

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt as to the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial advisor authorised under the Financial Services and Markets Act 2000.**

If you have sold or otherwise transferred your entire holding of Ordinary Shares in Persimmon Plc, please forward this document as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

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## ANNUAL GENERAL MEETING 2017

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Notice of the Annual General Meeting of the Company to be held at York Racecourse, Knavesmire Road, York YO23 1EX at 12 noon on 27 April 2017 is set out at the end of this circular.

20 March 2017

## Directors:

**Nicholas Wrigley** (Chairman)  
**Jeff Fairburn** (Group Chief Executive)  
**Mike Killoran** (Group Finance Director)  
**David Jenkinson** (Group Managing Director)  
**Jonathan Davie** (Senior Independent Director)  
**Marion Sears** (Non-Executive Director)  
**Rachel Kentleton** (Non-Executive Director)  
**Nigel Mills** (Non-Executive Director)

**To the holders of Ordinary Shares**

Dear Shareholder

**Annual General Meeting 2017**

You will find enclosed with this letter a notice convening the Annual General Meeting ('AGM') of the Company ('Notice') to be held at 12 noon on 27 April 2017 at York Racecourse, Knavesmire Road, York YO23 1EX. The ordinary resolutions 1 to 13 relate to the routine business of the AGM and the ordinary resolutions 14 to 16 and the special resolutions 17 to 20 relate to special business. The resolutions are summarised and explained below.

**Report and Accounts: Resolution 1**

The first item on the Notice is for shareholders to receive and adopt the Directors' and Auditor's Reports and Financial Statements for the year ended 31 December 2016.

**Directors' Remuneration: Resolutions 2 and 3**

There are two remuneration resolutions this year. The first is to seek shareholder approval for our future Remuneration Policy, which is intended to take effect from the conclusion of the AGM. This will be a binding vote and Directors can only receive remuneration if it is within the approved Remuneration Policy. Our current policy was adopted in 2014 and the policy for remunerating Directors must be put to shareholders at least every three years. The proposed new Remuneration Policy is set out on pages 66 to 74 of the Annual Report 2016. A summary of the changes included in the proposed new Remuneration Policy is set out in the Remuneration Committee Chairman's Statement on pages 64 and 65 of the same report. It is intended that if approved by shareholders, the policy will be the Company's Directors' Remuneration Policy for the period from 27 April 2017 to the conclusion of the AGM to be held in 2020.

Resolution 3 is to seek shareholders' approval for the Annual Report on Remuneration for the financial period ended 31 December 2016 which is set out on pages 75 to 85 of the Annual Report 2016. The Annual Report on Remuneration sets out how the Directors were paid in the year to 31 December 2016 and how it is proposed to implement the proposed new Remuneration Policy in 2017. The shareholder vote on the Annual Report on Remuneration resolution will be advisory and no entitlement of a Director to remuneration is conditional on it.

**Election and Re-election of Directors: Resolutions 4 to 12**

Resolutions 4 to 12 concern the retirement and re-election of Directors by shareholders, or in the case of Simon Litherland his election by shareholders for the first time. Simon Litherland is not currently a Director of the Company but as previously announced, will be appointed as a Non-Executive Director on 3 April 2017. In accordance with the provisions of the UK Corporate Governance Code all of the Directors (including Simon Litherland) will retire at the AGM and offer themselves for re-election (or election).

Following individual performance evaluations, the Board supports the re-election of each of the current Directors. The Chairman and the Non-Executive Directors have individually produced excellent performance in their duties and have shown a high level of independence and commitment to their roles. The Executive Directors have also performed excellently on an individual basis, they have extensive experience in the housebuilding industry and together form a strong executive management team. Further the Board supports the election of Simon Litherland, they consider that his executive experience in consumer facing industries will add to the experience of the Board and complement the current skills of the Directors. Biographies of each of the Directors may be found on pages 52 to 53 of the Annual Report 2016, which can be found on the Company's website at [www.corporate.persimmonhomes.com](http://www.corporate.persimmonhomes.com), in the Investors section.

### **Appointment of Auditor: Resolution 13**

Resolution 13 is for the re-appointment by shareholders of Ernst & Young LLP as auditor and for shareholders to authorise the Audit Committee to determine the auditor's remuneration.

