FERGUSON

Notice of Annual General Meeting of Ferguson plc

Thursday, 21 November 2019

at 12.30pm to be held at The Lincoln Centre,
18 Lincoln's Inn Fields, London WC2A 3ED, United Kingdom

This document is important and requires your immediate attention.

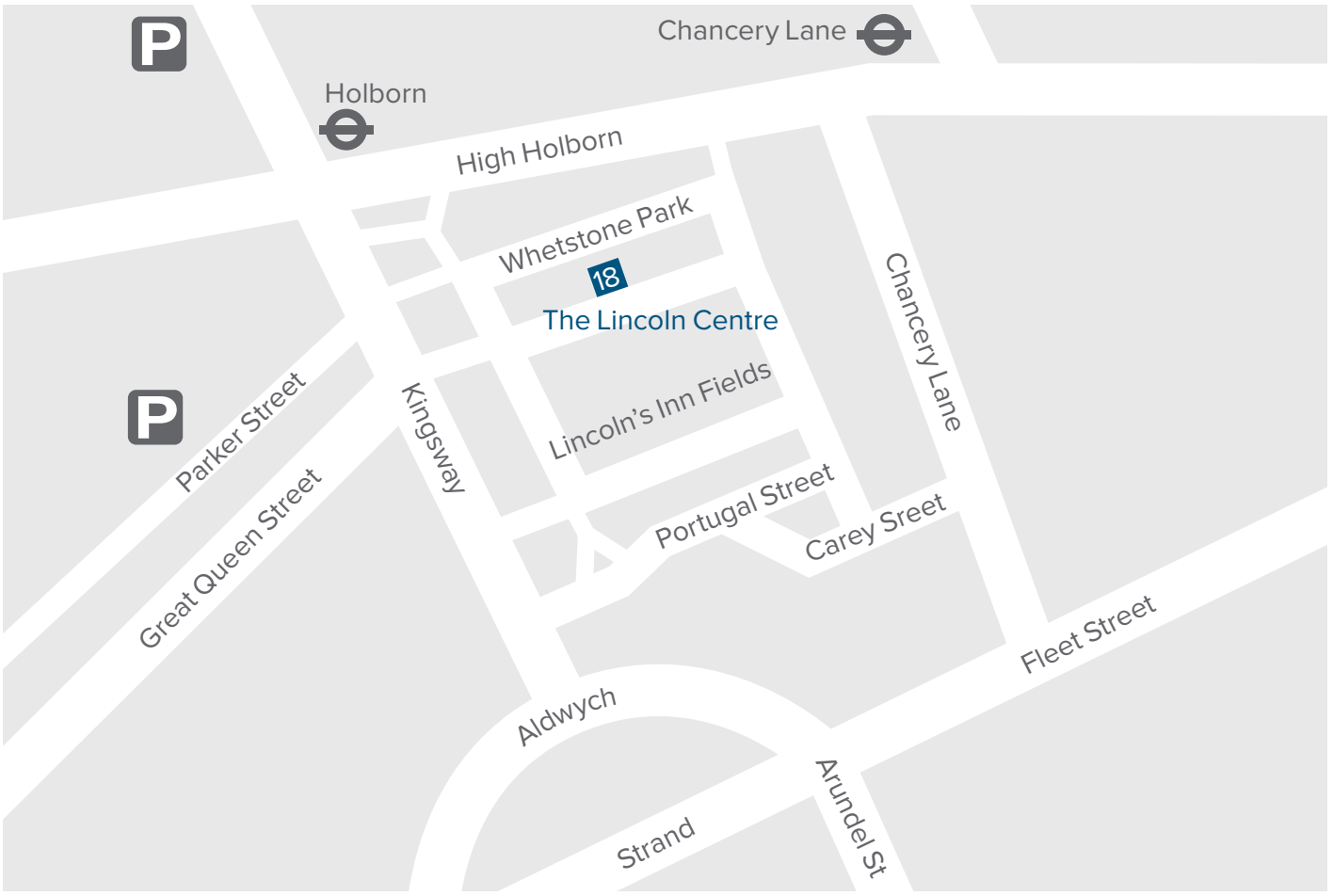
If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, bank manager, solicitor or accountant or other independent professional adviser duly authorised under the Financial Services 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 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 19 November 2019 at 12.30pm, 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, 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.

