding tax.

Part III

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
"Admission"	admission of the New Ordinary Shares to the premium segment of the Official List and to trading on the main market for listed securities of the London Stock Exchange
"AGM"	Annual General Meeting
"Articles"	the Articles of Association of the Company
"Board"	the Board of Directors of the Company
"certificated" or "in certificated form"	recorded on the register of members of the Company without reference to the CREST system
"Company"	Ferguson 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 Allowance"	A threshold of £2,000 total dividend income for the tax year for a UK resident individual which will be taxed at a nil rate
"DRIP" or "Dividend Reinvestment Plan"	the dividend reinvestment plan operated by the Company
"Existing Ordinary Shares"	the existing issued ordinary shares of $10^{53/66}$ pence each in the capital of the Company
"Ferguson Employee Share Schemes"	the Wolseley Share Option Plan 2003, the Ferguson Group Employees Savings Related Share Option Scheme 2010, the Ferguson Group Share Option Plan 2010, the Ferguson Group Ordinary Share Plan 2011, the Ferguson Group International Sharesave Plan 2011, the Ferguson Group Employee Share Purchase Plan 2011, the Ferguson Group Executive Share Option Plan 2012, the Ferguson Group Deferred Bonus Plan 2015, the Ferguson Group Long Term Incentive Plan 2015, the Ferguson Group Performance Ordinary Share Plan 2016, the Ferguson Group Revised Ordinary Share Plan 2016, the Performance Based Buy Out Award 2017 and the Restricted Share Buy Out Awards 2017
"Form of Proxy"	the form of proxy enclosed with this document for use at the General Meeting
"General Meeting" or "Meeting" or "GM"	the General Meeting of the Company convened for 12.30pm (Swiss time) on 23 May 2018 (and any adjournment thereof)
"Group"	the Company and its subsidiaries
"HMRC"	Her Majesty's Revenue and Customs
"London Stock Exchange"	the London Stock Exchange plc
"New Ordinary Shares"	the proposed new ordinary shares of $11^{227/563}$ pence each in the capital of the Company resulting from the Share Consolidation
"Notice"	the notice of the General Meeting set out in Part IV of this document
"Official List"	the Official List of the UK Listing Authority
"Ordinary Shares"	prior to the Share Consolidation, the Existing Ordinary Shares; during and after the Share Consolidation, the New Ordinary Shares
"Register"	the register of members of the Company
"Registrar"	Equiniti (Jersey) Limited, or any other registrar appointed by the Company from time to time
"Resolutions"	the resolutions set out in the notice convening the General Meeting which are set out in Part IV of this document

"Share Consolidation"	the proposed consolidation to be effected by consolidating every 19 Existing Ordinary Shares into 18 New Ordinary Shares
"Shareholders"	holders of Ordinary Shares in the Company
"Special Dividend"	the proposed special dividend of US$4 per Existing Ordinary Share in issue at the Special Dividend and Share Consolidation Record Date
"Special Dividend and Share Consolidation Record Date"	expected to be 6.00pm (UK time) on 8 June 2018
"UK Listing Authority"	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
"uncertificated" or "in uncertificated form"	recorded on the register of members of the Company as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland
"United States" or "US"	the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia

Part IV

Notice of General Meeting

Notice is hereby given that a General Meeting (the "Meeting") of Ferguson plc (the "Company") will be held at IBZ Schulen AG, Landis + Gyr-Strasse 1, CH-6300 Zug, Switzerland, on 23 May 2018 at 12.30pm (Swiss time), with an audio-visual link to the General Meeting proposed to be available at The Lincoln Centre, 18 Lincoln's Inn Fields, London WC2A 3ED, United Kingdom at 11.30am (UK time).

Shareholders attending the venue in London will not be regarded as present at the Meeting (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 Meeting which shall continue in Zug. Shareholders in both Zug and London will be able to ask questions.

Resolutions 1 and 2 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 relevant Resolution.

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 Meeting.

Resolution 1 – Special Dividend and Share Consolidation

1.1 That a special dividend of US$4 per ordinary share be declared and payable to shareholders on the register of members of the Company at 6.00pm (UK time) on 8 June 2018; and

1.2 That, subject to and conditional upon admission of the New Ordinary Shares (as defined below) to the premium segment of the Official List of the UK Listing Authority and to trading on the London Stock Exchange's main market for listed securities becoming effective:

(a) all of the ordinary shares of $10^{53/66}$ pence each in the authorised share capital of the Company as at 6.00pm (UK time) on 8 June 2018 (or such other time and date as the Directors may determine) be consolidated and subdivided into ordinary shares of $11^{227/563}$ pence each in the authorised share capital of the Company and the authorised share capital of the Company be increased to £50,000,000.32, being the authorised share capital amount which is next divisible into a whole number of ordinary shares of $11^{227/563}$ pence each (and that the memorandum of association of the Company be amended accordingly); and