### **Persimmon 2017 Performance Share Plan ('2017 PSP'): Resolution 14**

Resolution 14 concerns the proposal to adopt a new long term incentive plan for the benefit of Directors and employees. As set out in the statement from Jonathan Davie, Remuneration Committee Chairman, on pages 64 and 65 of the Annual Report 2016 no further awards will be made under the Company's current long term incentive plan (the '2012 LTIP'). The Remuneration Committee consider it important that we continue to have an appropriate retention and incentive plan available, and there are circumstances when we will need to offer long term incentives to assist on the recruitment of new managers or incentivise current managers. As set out in the proposed new Remuneration Policy, the existing Executive Directors will be precluded from participating in the 2017 PSP until their awards under the 2012 LTIP have fully vested.

The proposal to adopt the plan, along with its terms, has been the subject of a consultation with shareholders. A summary of the principal terms of the plan is set out in the Appendix to this Circular.

### **Proposed Property Transaction: Resolution 15**

Harley Fairburn, son of Jeff Fairburn, Group Chief Executive, has contracted to purchase a property from a wholly owned subsidiary of the Company. As the transaction is for an amount in excess of £100,000 it constitutes a substantial property transaction with a connected person of a Director of the Company under sections 190 and 191 of the Companies Act 2006. Completion of the proposed transaction is conditional upon obtaining the approval of shareholders, which is being sought by this resolution.

The proposed transaction is the purchase of Plot 22 Aykley Woods, Durham for a price of £324,901 from Persimmon Homes Limited, a wholly owned subsidiary of Persimmon Plc. If shareholder approval is obtained it is expected that the transaction will complete in May 2017. Jeff Fairburn is a Director of Persimmon Homes Limited.

The purchase price for the property was determined following a rigorous review of open market values for similar homes on the same development. The Board believes that the terms of the proposed transaction are fair and reasonable.

### **Authority to Allot Ordinary Shares: Resolution 16**

Resolution 16, which will be proposed as an ordinary resolution, is to give the Directors authority to allot ordinary shares of ten pence each ('Ordinary Shares') and grant rights to subscribe for, or convert any security into, Ordinary Shares. Paragraph 16.1 of resolution 16 will allow the Directors to allot Ordinary Shares up to a maximum nominal amount of £10,286,089, representing approximately one third of the Company's existing issued share capital as at 10 March 2017, being the latest practicable date prior to the publication of this document. Paragraph 16.2 of Resolution 16 will also allow Directors to allot, including the Ordinary Shares referred to in paragraph 16.1 of Resolution 16, Ordinary Shares in connection with a pre-emptive offer by way of a rights issue to ordinary shareholders up to a maximum nominal amount of £20,572,178, representing approximately two thirds of the issued share capital of the Company as at 10 March 2017. The Directors have no present intention of using the authority given to allot further shares, but would prefer to have the flexibility to do so, should the need arise. However, if they do exercise the authority, the Directors intend to follow emerging best practice as regards its use.

The Company holds no Ordinary Shares in treasury as at 10 March 2017.

This authority will, if granted, expire at the conclusion of the AGM to be held in 2018 or, if earlier, on 30 June 2018.

### **Renewal of section 561 authority: Resolutions 17 and 18**

Under section 561 of the Companies Act 2006, any shares allotted (or, in the case of any shares held in treasury, sold) wholly for cash must be offered to existing shareholders in proportion to their holdings, but this requirement may be modified by the authority of a special resolution of the shareholders in general meeting.

The authority given at the AGM held on 14 April 2016 will expire at the end of the forthcoming AGM and resolutions 17 and 18 seek to renew it. These resolutions would give the Directors the power to allot Ordinary Shares (or sell any Ordinary Shares which the Company elects to hold in treasury) for cash without first offering them to existing shareholders in proportion to their existing shareholdings.

The power under resolution 17 would be, similar to previous years, limited to (a) allotments or sales in connection with pre-emptive offers and offers to holders of other equity securities if required by the rights of those shares or as the Board otherwise considers necessary, or (b) otherwise up to a nominal amount of £1,542,913. This nominal amount represents approximately 5% of the issued ordinary share capital of the Company (excluding treasury shares) as at 10 March 2017, the latest practicable date prior to publication of this Notice.

In respect of the authority under resolution 18, the Board confirms its intention to follow the provisions of the Pre-Emption Group's Statement of Principles regarding cumulative usage of authority within a rolling three-year period where the Principles provide that usage in excess of 7.5% of issued ordinary share capital of the Company (excluding treasury shares) should not take place without prior consultation with shareholders, except in connection with an acquisition or specified capital investment as referred to below.

The power under resolution 18 would be limited to allotments up to a nominal amount of £1,542,913 in connection with an acquisition or specified capital investment (within the meaning given in the Pre-Emption Group's Statement of Principles). This nominal amount represents approximately 5% of the issued ordinary share capital of the Company (excluding treasury shares) as at 10 March 2017, the latest practicable date prior to publication of this Notice).