AGM information



London

Venue:	The Lincoln Centre, 18 Lincoln's Inn Fields, London WC2A 3ED, United Kingdom
Time:	12.30pm
By underground:	Approximately 10 minutes' walk from Holborn, Chancery Lane and Covent Garden underground stations
Car parking:	Nearby car parks include: NCP Covent Garden, Parker Street, Parker Mews, London WC2B 5NT (booking online recommended: www.ncp.co.uk) My Car Parks Limited, Holborn Gate, 26 Southampton Buildings, London WC2A 1AH (booking recommended: 020 7430 9371)
Voting:	By proxy in advance of the meeting as well as voting in person at the meeting Voting will be on a poll, one vote for every ordinary share held Further details about how to vote are given on pages 10 and 11 of this document
Attendance:	Please bring your attendance card with you All joint shareholders may attend and speak Corporate representatives should bring written evidence of their appointment (see note 5 for further information)
Ferguson presence:	Board of Directors of Ferguson plc and executive management
Refreshments:	Refreshments will be available after the meeting

18 October 2019

FERGUSON

Dear Shareholder

You are invited to attend the 2019 Annual General Meeting ("AGM" or the "Meeting") of Ferguson plc (the "Company") to be held on Thursday, 21 November 2019. This will be our first AGM since we moved our corporate headquarters from Switzerland to the UK in May this year and I look forward to welcoming you in person in London.

As announced on 22 May 2019, I will be stepping down as Chairman following this year's AGM and I will be succeeded as Chairman by Geoff Drabble. Geoff joined the Company in May 2019 following a 12 year period as chief executive of Ashtead Group plc and he brings with him a wealth of experience in the distribution, technology and manufacturing sectors, particularly in the USA. To allow for an orderly handover process I am putting myself forward for election as a Director of the Company at this year's AGM and I will step down as a Director of the Company in January 2020. It has been an honour to serve as the Company's Chairman and I step down knowing the business is in great shape with a clear strategy and a sound platform on which to build sustainable growth in the future. I would like to take this opportunity to thank you for your support during my time with the Company and as its Chairman.

On 3 September 2019, we announced that John Martin will step down as Chief Executive on 19 November 2019 when he will be succeeded by Kevin Murphy, currently Chief Executive Officer, USA. We are extremely grateful to John for his outstanding contribution to the Company over the last nine years but are delighted that we have been able to promote Kevin, who has been central to our long-term succession planning for the role.

On 1 October 2019, we announced that Darren Shapland would step down as a Non Executive Director and Chairman of the Audit Committee following the conclusion of the AGM. Since he joined the Board, Darren has made a significant contribution both in his capacity as a Non Executive Director and Audit Committee Chairman. Darren will be succeeded as Audit Committee Chairman by Alan Murray, our Senior Independent Director. Alan is a Chartered Management Accountant with considerable financial, operational and international experience within global businesses as well as a deep knowledge of the Group.

The business to be considered at the AGM is set out in the Notice of Meeting (the "Notice"), which you can find on pages 4 and 5 of this document. **Your board considers that all of the resolutions set out in the Notice (the "Resolutions") are in the best interests of the Company. Accordingly, the directors unanimously recommend that you vote in favour of the Resolutions as they intend to do in respect of their own shareholdings.**

Final Dividend

Shareholders are being asked to approve a final dividend of 145.1 cents per ordinary share for the financial year ended 31 July 2019. If approved, the final dividend will be paid on 28 November 2019 to all shareholders who were on the register of members of the Company at 6.00pm on 25 October 2019.

Remuneration Policy and Ferguson Group Long Term Incentive Plan 2019

This year we are seeking approval for a new Directors' Remuneration Policy. The Remuneration Committee undertook a review of the existing policy in the context of the external landscape for executive remuneration in all our key talent markets and determined that it would be appropriate to propose some amendments to the Directors' Remuneration Policy. An amendment to the rules of the Ferguson Group Long Term Incentive Plan 2019 (the "Plan Rules") will also be submitted for approval at the AGM to ensure that the Plan Rules reflect the new Directors' Remuneration Policy.

