

# Notice of meeting

**This document is important and requires your immediate attention.** If you have any doubts about what action you need to take, you should contact your stockbroker, bank manager, solicitor or accountant or other independent professional adviser authorised pursuant to the Financial Services and Markets Act 2000 immediately. If you have sold or transferred all of your holding of ordinary shares you should pass this Notice and accompanying documents to the person through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

**Notice is hereby given that the Annual General Meeting of Wolseley plc will be held at Haberdashers' Hall, 18 West Smithfield, London EC1A 9HQ on Wednesday 28 November 2007 at 12 noon.**

As a member of the Company, you are entitled, notwithstanding any provision to the contrary in the Articles of Association of the Company, to appoint a proxy to exercise all or any of your rights to attend and to speak and vote at the Annual General Meeting of the Company.

## Routine business

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

### Resolution 1

That the Directors' Annual Report and Accounts and the auditors' report thereon for the year ended 31 July 2007 be received and adopted.

### Resolution 2

That the Directors' Remuneration report for the year ended 31 July 2007 be received and adopted.

### Resolution 3

To declare a final dividend of 21.55 pence per ordinary share.

### Resolutions 4, 5 and 6

That Messrs Duff, Hornsby and Murray be re-elected as Directors of the Company.

### Resolution 7

That the auditors PricewaterhouseCoopers LLP be reappointed as the Company's auditors, until the conclusion of the next Annual General Meeting of the Company.

### Resolution 8

That the Directors be authorised to agree the remuneration of the auditors.

## Non-routine business

To consider and, if thought fit, to pass the following resolutions which will be proposed as to Resolutions 9, 12 and 13 as ordinary resolutions and as to Resolutions 10, 11, 14 and 15 as special resolutions.

### Resolution 9

That the Directors be and hereby are generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities (within the meaning of section 80 of the Companies Act 1985 ('the Act')), up to a maximum nominal amount of £34,703,160, which authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution and in any event no later than 15 months after the passing of this resolution (unless previously revoked or varied by the Company in general meeting). The power conferred by this resolution shall enable and allow the Directors to make an offer or an agreement before the expiry of the power which would or might require

relevant securities to be allotted after such expiry and the Board may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

### Resolution 10

That the Directors be and hereby are empowered, pursuant to section 95 of the Companies Act 1985 ('the Act'), to allot equity securities (as defined in section 94 of the Act) for cash, at any time when they are generally authorised for the purposes of section 80 of the Act, as if section 89 (1) of the Act did not apply to any such allotment, provided that this power shall be limited:

**10.1** to the allotment of equity securities in connection with, or pursuant to, a rights issue in favour of the holders of ordinary shares in the Company where the equity securities respectively attributable to the interests of the ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares deemed to be held by them, subject only to such arrangements or exclusions as the Directors may feel necessary or expedient to deal with fractional entitlements otherwise existing or legal or practical problems arising by virtue of shares being represented by depositary receipts or otherwise under the laws of or any other requirements of any regulatory body or stock exchange in any territory or any matter whatsoever; and

**10.2** to the allotment (otherwise than pursuant to sub-paragraph 10.1 above) of equity securities up to an aggregate nominal amount of £8,264,842 equal to 5 per cent of the issued ordinary share capital of the Company as at 24 September 2007 and shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution and in any event no later than 15 months after the passing of this resolution.

The power conferred by this resolution shall enable and allow the Directors to make an offer or an agreement before the expiry of the power which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired.

### Resolution 11

That the Company be and hereby is generally and unconditionally authorised in accordance with Part VII of the Companies Act 1985 ('the Act') to make market purchases (within the meaning of section 163 of the Act) of ordinary shares of 25 pence each in the capital of the Company provided that:

**11.1** the maximum number of ordinary shares hereby authorised to be purchased is 66,118,736;

**11.2** the minimum price which may be paid for each ordinary share is 25 pence, exclusive of expenses;

**11.3** the maximum price which may be paid for each ordinary share is, in respect of a share contracted to be purchased on any day, an amount equal to 105 per cent of the average middle market quotations for the ordinary shares of the Company derived from the Daily Official List of the London Stock Exchange on the five business days immediately preceding the day on which the ordinary share is purchased, exclusive of expenses;

**11.4** the power hereby granted shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution; and

**11.5** the Company may under the authority conferred by this resolution and prior to the expiry of the authority make a contract to purchase its own ordinary shares which will or may be executed wholly or partly after the expiry of the authority and may make a purchase of its own ordinary shares in pursuance of such contract.