In respect of the authority under resolution 18, the Board confirms that it will only allot shares pursuant to this authority where the acquisition or specified capital investment is announced contemporaneously with the allotment, or has taken place in the preceding six-month period and is disclosed in the announcement of the allotment.

The authorities under resolutions 17 and 18 will expire at the conclusion of the following AGM or, if earlier, at the close of business on 30 June 2018.

### **Authority for the Company to Purchase its own Ordinary Shares: Resolution 19**

The Directors consider it would be beneficial for the Company to continue to have the power to purchase its own Ordinary Shares in certain circumstances. The current authority expires at the conclusion of the 2017 AGM. If the authority were to be renewed and exercised, the Company would be able to purchase Ordinary Shares and either cancel them (so reducing the total number of Ordinary Shares in issue) or hold them as treasury shares if the Ordinary Shares were purchased out of distributable profits, subject to certain limitations. Treasury shares themselves may be cancelled, sold for cash or transferred for the purposes of the Company's employee share schemes. All rights attaching to Ordinary Shares, including voting rights and the right to receive dividends, are suspended while they are held in treasury.

Resolution 19, which will be proposed as a special resolution, authorises the Directors to purchase up to a maximum of 30,858,267 Ordinary Shares, being 10% of the issued share capital of the Company as at 10 March 2017, being the latest practicable date to ascertain the issued share capital of the Company prior to the publication of this document.

The maximum and minimum prices are stated in the resolution.

The authority will, if granted, expire at the conclusion of the AGM held in 2018 or, if earlier, on 30 June 2018. It is envisaged that the Directors will continue to seek renewal of the authority annually.

The Directors will only implement purchases of Ordinary Shares if, after careful consideration, they are satisfied that such purchases are in the best interests of the Company and its shareholders generally and would result in an increase in expected earnings per share. The Company may either retain any of its Ordinary Shares which it has purchased as treasury shares with a possible re-issue at a further later date, or cancel them. If such purchases are made, to the extent the purchased Ordinary Shares are held as treasury shares, any increase in earnings per share might only be temporary, depending on whether the Ordinary Shares in question are cancelled, sold or transferred out of treasury. Furthermore, account will be taken of the overall financial implications for the Company before any purchases of Ordinary Shares are implemented.

As at 10 March 2017, options and awards to acquire Ordinary Shares granted under the Company's employee share schemes were outstanding over a total of 24,561,979 Ordinary Shares, being equivalent to 8.0% of the issued share capital of the Company at that date. If the Directors were granted this authority to purchase Ordinary Shares and were to use it in full and subsequently cancelled such Ordinary Shares, the outstanding options and awards would be equal to 8.8% of the then issued share capital of the Company. This assumes no further equity issues or exercise of options take place.

In any 10-year period the Company may not issue more than 10% of the issued share capital of the Company to satisfy option exercises under its employee share schemes. Options granted under employee share schemes may be satisfied by the issue of new Ordinary Shares, the transfer of treasury shares (both of which count towards the number issued in any 10-year period) or by Ordinary Shares purchased in the market.

The Directors have no present intention of exercising the authority to purchase Ordinary Shares but consider it would be beneficial for the Company to continue to have this power.

### **Notice Period for General Meetings: Resolution 20**

Resolution 20 will be proposed as a special resolution to approve the holding of general meetings, other than AGMs, on 14 clear days' notice. Under the Companies Act 2006, the minimum notice period for listed company general meetings is 21 clear days, but with an ability for companies to reduce this period to 14 clear days (other than for annual general meetings) provided that certain conditions are met.

One condition is that the Company offers a facility for shareholders to vote by electronic means. This condition is met if the Company offers a facility allowing members to appoint a proxy by means of a website. The Company provides this facility (please refer to 'Recommendation and Action to be Taken' below and note 3 of the Notice). The other condition is that there is an annual resolution of shareholders approving the reduction of the minimum notice period from 21 clear days to 14 clear days.

The Directors consider it would be beneficial to the Company to continue to have the ability to call general meetings on 14 clear days' notice. The Directors do not propose to utilise this shorter notice period as a matter of routine but only for time-sensitive, non-routine business and where to do so would be in the interest of the shareholders as a whole. In those circumstances, the Directors are confident that a facility to permit electronic voting can be made available to all of the Company's shareholders. This authority, if granted, would expire at the conclusion of the AGM of the Company held in 2018. AGMs will continue to be held on at least 21 clear days' notice.