The Board of Directors

I would like to draw your attention to Resolutions 5 to 14 which relate to the election of our directors (the "Directors"). This year, in addition to the appointment of Geoff Drabble, we have also appointed two further Non Executive Directors, Catherine Halligan and Tom Schmitt, who will be standing for election. The Company became the new holding company of the Ferguson Group as a result of a redomicilliation by way of a scheme of arrangement in May this year. As this is the Company's first AGM, all Directors, except for John Martin and Darren Shapland, will be standing for election in accordance with the Articles of Association of the Company (the "Articles") and UK Corporate Governance Code.

Catherine Halligan is an experienced senior executive with extensive digital transformation, marketing and board experience and a strong track record in the retail, multi-channel, data analytics and digital commerce arenas. I am confident that Catherine will help us recognise and benefit from any future opportunities in the e-commerce space.

Tom Schmitt has extensive operational, financial and board experience across US and global businesses. I believe that his deep knowledge of running large international logistics and supply chain businesses will be of great value to the Board.

A summary of the skills and experience of each Director proposed for election is set out on pages 6 and 7 of this document. The Board contains a broad range of experience and skills from a variety of industries and advisory roles, which complement each other, and I believe that each of the elections in Resolutions 5 to 14 is in the best interests of the Company.

Voting

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. Shareholders can vote either by proxy in advance of the meeting or in person at the Meeting.

Your vote matters. Further details about how to vote are given on pages 10 and 11 of this document.

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. The Board of Directors, including the Chairs of the Audit, Nominations and Remuneration Committees and the Chairman Designate will be present at the Meeting. I will endeavour to ensure that discussions are kept relevant and that as many shareholders as possible have the opportunity to speak.

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

Ferguson plc 1020 Eskdale Road, Winnersh Triangle, Wokingham, RG41 5TS
Tel +44 118 927 3800 www.fergusonplc.com

Registered in Jersey, Company No. 128484. Registered office: 26 New Street, St Helier, Jersey JE2 3RA, Channel Islands
Registered in the UK as Ferguson Group Holdings, UK Establishment No. BR021199

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting (the "AGM") of Ferguson plc (the "Company") will be held at The Lincoln Centre, 18 Lincoln's Inn Fields, London WC2A 3ED, United Kingdom at 12.30pm on Thursday 21 November 2019.

Resolutions 1 to 19 (inclusive) 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 20, 21 and 22 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.

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 2019.

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 2019.

Resolution 3
To approve the Remuneration Policy set out on pages 84 to 96 of the Directors' Remuneration Report contained within the Company's Annual Report and Accounts for the financial year ended 31 July 2019 which will take effect from the date on which this Resolution is passed.

Resolution 4
To declare a final dividend of 145.1 cents per ordinary share for the financial year ended 31 July 2019.

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

Resolution 6
To elect Mr Gareth Davis as a Director of the Company.

Resolution 7
To elect Mr Geoff Drabble as a Director of the Company.

Resolution 8
To elect Ms Catherine Halligan as a Director of the Company.

Resolution 9
To elect Mr Kevin Murphy as a Director of the Company.

Resolution 10
To elect Mr Alan Murray as a Director of the Company.

Resolution 11
To elect Mr Michael Powell as a Director of the Company.

Resolution 12
To elect Mr Tom Schmitt as a Director of the Company.

Resolution 13
To elect Dr Nadia Shouraboura as a Director of the Company.

Resolution 14
To 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 Audit Committee on behalf of 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 at any time during the period to which this Resolution relates, be and are hereby generally authorised pursuant to Articles 213 and 214 of the Articles of Association of the Company, 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 £100,000 per company and together with those made by any such subsidiary and the Company shall not exceed in aggregate £100,000.

Resolution 18
To renew the power conferred on the Directors pursuant to Article 12 of the Articles of Association of the Company (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 £7,582,493 and in addition the Authorised Allotment Amount shall be increased by an aggregate nominal amount of up to £7,582,493, 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.