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## Resolution 12

That the Company and any company which is or becomes its subsidiary during the period to which this resolution relates, be and is hereby authorised during the period commencing on the date of this Annual General Meeting and ending on the date of the Company's next Annual General Meeting to:

- 12.1** make political donations to political parties;
- 12.2** make political donations to political organisations other than political parties; and/or
- 12.3** incur political expenditure;

in a total aggregate amount not exceeding £125,000.

For the purposes of this resolution, the terms 'political donation', 'political parties', 'political organisation' and 'political expenditure' have the meanings given by sections 363 to 365 of the Companies Act 2006.

## Resolution 13

That pursuant to Regulation 111 of the Articles of Association of the Company, the total fees payable, in aggregate, to Non Executive Directors be and are hereby increased to £1,000,000 per annum.

## Resolution 14

That the Articles of Association of the Company be amended by making the alterations marked on the print of the Articles of Association produced to the Meeting marked 'A' and initialled by the Chairman for the purposes of identification with effect from the conclusion of the Meeting.

## Resolution 15

That the Articles of Association of the Company shall be amended with effect from (and including) 1 October 2008 by making the alterations marked on the print of the Articles of Association produced to the Meeting marked 'B' and initialled by the Chairman for the purposes of identification.



By order of the Board

**Charles P Watters**

Group Company Secretary and General Counsel (Interim)  
5 October 2007

Wolseley plc  
Registered No. 29846, England  
Parkview 1220  
Arlington Business Park  
Theale, Reading RG7 4GA

## Explanatory notes

### Resolution 1

The Directors are required to present to the Meeting the audited accounts and the Directors' and auditors' report for the financial year ended 31 July 2007.

### Resolution 2

The Directors' report on remuneration includes the Company's policy on Directors' remuneration for the next financial year and for the years subsequent to that, a table containing details of the Directors' emoluments and a line graph that shows total shareholder

return ('TSR') from 1 August 2002, together with the TSR for the FTSE 100 index since that date.

### Resolution 3

If Resolution 3 is approved by shareholders, the final dividend for the year ended 31 July 2007 will be paid on 30 November 2007 to shareholders whose names appear on the register of members at close of business on 5 October 2007.

### Resolutions 4, 5 and 6

Under the Company's Articles of Association, one-third of the Directors are required to retire by rotation each year and, in addition, no Director may serve for more than three years without being re-elected by shareholders. Messrs Duff, Hornsby and Murray will retire by rotation this year in accordance with the Articles of Association and are proposed for re-election through separate resolutions numbered 4, 5 and 6. Mr Duff is standing for re-election as a Non Executive Director. Mr Duff is the Chairman of the remuneration committee and a member of the nominations committee. Mr Duff does not have a service contract with the Company but his appointment is terminable on six months' notice. Mr Hornsby is standing for re-election as an Executive Director. Mr Hornsby has a service contract with the Company terminable by not less than six months' notice given by him or 12 months' notice if given by the Company. Mr Murray is standing for re-election as a Non Executive Director. He is Chairman of the audit committee. Mr Murray does not have a service contract with the Company but his appointment is terminable on six months' notice. Biographical details of all the Directors standing for re-election appear on pages 42 and 43 of the Annual Report and Accounts.

### Resolutions 7 and 8

Auditors have to be appointed at every general meeting at which accounts are presented to shareholders. The current appointment of PricewaterhouseCoopers LLP as the Company's auditors will end at the conclusion of the Annual General Meeting and it has advised its willingness to stand for reappointment. It is normal practice for a company's directors to be authorised to agree how much the auditors should be paid.

### Resolutions 9 and 10

The Companies Act 1985 prevents Directors from allotting unissued shares without the authority of shareholders in general meeting. The Company's Articles of Association permit the Directors to allot unissued shares but this power is subject to renewal by shareholders. Resolution 9 empowers the Directors to allot shares of up to £34,703,160 in nominal amount representing the authorised but unissued ordinary share capital as at 24 September 2007, being a date not more than one month prior to this Notice. The Directors were last given this authority at the Annual General Meeting held in 2006 and it is intended that renewal of this authority will be sought on an annual basis. Resolution 10 empowers the Directors to allot shares for cash or sell/transfer shares out of treasury otherwise than pro rata to existing shareholders but this power is limited to allotments in connection with a rights issue and otherwise up to an aggregate nominal amount of £8,264,842 (approximately 5 per cent of the issued ordinary share capital as at 24 September 2007, being a date not more than one month prior to this Notice). Save for the issue of shares pursuant to the Company's various employee share schemes and any share dividend alternatives, the Directors do not presently intend to allot any unissued shares. Treasury shares and the regulations which came into force on 1 December 2003 in relation to them, are more fully explained in the note to Resolution 11. The authority conferred by these resolutions will expire no later than 15 months from the date on which the resolution is passed, or at the conclusion of the Annual General

Meeting to be held in 2008, whichever is the sooner. Similar resolutions have been approved by shareholders at each Annual General Meeting since 1984.