### **Recommendation and action to be taken**

Shareholders are encouraged to attend the AGM and vote on the resolutions in person. If you are unable to attend the meeting, you are urged to complete a Form of Proxy and return it to the Company's registrars, Computershare Investor Services PLC, either by post to The Pavilions, Bridgwater Road, Bristol BS99 6ZY or online at [www.eproxyappointment.com](http://www.eproxyappointment.com) or by submitting a CREST Proxy Instruction, by no later than 12 noon on 25 April 2017. The appointment of a proxy will not prevent a shareholder from attending the AGM and voting in person if he or she is entitled to do so and so wishes.

**The Directors consider that the proposed resolutions are in the best interests of the Company and its shareholders as a whole and recommend shareholders vote in favour of the resolutions set out in the Notice, as they intend to do in respect of their own beneficial holdings which, as at 10 March 2017, being the latest practicable date prior to the publication of this document, amounted to 954,184 Ordinary Shares, 0.3% of the issued share capital.**

Yours faithfully

**Nicholas Wrigley**

Chairman

# Appendix – Summary of the Principal Terms of the Persimmon 2017 Performance Share Plan

Resolution 14 concerns the proposal to adopt the Persimmon 2017 Performance Share Plan (the '2017 PSP').

Our current long term incentive plan (the '2012 LTIP') is aligned with the Capital Return Plan. The 2012 LTIP will vest in full once the Company has returned £6.20 of surplus capital to shareholders. We anticipate that part of the awards will start to become exercisable under the terms of the plan on 31 December 2017. No further awards will be made under the 2012 LTIP to any employees or Executive Directors. However, the Remuneration Committee consider it to be important that we continue to have an appropriate retention and incentive plan available, and there are circumstances when we will need to offer long term incentives to assist with the recruitment of new managers or incentivise current managers. Our existing Executive Directors will be precluded from participating in the 2017 PSP under the 2017 policy until their awards under the 2012 LTIP have fully vested. Further information on the reasons for the proposed adoption of the 2017 PSP is set out in the statement from Jonathan Davie, Remuneration Committee Chairman on pages 64 to 65 of the Annual Report 2016.

A summary of the principal terms of the 2017 PSP is set out below.

## The 2017 PSP

The 2017 PSP is a discretionary share plan which will be administered by the Board or a committee appointed by the Board. Decisions in relation to the participation in the 2017 PSP by Executive Directors of the Company will be taken by the Remuneration Committee, and references in this summary to the Board should be read accordingly.

## Eligibility

Any employee (including an Executive Director) of the Company or any of its subsidiaries will be eligible to participate in the 2017 PSP at the discretion of the Board.

However, in accordance with the Directors' Remuneration Policy for which shareholder approval is sought as referred to in relation to resolution 2, any current Executive Director may only participate in the 2017 PSP when any award he holds under the Company's 2012 LTIP has vested. Any Executive Director appointed after the 2017 Annual General Meeting will be able to participate in the 2017 PSP from the date of his appointment.

## Grant of Awards

Awards may be granted within the six week period following the Company's 2017 Annual General Meeting. Thereafter, ordinarily Awards may only be granted within the six week period following announcement of the Company's results for any period. However, the Board may grant Awards at other times in exceptional circumstances. If Awards cannot be granted in any of these periods due to regulatory restrictions, they may be granted within the period of six weeks following the lifting of the restriction.

An Award under the 2017 PSP may be in the form of:

- (a) a conditional right to acquire Ordinary Shares in the Company ('Shares') at no cost (a 'Conditional Award');
- (b) an option to acquire Shares at no cost (an 'Option'); or
- (c) a right to a cash amount related to the value of a number of Shares (a 'Cash Award').

In this summary, Conditional Awards, Options and Cash Awards are together referred to as 'Awards'. References to Shares include notional Shares to which a Cash Award relates. Before Shares have been delivered, the Board may decide to pay a cash amount equal to the value of the Shares the participant would otherwise have received.

## Individual limit

Ordinarily, a Participant shall not be granted an Award in respect of any financial year of the Company over Shares with a market value (as determined by the Board) in excess of 200% of his annual base salary. In exceptional circumstances this limit may be increased to 300% of salary.

## Overall limit

Awards may be granted over newly issued Shares, treasury Shares or Shares purchased in the market. In any ten calendar year period, the number of Shares which may be issued under the 2017 PSP and under any other employees' share plan adopted by the Company may not exceed 10% of the issued ordinary share capital of the Company from time to time.

Treasury Shares will be treated as newly issued for the purpose of these limits until such time as guidelines published by institutional investor representative bodies determine otherwise.