Resolution 19
That, subject to and conditionally upon the passing of Resolution 3, the rules of the Ferguson Group Long Term Incentive Plan 2019, as approved by shareholders of the then holding company, now known as Ferguson Holdings Limited on 29 April 2019 ("the "Plan Rules"), be amended so that the maximum total market value of shares over which awards may be granted under Appendix A of the Plan Rules to any eligible US employee in respect of any financial year of the Company be increased to 500 per cent of salary. In addition, the amended Plan Rules, a copy of which is produced to this Meeting and, for the purposes of identification, initialled by the Chairman of the Meeting, be approved and that the Directors be authorised to do all acts and things which they may consider necessary or expedient to effect this Resolution.

Special Resolutions

Resolution 20

That, subject to and conditionally upon the passing of Resolution 18, the Directors be empowered pursuant to Article 12.4 of the Articles of Association of the Company (the "Articles") to allot or sell Equity Securities (as defined in the Articles) wholly for cash as if Article 13 of the Articles (Pre-emptive 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 £1,137,374. 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 21

That, subject to and conditionally upon the passing of Resolution 18, in addition to any authority granted under Resolution 20, the Directors be empowered to allot Equity Securities (as defined in the Articles of Association of the Company (the "Articles")) wholly for cash and/or to sell Equity Securities held by the Company as treasury shares wholly for cash under the authority given by Resolution 18 as if Article 13 of the Articles (Pre-emptive rights) did not apply to any such allotment or sale, such authority to be:

21.1 limited to the allotment and/or sale of Equity Securities wholly for cash up to an aggregate nominal amount of £1,137,374; and

21.2 used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice.

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 22

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:

22.1 the maximum number of ordinary shares hereby authorised to be purchased is 22,747,479 ordinary shares of 10 pence;

22.2 the minimum price (exclusive of expenses) which may be paid for each ordinary share is 10 pence (being the nominal value of an ordinary share);

22.3 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 on the trading venue(s) where the purchase is carried out;

22.4 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);

22.5 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

22.6 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.

By order of the Board



Graham Middlemiss
Group Company Secretary

18 October 2019

Ferguson plc
Registered No. 128484, Jersey

Registered in the UK as Ferguson Group Holdings, UK Establishment No. BR021199

Corporate Headquarters:
1020 Eskdale Road
Winnersh Triangle
Wokingham, RG41 5TS

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

Directors' details

Tessa Bamford

Independent Non Executive Director

Joined March 2011

Committee Membership: Member of the Audit, Nominations and Remuneration Committees.

Key strengths and experience:

– Broad business knowledge

– Extensive boardroom and City experience

Tessa has held senior advisory roles in both the UK and USA across a range of sectors. She held a variety of roles, including corporate finance, at J Henry Schroder & Co and Barclays de Zoete Wedd. She was a founder and Director of Cantos Communications and a Non Executive Director of Barratt Developments plc.

Other principal external appointments: Consultant at Spencer Stuart.

Gareth Davis

Chairman

Joined July 2003 and Chairman from January 2011 (stepping down on 31 January 2020)

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

Key strengths and experience:

– Extensive international board and general management experience

– Exceptional chairmanship experience

Gareth has served on and chaired various company boards for many years including eight years as Chairman of William Hill PLC. He spent 38 years in the tobacco industry in a variety of operational management and leadership roles and was Chief Executive of Imperial Tobacco Group plc from its incorporation in 1996 until May 2010.

Other principal external appointments: Chairman of DS Smith Plc and a Non Executive Director of Gresham House plc.

Geoff Drabble

Independent Non Executive Director and Chairman designate

Joined May 2019

Committee Membership: Member of the Audit, Nominations and Remuneration Committees.

Key strengths and experience:

– Extensive leadership experience in the distribution, technology and manufacturing sectors

– Deep knowledge of US markets and operating conditions

Geoff served as Chief Executive of Ashtead Group plc, the FTSE 100 industrial equipment rental company, for 12 years during which he presided over a period of unprecedented growth in the business and was instrumental in creating a strong culture. He was previously an executive director of The Laird Group plc, where he was responsible for its Building Products division, and held a number of senior management positions at Black & Decker.

Other principal external appointments: Non Executive Director at Howden Joinery Group Plc.

Catherine Halligan

Independent Non Executive Director

Joined January 2019

Committee Membership: Member of the Audit, Nominations and Remuneration Committees.