(b) every 19 ordinary shares of $10^{53/66}$ pence each in the capital of the Company in issue as at 6.00pm (UK time) on 8 June 2018 (or such other time and date as the Directors may determine) be consolidated and subdivided (the "Share Consolidation") into 18 ordinary shares of $11^{227/563}$ pence each ("New Ordinary Shares") provided that where such consolidation and subdivision results in any shareholder being entitled to a fraction of a New Ordinary Share, such fraction shall, so far as possible, be aggregated with the fractions of a New Ordinary Share to which other shareholders of the Company may be entitled and the Directors be and are hereby authorised to sell (or appoint any other person to sell to any person), on behalf of the relevant shareholders, all the New Ordinary Shares representing such fractions at the best price reasonably obtainable to any person, and to pay the proceeds of sale (net of expenses) in due proportion to the relevant shareholders entitled thereto or, where any one shareholder's entitlement is less than £2.00, to donate such shareholder's entitlement to a charity or charities selected by the Directors in their sole discretion (save that any fraction of a penny which would otherwise be payable shall be rounded up or down in accordance with the usual practice of the Registrar of the Company) and that any Director (or any person appointed by the Directors) shall be and is hereby authorised to execute an instrument of transfer in respect of such shares on behalf of the relevant shareholders and to do all acts and things the Directors consider necessary or expedient to effect the transfer of such shares to, or in accordance with the directions of, any buyer of any such shares.

Resolution 2 – Authority to purchase shares

That, subject to and conditional on (i) the passing of Resolution 1, and (ii) the admission of the ordinary shares of $11^{227/563}$ pence each in the capital of the Company ("New Ordinary Shares") to the premium segment of the Official List of the UK Listing Authority and to trading on the London Stock Exchange's main market for listed securities becoming effective, 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 New Ordinary Shares, provided that:

2.1 the maximum number of New Ordinary Shares hereby authorised to be purchased is 23,479,800 New Ordinary Shares (being approximately 10 per cent of the Company's issued share capital (excluding treasury shares) immediately after the Share Consolidation;

2.2 the minimum price (exclusive of expenses) which may be paid for each New Ordinary Share is $11^{227/563}$ pence (being the nominal value of a New Ordinary Share);

2.3 the maximum price (exclusive of expenses) which may be paid for each New Ordinary Share is the higher of:

(a) an amount equal to 105 per cent of the average of the middle market quotations of a New 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 New Ordinary Share is contracted to be purchased; and

(b) an amount equal to the higher of the price of the last independent trade of a New Ordinary Share and the highest current independent bid for a New Ordinary Share on the trading venue(s) where the purchase is carried out;

2.4 the power hereby granted shall (i) take effect on the date on which the Share Consolidation shall become effective and, upon coming into effect, shall supersede and replace the authority to purchase shares granted at the previous Annual General Meeting of the Company and (ii) expire at the conclusion of the next Annual General Meeting of the Company or 28 May 2019 (whichever is earlier);

2.5 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

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

By order of the Board



Graham Middlemiss
Group Company Secretary

16 April 2018

Ferguson 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

A proxy form is enclosed with this Notice and instructions for its completion and return by post are shown on the form.

The following explanatory notes provide further detail about the Resolutions proposed at this Meeting.

Resolution 1 – Special Dividend and Share Consolidation

This is a special resolution pursuant to which Shareholders are asked to approve the Special Dividend and the associated Share Consolidation. As (i) Article 38(1) of the Companies (Jersey) Law 1991 requires a share consolidation to be effected by way of amendment of the memorandum of association of a company which in turn requires the approval of shareholders by way of a special resolution; and (ii) the purpose of combining a special dividend with a share consolidation, as is common when a special dividend represents a significant proportion of the market capitalisation of a company, is to seek to ensure that (subject to normal market fluctuations) a company's share price remains at a broadly similar level following the special dividend and the share consolidation, approval of the Special Dividend and Share Consolidation is being proposed by way of a single combined special resolution.

Further details about the Special Dividend and the Share Consolidation are set out in Part II of this document.

The New Ordinary Shares will be traded on the London Stock Exchange in the same way as the Existing Ordinary Shares and will be equivalent in all material respects to the Existing Ordinary Shares, including their dividend, voting and other rights.

The New Ordinary Share Certificates will be issued to those Shareholders who hold their shares in certificated form. Holders of Existing Ordinary Shares whose holdings are registered in CREST will automatically have any New Ordinary Shares credited to their CREST account.

If Resolution 1 is not passed, the Special Dividend will not be paid and the Share Consolidation will not take place.