#### **Resolution 11**

This resolution empowers the Directors to make limited on-market purchases of the Company's ordinary shares. The power is limited to a maximum of 66,118,736 shares (10 per cent of the issued share capital as at 24 September 2007) and details the minimum and maximum prices that can be paid, exclusive of expenses. The authority conferred by this resolution will expire at the conclusion of the Company's next Annual General Meeting. The Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 came into force on 1 December 2003. These regulations allow shares repurchased by the Company to be held as treasury shares. Treasury shares may be cancelled, sold for cash or used for the purpose of employee share schemes. The authority to be sought by this resolution is intended to apply equally to shares to be held by the Company as treasury shares. No dividends will be paid on shares which are held as treasury shares and no voting rights will be attached to them. Shares held as treasury shares will be treated as if cancelled. The Company holds no shares in treasury but the Directors currently intend that any shares which are repurchased will be held in treasury.

#### **Resolution 12**

This resolution enables the Directors to incur expenditure of up to a total of £125,000 in respect of the heads identified (including any such expenditure by a subsidiary company) without unintentionally breaching the provisions of the Companies Act 2006, which defines political organisations and political donations in a broad manner. The authority sought will, if granted, last until the conclusion of the 2008 Annual General Meeting of the Company when the Directors intend to seek renewal of this authority. The policy of not giving any cash contributions to any political party will continue.

#### **Resolution 13**

The Articles of Association prescribe that the total amount of fees which may be paid to the Non Executive Directors shall not exceed £750,000 per annum, unless the Company's shareholders otherwise resolve. In view of the increasing time commitment involved and in line with market trends, the Board believes it is appropriate to recommend an increase in the limit to £1,000,000 per annum in order to provide flexibility for the future.

#### **Amendments to the Articles of Association of the Company**

The Companies Act 2006 (the '2006 Act') received Royal Assent in November 2006. The 2006 Act represents a major reform of UK companies' legislation and is being brought into force on a staged basis between January 2007 and October 2008. It is proposed that, at this year's Annual General Meeting, the Company amends its Articles of Association (the 'Articles') to reflect certain changes in the law governing electronic communications and Directors' conflicts of interest which have or will come into force as a result of the 2006 Act (see notes to Resolutions 13 and 14 below).

However, over the coming year, the Company (in conjunction with its legal advisers) intends to conduct a further review of the Articles, incorporating any further changes which are necessary or desirable following the full implementation of the 2006 Act. Any proposed amendments will be put to shareholders at the 2008 Annual General Meeting. Copies of the current and proposed Articles (and comparison documents showing all the proposed changes to the Articles) are available for inspection during normal business hours at the registered office of the Company and at the offices of its solicitors, Freshfields Bruckhaus Deringer (65 Fleet Street,

London EC4Y 1HS) until 28 November 2007 or upon request from the Company Secretary. Copies will also be available at the Annual General Meeting from 11.15am until its conclusion. The material differences between the current and the proposed Articles are summarised below. Changes of a minor, conforming or purely technical nature have not been mentioned specifically.

#### **Resolution 14 Provisions relating to electronic communications**

Currently, shareholders may elect for communications to be sent to them via email rather than receiving documents in hard copy form. The 2006 Act contains new provisions relating to electronic communications between companies and their shareholders which will enable companies to use electronic communications with shareholders as the 'default' position by placing documents on a website unless shareholders specifically elect to receive hard copies. Shareholders may also elect to communicate with the Company by electronic means where the Company has given an electronic address in a Notice calling a meeting or in an instrument of proxy. The Company proposes to amend its Articles to take advantage of these provisions.

In any event, before implementing the 'default' provisions (as detailed above), the Company would write to all shareholders to give them the opportunity to exercise their choice as to whether they wish to continue to receive documents in hard copy form or via the Company's website.

#### **Resolution 15 Provisions relating to conflicts of interest**

The 2006 Act sets out Directors' general duties, which largely codify the existing law, but with some changes. Under the 2006 Act, from 1 October 2008 a Director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the Company's interests. This requirement is very broad and could apply, for example, if a Director becomes a Director of another company or a trustee of another organisation. Currently, Directors discuss such proposed positions with the Company before taking them up and there are actions Directors can take to avoid a breach of their duties if an actual conflict arises. The 2006 Act allows Directors of public companies to authorise conflicts and potential conflicts, where appropriate, where the Articles of Association contain a provision to this effect. The 2006 Act also allows the Articles of Association to contain other provisions for dealing with Directors' conflicts of interest to avoid a breach of duty. This change to the Articles of Association, to take effect from 1 October 2008, would give the Directors authority to approve such situations and to include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position.