Key strengths and experience:

– Experienced senior executive with extensive board experience

– Extensive digital transformation, digital commerce, data analytics and marketing experience

Catherine has a strong track record in the retail, e-commerce and multi-channel arenas. She has served as the Chief Marketing Officer at Walmart.com, the SVP Sales and Marketing at PowerReviews and held senior marketing and internet roles at retailer Williams-Sonoma Inc., where she was responsible for leading efforts to launch its brands, such as Pottery Barn, on the web. She was an independent board director at Wilton Brands from 2016 to 2018.

Other principal external appointments: Non Executive Director at FLIR Systems, Inc. and Ulta Beauty, Inc.

Kevin Murphy

Chief Executive Officer, USA

Joined August 2017 (Group Chief Executive from 19 November 2019)

Committee Membership: Member of the Executive and Major Announcements Committees.

Key strengths and experience:

– Strong leadership skills with a strong track record of driving profitable growth

– Deep company and industry knowledge

Kevin is responsible for all of the Group's businesses based in the USA. He joined Ferguson in 1999 as an operations manager following the acquisition of his family's business, Midwest Pipe and Supply. He held a number of leadership positions in the Company's Waterworks division and was Chief Operating Officer of Ferguson Enterprises from 2007 to 2017.

Other principal external appointments: None.

Alan Murray

Independent Non Executive Director

Joined January 2013

Committee Membership: Member of the Audit, Nominations, Remuneration and Major Announcements Committees, Senior Independent Director and Employee Engagement Director.

Key strengths and experience:

– Considerable international operational experience

– Extensive executive management experience within global businesses

Alan is a qualified chartered management accountant with extensive business leadership skills, executive and board experience and global business and financial reporting expertise. From 2002 to 2007, Alan served as Group Chief Executive of Hanson plc, where he had previously served as Finance Director and Chief Executive of Hanson Building Materials America. He served on the Management Board and Supervisory Board of HeidelbergCement AG and as a Non Executive Director of International Power plc.

Other principal external appointments: Non Executive Director of Owens-Illinois, Inc.

Michael Powell

Group Chief Financial Officer

Joined June 2017

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

Key strengths and experience:

– Considerable financial management and operational experience

– Experience of running multi-national businesses with significant US operations.

Mike is a chartered management accountant with significant experience leading finance teams at large listed companies. Prior to his appointment at Ferguson he was Group Finance Director of BBA Aviation plc, a leading provider of aviation support services with significant US operations, and CFO of AZ Electronic Materials plc and Nippon Sheet Glass as well as spending 15 years at Pilkington plc in a variety of operational and finance roles.

Other principal external appointments: Non Executive Director of Low & Bonar plc.

Thomas Schmitt

Independent Non Executive Director

Joined February 2019

Committee Membership: Member of the Audit, Nominations and Remuneration Committees.

Key strengths and experience:

– Significant operational experience

– Extensive knowledge of US and international logistics and supply chain businesses

Tom is a dynamic and experienced CEO with significant first-hand leadership experience of the markets in which the Group operates and a track record of driving accelerated profitable growth and promoting integrity, transparency and values-based leadership. His career started at BP and McKinsey and has encompassed leadership roles at FedEx, AquaTerra Corporation and Schenker AG. He served as a Non Executive Director of Zooplus AG from 2013 to 2016.

Other principal external appointments: Chairman and Chief Executive Officer of Forward Air Corporation, Inc.

Nadia Shouraboura

Independent Non Executive Director

Joined July 2017

Key strengths and experience: Member of the Audit, Nominations and Remuneration Committees.

Key strengths and experience:

– Considerable expertise in running complex logistics and supply chain activities

– Extensive experience of cutting edge technology and e-commerce.

Nadia has substantial experience of the consumer and technology sectors. She was a Vice President at Amazon.com, Inc. and held management positions at Exelon Power Team, Diamond Management and Starlight Multimedia Inc. She held board level positions at Hointer Inc. and Cimpress N.V.

Other principal external appointments: Member of the Supervisory Board of X5 Retail Group N.V.