Resolution 2 – Authority to purchase shares

This is a special resolution. In certain circumstances, it may be advantageous for the Company to purchase its own Ordinary Shares. The Directors believe that it is an important part of the financial management of the Company to have the flexibility to repurchase issued shares in order to manage its capital base.

The Company's existing authority is required to be replaced as a technical matter as a result of the change to the nominal value of the Ordinary Shares after the Share Consolidation to reflect the new nominal value, provided that Resolution 1 is passed.

As the intention of this Resolution is to replace the existing authority granted at the 2017 AGM and preserve the position that would have been the case had the Share Consolidation not taken place, if the Resolution is passed, the authority will expire at the earlier of the close of the 2018 AGM or at close of business on 28 May 2019. A renewal of this authority is intended to be sought at the 2018 AGM.

On 3 October 2017, the Company announced its intention to commence a £500 million programme to repurchase its own shares within a 12-month period to October 2018 (the "Buy-Back Programme") by way of on-market purchases. During the period from the date of the 2017 AGM to 13 April 2018 (being the latest practicable date prior to the publication of this document), the Company purchased 5,734,256 Existing Ordinary Shares, representing approximately 2.31 per cent of the issued share capital of the Company as at 13 April 2018 (excluding treasury shares). Subject to Resolution 2 being passed, the Directors intend to use the authority to continue repurchasing shares pursuant to the 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.

The Company does not intend to purchase more than 10 per cent of its issued share capital during the period from the date the existing authority was granted at the 2017 AGM to the earlier of the close of the 2018 AGM and the close of business on 28 May 2019.

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 13 April 2018, being the latest practicable date before the publication of this document, the Company held 18,792,720 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 13 April 2018, 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 1,221,700 Existing Ordinary Shares, which represents 0.49 per cent of the Company's issued ordinary share capital (excluding treasury shares) at that date. If the authority to purchase the Company's New Ordinary Shares were to be exercised in full, these share options and share awards would represent 0.58 per cent of the issued share capital of the Company (excluding treasury shares) immediately following the Share Consolidation.

Resolution 2 will take effect upon the Share Consolidation becoming effective.

Notes to Notice of General Meeting

The following notes explain your general rights as a Shareholder and your rights to attend and vote at this General Meeting or appoint someone to vote on your behalf.

1. Entitlement to attend and vote

1.1 All Resolutions at the Meeting 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 7.30pm, Swiss time (6.30pm, UK time), on 21 May 2018 (the "Specified Time") (or, if the Meeting is adjourned, on the register of members of the Company at 7.30pm Swiss time (6.30pm UK time) two days before the date of the adjourned meeting) shall be entitled to attend or vote at the Meeting 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 Meeting.

2. Appointment of proxies

2.1 Shareholders entitled to attend and vote at the Meeting 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 Meeting 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 Meeting 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; or

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

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

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 12.30pm, Swiss time (11.30am, UK time), on 21 May 2018 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 Registrar 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 12.30pm, Swiss time (11.30am, UK time), on 21 May 2018. 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. 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 www.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 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. The statement of the rights of Shareholders in relation to the appointment of proxies in notes 2 to 4 does not apply to nominated persons. The rights described in these paragraphs can only be exercised by Shareholders of the Company.

7. Issued share capital and voting rights

As at 13 April 2018, being the latest practicable date prior to the publication of this document, the Company's issued share capital consisted of 266,636,106 Existing Ordinary Shares with each Existing Ordinary Share carrying one vote, except for any shares held in treasury. The Company held 18,792,720 shares in treasury and therefore the total number of voting rights in the Company as at 13 April 2018 was 247,843,386.

8. Questions at the Meeting

All Shareholders and their proxies have the right to ask questions at the Meeting 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 Meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation of 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. The Chairman may also nominate a Company representative to answer a specific question after the Meeting.

9. 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.

10. Website

Information regarding the Meeting, including a copy of this Notice, the details of the total number of shares in issue and the total voting rights in the Company can be found on our website: www.fergusonplc.com.

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 the Registrar.

Through www.shareview.co.uk you can:

- set up electronic shareholder communication;
- view your shareholdings;
- update address details if you change address; and
- 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 Ferguson plc for any purpose other than those expressly stated.

FERGUSON

Ferguson plc

Registered Office

26 New Street
St Helier
Jersey
JE2 3RA
Channel Islands

Registration No. 106605 Jersey

Corporate Headquarters

Grafenauweg 10
CH-6301
Zug
Switzerland

Telephone +41 (0)41 723 2230
Fax +41 (0)41 723 2231

Registrar

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

Telephone (UK) 0371 384 2934
Telephone (Intl) +44 (0)121 415 7011

www.fergusonplc.com

Follow us on Twitter
@Ferguson_plc