There are safeguards which will apply when the Directors decide whether to authorise a conflict or potential conflict. Firstly, only Directors who have no interest in the matter being considered will be able to take the relevant decision and secondly, in taking the decision the Directors must act in a way they consider, in good faith, will be most likely to promote the Company's success. The Directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate.

The Directors consider that each of the resolutions is in the best interests of the Company and the shareholders as a whole and, accordingly, recommend all shareholders to vote in favour of all resolutions, as the Directors intend to do in respect of their own shares.

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## Electronic communications

The Company is currently authorised to send shareholder information, including Annual Reports, Notices of General Meetings and Forms of Proxy to you electronically, provided only that you agree to receive them in this format.

This has a number of advantages, including:

- Speedier delivery of documents;
- Cost savings on the delivery of documents;
- Saving on environmental resources;
- Confirmation of receipt of proxy appointments.

To receive your shareholder documentation electronically, you need to register with our Registrars' online service, [www.shareview.co.uk](http://www.shareview.co.uk). This is a secure service enabling shareholders to set up and view personal shareholding details. When you register please have your shareholder reference number to hand (this can be found on your share certificate or your proxy form).

To encourage more shareholders to convert to ecommunications, if you make the choice to receive all future communications electronically, we will arrange for a sapling tree to be planted in the UK to be dedicated to you.

This offer and the provision of a facility to communicate with shareholders electronically, does not discriminate between registered shareholders of the same class. The facility is available to all registered shareholders on equal terms and participation is made as simple as possible. Please note that it is the shareholder's responsibility to notify our Registrars through [www.shareview.co.uk](http://www.shareview.co.uk) of any change to their email address.

In the future, subject to the approval of the amendments to the Articles of Association pursuant to Resolution 14, the Company will be able to communicate with shareholders who have consented, or who have deemed to have consented, to receive documents electronically, by placing shareholder documentation on a website and notifying them in writing that such documents are available. The Company would, however, write to all shareholders before doing so to give you an opportunity to exercise your choice as to whether you wish to continue to receive documents in hard copy form or via the Company's website.

The next opportunity for us to notify you electronically will be for the Interim Report for 2008, which will be published in Spring 2008. If you have registered, an email will be sent in March/April 2008 notifying you that the report has been published and this will include a link to the relevant page on our website. A similar procedure will be followed for future shareholder documentation. There are no particular software requirements to view these documents, other than those described and available on our website [www.wolseley.com](http://www.wolseley.com).

Before electing for electronic communication, shareholders should ensure that they have the appropriate computer capabilities. The Company takes all reasonable precautions to ensure no viruses are present in any communication it sends out, but cannot accept any responsibility for loss or damage arising from the opening or use of any email or attachments from the Company and recommends that shareholders subject all messages to virus checking procedures prior to use. Please note that any electronic communication sent by a shareholder to the Company or the Registrar containing a computer virus will not be accepted.

The Company's obligation is satisfied when it transmits an electronic message. It cannot be held responsible for a failure in transmission beyond its control. In the event that the Company becomes aware that an electronic transmission is not successfully transmitted, a paper notification will be sent to the shareholder at their registered address. The Company also reserves the right, irrespective of your election, to revert to sending paper documentation by post, whenever the Board considers it necessary or desirable to do so.

## Enquiries

Equiniti (formerly Lloyds TSB Registrars) maintain the Company's share register. They also provide a telephone helpline service. If you have any enquiries about the Annual General Meeting or about your Wolseley plc shareholding, you may contact Equiniti:

by telephone to the Shareholder helpline:  
from the UK – 0870 241 3934  
from outside the UK – +44 121 415 7047

in writing to – Equiniti (0049)  
Aspect House  
Spencer Road  
Lancing  
West Sussex  
BN99 6BN

website – [www.equiniti.com](http://www.equiniti.com)

The Bank of New York Mellon maintains the Company's American Depositary Receipt register. They also provide a telephone helpline service. If you have any enquiries about your holding of Wolseley American Depositary Shares, you may contact the Bank of New York Mellon:

by telephone to the Shareholder helpline:  
within the US – 1-888-BNY-ADRS (toll-free)  
from outside the US – +1 212 815 3700

in writing to – Bank of New York Mellon  
Investor Relations  
PO Box 11258 Church Street Station  
New York, NY 10286-1258

website – <https://www.stockbny.com>

## Data protection statement

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

## Published information

The Notice of Annual General Meeting is also available in Braille or in an audio version on CD, depending on your requirements.