Jacqueline Simmonds

Independent Non Executive Director

Joined May 2014

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

Key strengths and experience:

– Extensive expertise in executive remuneration and human resources within large international businesses

– Significant knowledge of talent management and employee engagement

Jacky has experience across a number of sectors. She has worked as a HR Director in a number of different consumer facing businesses, including easyJet plc and TUI Travel plc. She was a member of the Supervisory Board of TUI Deutschland, GmbH and a Director of PEAK Adventure Travel Group Limited.

Other principal external appointments: Group Chief People Officer of VEON Ltd.

Explanatory notes

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

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 2019.

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 and the Remuneration Policy.

Resolution 2 seeks shareholder approval for the Directors' Remuneration Report for the financial year ended 31 July 2019 (other than the Remuneration Policy) as set out on pages 80 to 106 of the 2019 Annual Report and Accounts. The report includes a remuneration table containing details of the Directors' emoluments, including a single figure of pay for each Director who served during the 2018/2019 financial year. The report includes the disclosures required under the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) which apply to UK incorporated quoted companies.

The Company's auditors, Deloitte LLP, have audited those parts of the Directors' Remuneration Report capable of being audited and their report may be found on pages 150 to 155 of the 2019 Annual Report and Accounts. The vote on the Directors' Remuneration Report is advisory.

Following a period of consultation with major shareholders, the Company is proposing to change its Remuneration Policy this year. Resolution 3 seeks shareholder approval for the Remuneration Policy which is set out on pages 84 to 96 of the Directors' Remuneration Report contained within the 2019 Annual Report and Accounts. It sets out the Company's policy on remuneration and potential payments to Directors going forward. As the Company is not UK-incorporated, the relevant provisions contained within 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. This remains consistent with the Company's approach to its current Remuneration Policy as set out in the 2018 Notice of Annual General Meeting, which was the last time that the Remuneration Policy was approved by shareholders.

If approved by 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 2019 of 145.1 cents 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 28 November 2019 to shareholders on the register of members of the Company at 6.00pm on 25 October 2019.

The default payment currency for dividends is pounds sterling, unless shareholders elect for payment to be in US dollars. The pound sterling amount to be paid in respect of the final dividend will be announced on 18 November 2019 and will be calculated using the London 4.00pm Bloomberg fixing rate on 15 November 2019.

Shareholders who wish to elect to receive the final dividend in US dollars (or wish to amend an existing election), will need to submit a completed application form to the Registrar by no later than 5.00pm on 7 November 2019 otherwise any such election will only apply to subsequent dividends. If you wish to make an election, please contact the Registrar whose contact details can be found on the back page of this document.

Resolutions 5 to 14 – Election of Directors

Where an appointment is made by the Board, the director must retire at the next general meeting and can then be put forward by the Board for reappointment by Shareholders in accordance with the Articles. As this is the first AGM following the Company's redomicilliation by way of a scheme of arrangement, all Directors are standing for election proposed through separate resolutions, 5 to 14 inclusive. Each of the Directors being proposed for election has been subject to a performance evaluation. As announced on 22 May 2019, Gareth Davis will step down from the Board in January 2020.

The Chairman and the Board consider 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 pages 6 and 7 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. Resolution 15, which is recommended by the Audit Committee, proposes that Deloitte LLP be appointed 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 following year. Resolution 16 proposes to give such authority to the Audit Committee on behalf of the Directors.

Resolution 17 – Political donations

This Resolution enables the Directors to incur expenditure of up to £100,000 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 would 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 general meeting held on 25 April 2019 to allot or sell 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 £7,582,493 representing one-third of the total issued ordinary share capital (excluding treasury shares) as at 16 October 2019 (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 guidelines, 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 the date of this document, the Company held 4,696,375 shares in treasury which as at 16 October 2019, being the latest practicable date before the publication of this document, represented 2.06 per cent of the total issued share capital of the Company (excluding treasury shares).

Resolution 19 – Amendment to the Ferguson Group Long Term Incentive Plan 2019

This Resolution seeks shareholder approval to amend the rules of the Ferguson Group Long Term Incentive Plan 2019 (the "Plan Rules") so that the maximum total market value of shares over which awards may be granted under Appendix A of the Plan Rules to any eligible US employee in respect of any financial year of the Company be increased to 500 per cent of salary. The maximum total market value of shares over which awards may be granted to all eligible employees who are not eligible US employees will remain unchanged. Shareholder approval is being sought to ensure that the Plan Rules reflect the new Remuneration Policy which is proposed for shareholder approval as Resolution 3.