If Executive Directors of the Company participate in the 2017 PSP, the Board will consider the introduction of a further limit, reflecting best practice, that in any ten calendar year period, the number of Shares which may be issued under the 2017 PSP and under any other discretionary employees' share plan adopted by the Company may not exceed 5% of the issued ordinary share capital of the Company from time to time.

## **Performance Conditions**

Awards will be subject to the satisfaction of a performance condition which will determine the proportion (if any) of the Award which will vest at the end of a performance period. A performance period will usually be three years long.

A performance condition may be amended or substituted if an event occurs which causes the Board to consider that an amendment/substitution would be appropriate and that amendment or substitution is required so that the performance condition achieves its original purpose.

## **Vesting and exercise**

Awards will normally vest as soon as practicable after the end of the performance period to the extent that the performance condition has been satisfied.

Awards may be subject to a '**Holding Period**' of up to two years following vesting and will ordinarily be released (so that the participant is entitled to acquire the Shares) following the Holding Period. Awards not subject to a Holding Period will ordinarily be released at vesting. Any Award granted to an Executive Director of the Company will be subject to a Holding Period, and it is the Board's current intention that any Award granted to other participants will also be subject to a Holding Period.

Options will normally be exercisable from the date of release until the tenth anniversary of the grant date.

## **Dividends**

On the release of an Award (or on the exercise of an Award granted in the form of an Option), the Company may provide cash or additional Shares to a participant based on the value of dividends paid on vested Shares over such period as the Board determines (ending no later than the date of release). The Board shall determine the basis on which this amount is calculated, which may assume the reinvestment of the dividends into Shares.

## **Malus and clawback**

The malus and clawback provisions referred to below may be applied at any time up to the fifth anniversary of the grant of an Award.

If the malus or clawback provisions are to be applied, the Board may cancel the relevant Award or impose further conditions on it (if Shares have not been delivered in respect of it) or may require the participant to make a payment to the Company in respect of some or all of the Shares acquired.

The malus and clawback provisions may be applied if: (1) there is a material misstatement of financial results; (2) the participant is guilty of gross misconduct which substantially affects the financial performance or reputation of a company in the group; (3) there has been an error in assessing an Award's performance condition or in the information or assumptions on which the Award was granted or released.

## **Cessation of employment: Unvested Awards**

If a participant ceases employment by reason of death, ill-health, injury, disability or for any other reason at the Board's discretion (a '**Good Leaver**'), any unvested Award he holds will usually continue and be released at the normal release date. The Board will have discretion to release the Award at cessation or at some other time (such as following the end of the performance period in the case of an Award which would otherwise be subject to a Holding Period).

The extent to which an Award held by a Good Leaver is released will be determined by reference to the extent to which the performance condition has been satisfied (as determined by the Board in the event of release before the end of the performance period).

Unless the Board determines otherwise, the extent to which an Award is released will be reduced to take account of the proportion of the performance period that has elapsed at the date of cessation.

## **Cessation of employment: Vested but unreleased Awards**

If an Award is granted subject to a Holding Period and the participant ceases employment during the Holding Period, the Award will be released, to the extent vested, at the normal release date unless the participant is summarily dismissed (in which case the Award will lapse). The Board will have discretion to release the Award at the date of cessation.

## **Cessation of employment: Exercise period for Options**

If a participant ceases employment while holding an Award in the form of an Option, that Option (unless it lapses on cessation) may be exercised for a period of six months (12 months in the event of death) beginning with the date of cessation (if it had already been released) or the date of release (if it had not already been released). The Board may permit the exercise of an Option in a longer period.

### **Corporate events**

In the event of a change of control of the Company, unvested Awards will vest and be released (and vested but unreleased Awards will be released) as soon as practicable.

Unvested Awards will vest taking into account the extent to which the performance condition has been satisfied at the date of change of control (as determined by the Board) and, unless the Board determines otherwise, taking into account the proportion of the performance period that has elapsed.

If other events occur such as a winding-up of the Company, demerger, delisting, special dividend or other event which, in the opinion of the Board, may affect the current or future value of Shares, the Board may determine that Awards will vest on the same basis as in the event of a change of control.

### **Adjustment of Awards**

In the event of a variation of the Company's share capital or a demerger, delisting, special dividend, rights issue or other event, which may, in the Board's opinion, affect the current or future value of Shares, the number of Shares subject to an Award and/or any performance condition attached to Awards, may be adjusted.

### **Amending the 2017 PSP, termination of the 2017 PSP and further terms of Awards**

The Board may amend the 2017 PSP at any time, provided that the approval of the Company's shareholders in a general meeting will be required for any amendments to the advantage of participants relating to eligibility, limits, the basis for determining a participant's entitlement to, and the terms of, the Shares or cash comprised in an Award and the impact of any variation of capital to become effective.