Resolutions 20 and 21 – Dis-application of pre-emption rights

These are special resolutions. 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-emptive rights.

Resolution 20 will authorise the Directors to allot Equity Securities, conditional upon and pursuant to the authority granted under Resolution 18, 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 Resolution 20 will be limited to the allotment or sale of Equity Securities wholly for cash up to an aggregate nominal value of £1,137,374 which represents approximately 5 per cent of the issued ordinary share capital of the Company (excluding treasury shares) as at 16 October 2019 (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 Resolution 20).

The waiver proposed by Resolution 21 is in addition to the waiver proposed by Resolution 20.

As supported by the Pre-Emption Group's Statement of Principles on pre-emption rights, Resolution 21 will authorise the Directors to allot and/or sell Equity Securities (conditional upon and pursuant to the authority granted under Resolution 18) wholly for cash without the application of the pre-emption rights contained in Article 13 of the Articles up to a further aggregate nominal value of £1,137,374, which represents approximately 5 per cent of the issued ordinary share capital of the Company (excluding treasury shares) as at 16 October 2019 (being the latest practicable date prior to the publication of this document), provided that this additional authority may only be used for the purpose of an acquisition or a specified capital investment which is announced contemporaneously with the allotment and/or sale or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment and/or sale. 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 Resolution 21).

The Directors have no present intention of exercising these authorities but consider that the authority is appropriate in order to allow the Company flexibility. 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 of the Company (excluding treasury shares) on a non pre-emptive basis pursuant to the authority in Resolution 20 in any rolling three-year period.

Resolution 22 – Authority to purchase shares

This is a special resolution. This Resolution renews the existing authority, granted at the general meeting held on 25 April 2019, 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 22,747,479 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 16 October 2019 (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 on the trading venue(s) where the purchase is carried out. The minimum price (exclusive of expenses) per share shall be 10 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 10 June 2019, the Company announced its intention to commence a $500m share repurchase programme (the "Buyback Programme") by way of on-market purchases. Subject to Resolution 22 being passed, the Directors intend to continue repurchasing shares pursuant to the Buyback Programme, to the extent such programme has not been completed. 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 16 October 2019, being the latest practicable date before the publication of this document, the Company held 4,696,375 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 16 October 2019, 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 848,845 ordinary shares, which represents 0.37 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 0.41 per cent of the issued ordinary share capital of the Company (excluding treasury shares).

Notes

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

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 6.30pm on 19 November 2019 (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 and vote at 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; 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 on 19 November 2019 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 Voting ID, Task ID and Shareholder Reference 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 RA19) by no later than 12.30pm on 19 November 2019. 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.

Any such representation should bring to the Meeting written evidence of their appointment, such as a certified copy of a board resolution of, or a letter from, the body corporate concerned confirming the appointment.

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 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 16 October 2019, being the latest practicable date prior to the publication of this document, the Company's issued share capital consisted of 232,171,182 ordinary shares with each ordinary share carrying one vote, except for any shares held in treasury.

The Company held 4,696,375 shares in treasury and therefore the total number of voting rights in the Company as at 16 October 2019 was 227,474,807.

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 (1020 Eskdale Road, Winnersh Triangle, Wokingham RG41 5TS), and from 15 minutes before the AGM starts until it ends at The Lincoln Centre, 18 Lincoln's Inn Fields, London WC2A 3ED, United Kingdom:

- copies of the Executive Directors' service contracts;
- copies of letters of appointment of the Non Executive Directors;
- copies of letters of indemnity for each of the Directors; and
- a copy of the proposed rules of the Ferguson Group Long Term Incentive Plan 2019.

Copies of the proposed rules of the Ferguson Group Long Term Incentive Plan 2019 will also 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.

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 auditors' 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. Questions at the AGM

All shareholders and their proxies have the right to ask questions at the AGM. 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.

11. 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.

12. Website

Information regarding the AGM, 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

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JE2 3RA
Channel Islands

Registration No. 128484 Jersey

Registered in the UK as
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