However, any minor amendment to benefit administration, to take into account legislative changes, or to obtain or maintain favourable tax treatment, exchange control or regulatory treatment may be made by the Board without shareholder approval.

The 2017 PSP will usually terminate on the tenth anniversary of its approval by shareholders but the rights of existing participants will not be affected by any termination.

Awards are not transferable (other than on death). No payment will be required for the grant of an Award. Awards will not form part of pensionable earnings.



## Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the 33rd annual general meeting ('Annual General Meeting' or 'AGM') of Persimmon Plc (the 'Company') will be held at 12 noon on 27 April 2017 at York Racecourse, Knavesmire Road, York YO23 1EX to consider and, if thought fit, to pass the following resolutions. It is intended to propose resolutions 17 to 20 (inclusive) as special resolutions. All other resolutions will be proposed as ordinary resolutions.

### Routine Business

1. To receive and adopt the Directors' and Auditor's Reports and Financial Statements for the year ended 31 December 2016.
2. To approve the Directors' Remuneration Policy, which is contained in the remuneration policy as set out on pages 66 to 74 of the Annual Report 2016.
3. To approve the Annual Report on Remuneration for the financial year ended 31 December 2016 as set out on pages 75 to 85 of the Annual Report 2016 (for the avoidance of doubt, this shall not include the part of the Annual Report 2016 containing the Directors' Remuneration Policy referred to in resolution 2 above).
4. To re-elect Nicholas Wrigley as a Director of the Company.
5. To re-elect Jeffrey Fairburn as a Director of the Company.
6. To re-elect Michael Killoran as a Director of the Company.
7. To re-elect David Jenkinson as a Director of the Company.
8. To re-elect Jonathan Davie as a Director of the Company.
9. To re-elect Marion Sears as a Director of the Company.
10. To re-elect Rachel Kentleton as a Director of the Company.
11. To re-elect Nigel Mills as a Director of the Company.
12. To elect Simon Litherland as a Director of the Company.
13. To re-appoint Ernst & Young LLP as auditor of the Company until the conclusion of the next Annual General Meeting and to authorise the Audit Committee to determine the remuneration of the auditor.

### Special Business

14. To pass the following as an Ordinary Resolution:

That the rules of the Persimmon 2017 Performance Share Plan, in the form produced to the meeting and initialled by the Chairman of the meeting for the purposes of identification (the '2017 PSP'), the principal terms of which are summarised in the Appendix to this Notice of Annual General Meeting, be and are hereby approved and the Directors be and are hereby authorised to adopt the 2017 PSP and to do all acts and things that they consider necessary or expedient to give effect to the 2017 PSP.

15. To pass the following as an Ordinary Resolution:

That the purchase by Harley Fairburn, son of Jeff Fairburn, a Director of the Company, of Plot 22 Aykley Woods, Durham from Persimmon Homes Limited at the price of £324,901 and otherwise on the terms as summarised in the Chairman's letter of the circular sent by the Company to its shareholders on 20 March 2017 (of which this notice forms part), be approved for the purposes of and in accordance with section 190 of the Companies Act 2006.

16. To pass the following as an Ordinary Resolution:

That the Directors be and are generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the 'Act'), to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company ('Relevant Securities'):

- 16.1 up to a maximum aggregate nominal amount (within the meaning of section 551(3) and (6) of the Act) of £10,286,089 (such amount to be reduced by the nominal amount allotted or granted under 16.2 below in excess of such sum); and
- 16.2 comprising equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount (within the meaning of section 551(3) and (6) of the Act) of £20,572,178 (such amount to be reduced by any allotments or grants made under 16.1 above) in connection with or pursuant to an offer by way of a Rights Issue,

to such persons at such times and upon such conditions as the Directors may determine, such authority to expire at the conclusion of the Annual General Meeting of the Company to be held in 2018, or if earlier, on 30 June 2018. This authority shall permit and enable the Company to make offers or agreements before the expiry of this authority which would or might require shares to be allotted or Relevant Securities to be granted after such expiry and the Directors shall be entitled to allot shares and grant Relevant Securities pursuant to any such offers or agreements as if this authority had not expired.

'Rights Issue' for the purposes of this resolution and resolution 17 means an offer of equity securities open for acceptance for a period fixed by the Directors to holders of equity securities on the register on a fixed record date in proportion (as nearly as may be) to their respective holdings of such securities or in accordance with the rights attached thereto but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory or any other matter whatsoever.

17. To pass the following as a Special Resolution:

That if resolution 16 above is passed, the Board be authorised, pursuant to sections 570(1) and 573 of the Companies Act 2006 (the 'Act'), to allot equity securities (as defined in section 560 of the Act) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, such authority to be limited:

- (i) to allotments for rights issues and other pre-emptive issues; and
- (ii) to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (i) above) up to a nominal amount of £1,542,913,

such authority to expire at the conclusion of the Annual General Meeting of the Company to be held in 2018 (or, if earlier, at the close of business on 30 June 2018 but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

18. To pass the following as a Special Resolution:

That if resolutions 16 and 17 are passed, the Board be authorised in addition to any authority granted under resolution 17 to allot equity securities (as defined in section 560 of the Companies Act 2006 (the 'Act')) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, such authority to be:

- (i) limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £1,542,913; and
- (ii) 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 Board of the Company determines 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, or for any other purpose as the Company in a general meeting may at any time by special resolution determine,

such authority to expire at the conclusion of the Annual General Meeting of the Company to be held in 2018 (or, if earlier, at the close of business on 30 June 2018 but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

19. To pass the following as a Special Resolution:

That in accordance with section 701 of the Companies Act 2006 (the 'Act') the Company is granted general and unconditional authority to make market purchases (within the meaning of section 693(4) of the Act) of any of its ordinary shares of 10 pence each in its capital ('Ordinary Shares') on such terms and in such manner as the Directors may from time to time determine, and where such shares are held as treasury shares, the Company may use them for the purposes of its employee share schemes, provided that:

- 19.1 this authority shall be limited so that the number of Ordinary Shares which may be acquired pursuant to this authority does not exceed an aggregate of 30,858,267 Ordinary Shares;
- 19.2 the minimum price that may be paid for each Ordinary Share is 10 pence which amount shall be exclusive of expenses, if any;
- 19.3 the maximum price (exclusive of expenses) which may be paid per Ordinary Share shall not be more than the higher of either (1) 105% of the average of the middle market quotations per Ordinary Share as derived from the London Stock Exchange plc Daily Official List for the five business days immediately preceding the date on which such Ordinary Share is contracted to be purchased, or (2) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out;

- 19.4 unless previously revoked, renewed or varied, this authority, shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2018 or, if earlier, on 30 June 2018; and
- 19.5 the Company may, before this authority expires, make a contract to purchase Ordinary Shares that would or might be executed wholly or partly after the expiry of this, and may make purchases of Ordinary Shares pursuant to it as if this authority had not expired.

20. To pass the following as a Special Resolution:

That a general meeting of the Company other than an Annual General Meeting may be called on not less than 14 clear days' notice, such authority to expire at the conclusion of the Annual General Meeting of the Company to be held in 2018.

By order of the Board

**Tracy Davison**  
Company Secretary

Registered Office:  
Persimmon House  
Fulford  
York YO19 4FE  
Registered in England and Wales No: 1818486

20 March 2017

**Notes:**

1. To attend and vote at the AGM (and also for the purpose of determining how many votes a person entitled to attend and vote may cast) a shareholder must be entered on the relevant register of members (the 'Register') for certificated or uncertificated shares of the Company (as the case may be) by 6.00 pm on 25 April 2017 (the 'Specified Time'). Changes to entries on the Register after the Specified Time shall be disregarded in determining the rights of any person to attend and/or vote at the meeting. Should the AGM be adjourned to a time not more than 48 hours after the Specified Time, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting. If the AGM is adjourned for a longer period, the time by which a person must be entered on the Register in order to have the right to attend or vote at the adjourned meeting is two working days before the time fixed for the adjourned meeting or if the Company gives notice of the adjourned AGM, at the time specified in the notice.
2. Any shareholder of the Company who is entitled to attend, speak and vote at the meeting may appoint one or more proxies to attend, speak and vote on his or her behalf provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder, but the proxy or proxies must attend the meeting in person. A proxy need not be a member of the Company. To be valid, a Form of Proxy (or electronic appointment of a proxy) and any power of attorney or other authority under which it is required (or a duly certified copy of such power of attorney) must be completed and lodged with the Company's registrars not less than 48 hours before the time fixed for the AGM. Completion and return of the Form of Proxy (or electronic appointment of a proxy) will not prevent a member from attending the meeting or any adjournment thereof and voting in person if he is entitled to do so.
3. You may use the Form of Proxy issued to you which should be returned to Computershare by post to The Pavilions, Bridgwater Road, Bristol BS99 6ZY or by hand (during normal business hours only) to Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZY. Alternatively you may appoint a proxy electronically. If you wish to submit your Proxy Form via the internet, you will need your Control Number, Shareholder Reference Number (SRN) and Personal Identification Number (PIN) which are printed on the Form of Proxy.

To appoint a proxy via the internet you should log on to the Computershare website at [www.eproxyappointment.com](http://www.eproxyappointment.com). You will be asked to agree to the terms and conditions for electronic proxy appointment. It is important that you read these terms and conditions as they set out the basis on which proxy appointment via the internet shall take place. This electronic address is provided only for the purpose of communications relating to electronic appointment of proxies.

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting to be held on 27 April 2017 and any adjournments of it, by utilising the procedures, and to the address, described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)), subject to the provisions of the Company's articles of association. CREST Personal Members or other CREST Sponsored Members, and those CREST members who have appointed voting service provider(s) should refer to their CREST Sponsor or voting service provider(s), who will be able to take appropriate action on their behalf. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK and Ireland Limited's ('EUI') specifications and must contain the information required for such instructions, as described in the CREST Manual. To be valid the message must be transmitted so as to be received by the Company's agent (ID number 3RA50) not later than 48 hours before the time appointed for holding the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and where applicable, their CREST sponsors or voting service provider(s) should note that EUI does not make available special 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 voting service provider(s), to procure that the member's CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by the CREST system by any particular time. In this connection, CREST members and where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

4. A shareholder entitled to attend and vote at the AGM has the right to ask questions relating to the business being dealt with at the meeting. The Company must cause to be answered any such question but no answer need be given if to do so would interfere unduly with the business of the meeting, involve the disclosure of confidential information, or if it would be undesirable in the interests of the Company or the good order of the meeting that the question be answered.

5. Any person to whom this Notice is sent who is a person nominated under section 146 Companies Act 2006 to enjoy information rights (a 'Nominated Person') may, under an agreement between him or her and the shareholder by whom he or she was nominated, have a right to be appointed (or 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 or she may, under such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statement of rights of members in relation to the appointment of proxies in notes 2 and 3 above does not apply to Nominated Persons. The rights described in those notes can only be exercised by shareholders of the Company. A Nominated Person should remember that his main point of contact in terms of his investment remains the registered member, custodian or broker who administers the investment on his behalf. Therefore, any changes or queries relating to his personal details and holding (including any administration thereof) must continue to be directed to his existing contact at his investment manager or custodian. The Company cannot guarantee dealing with matters that are directed to it in error. The only exception to this is when the Company, in exercising one of its powers under the Companies Act 2006, writes to the Nominated Person directly for a response.
6. Copies of the terms of reference of the Nomination Committee, the Remuneration Committee and the Audit Committee are available on the Company's website [www.corporate.persimmonhomes.com](http://www.corporate.persimmonhomes.com) or on request in writing to the Company Secretary at the Company's registered office. Copies of each of the terms of reference will be available on the day of the AGM at the place of the meeting for at least 15 minutes prior to and during the AGM.
7. Copies of the Executive Directors' service contracts and the letters of appointment of the Chairman and Non-Executive Directors will be available for inspection at the Company's registered office at Persimmon House, Fulford, York YO19 4FE during normal business hours from the date of this Notice until the close of the AGM (Saturdays, Sundays and public holidays excepted) and on the day of the AGM at the place of the meeting for at least 15 minutes prior to and during the AGM.
8. The rules of the Persimmon 2017 Performance Share Plan will be available for inspection at the offices of Deloitte LLP (Company Secretarial Department), 2 New Street Square, London EC4A 3BZ during normal business hours on any weekday (public holidays excepted) until the close of the Annual General Meeting, and at the place of the Annual General Meeting for at least 15 minutes before the meeting and during the meeting.
9. As at 10 March 2017, (being the latest practicable date prior to the publication of this notice) the issued share capital of the Company was 308,582,673 ordinary shares of 10 pence each, carrying one vote each. The total number of voting rights in the Company as at 10 March 2017 was therefore 308,582,673. No ordinary shares are held by the Company in treasury.
10. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that they do not do so in relation to the same shares.
11. A copy of this Notice and other information required by section 311A Companies Act 2006 can be found at [www.corporate.persimmonhomes.com](http://www.corporate.persimmonhomes.com).
12. Under section 527 of the Companies Act 2006, members meeting the threshold requirement set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM or any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 Companies Act 2006.  
  
The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 Companies Act 2006, 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 section 527 Companies Act 2006 to publish on a website.
13. You may not use any electronic address provided either in this notice of AGM and Circular or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.
14. Members attending the AGM should be appropriately and smartly dressed.