THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about the action to be taken, you should immediately consult your stockbroker, solicitor, accountant or other independent adviser authorised under the Financial Services and Markets Act 2000 if you are taking advice in the United Kingdom, or from another appropriately authorised independent financial adviser if you are taking advice in a territory outside the United Kingdom.

If you have sold or transferred all your ordinary shares in Marshalls plc, please pass this document (but not the personalised Form of Proxy) to the purchaser or transferee or to the agent through whom you made the sale of those shares for transmission to the purchaser or transferee.

Marshalls

Notice of Annual General Meeting

This Circular contains the Notice of Annual General Meeting to be held on Wednesday 14 May 2014 at 11 a.m. at Birkby Grange, Birkby Hall Road, Huddersfield HD2 2XB and the explanatory notes for the business to be carried out at the Meeting.

A Form of Proxy for use at the Annual General Meeting is enclosed. To be valid, the Form of Proxy should be completed, signed and returned in accordance with the instructions printed on it to the Company's Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible but in any event so as to arrive not later than 11 a.m. on 12 May 2014. Shareholders can vote online and/or appoint a proxy online by registering at www.eproxyappointment.com. Shareholders may also access the online voting facility and cast their vote via smartphone. Any votes cast online must be cast and any proxy appointment must be filed in each case no later than 11 a.m. on 12 May 2014.

MARSHALLS PLC
Registered Office: Landscape House, Premier Way, Lowfields Business Park, Elland, HX5 9HT
(Registered in England: No. 5100353)

10 April 2014

To: Ordinary Shareholders

Dear Shareholder

Notice of Annual General Meeting

This letter is to explain certain elements of the business to be considered at the Annual General Meeting to be held on Wednesday 14 May 2014 at Birkby Grange, Birkby Hall Road, Huddersfield HD2 2XB. The formal Notice of Annual General Meeting can be found at page 8 of this document.

Shareholders who wish to vote on the resolutions but who do not intend to come to the Annual General Meeting may appoint a proxy to exercise all or any of their rights to attend, vote and speak at the Annual General Meeting, as set out in the notes to the Notice of Annual General Meeting and the explanatory notes on the enclosed Form of Proxy.

In view of the number of resolutions to be considered at the Annual General Meeting, and in accordance with good governance principles, it is the intention to put all the resolutions to a poll. The outcome of the poll vote for each resolution will be published following the meeting on the Company's website and by RIS announcement. This does not affect the rights of shareholders to attend, vote and speak at the Annual General Meeting.

The Annual Report and Accounts (Resolution 1)

Ordinary shareholders will be asked to receive the Report of the Directors and the Accounts for the year ended 31 December 2013 together with the Auditor's Report.

Re-appointment and Remuneration of Auditors (Resolutions 2 and 3)

The Company is required to appoint Auditors at each Annual General Meeting at which accounts are presented to hold office until the next Annual General Meeting. The present auditors, KPMG Audit Plc are winding down their activities and have indicated their willingness to continue in office through a different legal entity, KPMG LLP. A Section 519 Statement, required in such circumstances, accompanies this circular. Resolution 2 therefore proposes that KPMG LLP be appointed as Auditors to the Company and Resolution 3 authorises the Directors to determine their remuneration.

Final Dividend (Resolution 4)

A final dividend of 3.50 pence per ordinary share is recommended by the Directors for payment to shareholders on the Register of Members of the Company at the close of business on 6 June 2014. Subject to approval by the ordinary shareholders at the Annual General Meeting, the dividend will be paid on 4 July 2014. An interim dividend of 1.75 pence per ordinary share was paid on 6 December 2013.

Appointment and Re-appointment of Directors (Resolutions 5-11)

The Company's Articles of Association provide for Directors to retire by rotation every three years, and for new Directors to be subject to election at the Annual General Meeting following their appointment. The UK Corporate Governance Code recommends that all Directors stand for re-election annually. The Company supports the principles of good governance set out in the Code and accordingly Andrew Allner, Ian Burrell, Alan Coppin, Mark Edwards, Tim Pile and David Sarti will retire by rotation and will offer themselves for re-election as Directors. Martyn Coffey, having joined the Board in September 2013, will offer himself for election as a Director.

The Nomination Committee of the Board was responsible for the appointment of the Directors and has appraised the performance of each of the Directors to be re-elected. The Committee concluded that each of the Directors fulfils their role very effectively and has demonstrated a high degree of commitment. The performance of the Chairman has been appraised by the Senior Independent Director in consultation with the remaining Non-Executive Directors. Each of the Non-Executive Directors standing for re-election satisfies the Code as regards their independence. Biographical details of all the Directors are on pages 48 and 49 of the Annual Report.

Remuneration Policy and Director's Remuneration Report (Resolutions 12 and 13)

In accordance with the new Regulations in relation to remuneration reporting, the Directors' Remuneration Policy is submitted to shareholders for approval. The Directors' Remuneration Policy, on pages 67 to 77 of the Annual Report, is intended to take effect immediately after the end of the Annual General Meeting and would normally apply for three years unless amended earlier by shareholder approval in general meeting. The remainder of the Directors' Remuneration Report is submitted to a vote which is advisory in nature, so payments made or promised to Directors will not have to be repaid in the event that the Resolution is not passed.

In each case, the resolutions are proposed by way of Ordinary Resolution at the Annual General Meeting.

Long Term Incentive Plan (Resolution 14)

The Company proposes to replace the executive incentive arrangements presently in place (the "PIP" annual deferred bonus plan and the 2005 Long Term Incentive Plan (the "LTIP") both of which will expire in 2015) with a new long term performance-related incentive plan. A detailed explanation of the new Marshalls plc 2014 Management Incentive Plan (the "MIP") is provided in the letter from the Chairman of the Remuneration Committee in Appendix 1 to this letter, the rules of the MIP are summarised in Appendix 2 to this letter and illustrative modelling for the MIP is provided in Appendix 3 to this letter.

Notice of General Meetings (Resolution 15)

Resolution 15 allows the Company to hold general meetings (other than the Annual General Meeting) on 14 clear days' notice. This is in order to avoid the effect of Section 307A of the Companies Act 2006 which, without such a resolution, would have the effect of requiring the Company to give not less than 21 clear days' notice of general meetings. A similar resolution was approved at the Company's Annual General Meeting in 2013. This Resolution 15, proposed as a Special Resolution, seeks renewal of the approval until the close of the 2015 Annual General Meeting, when it is intended that the approval be renewed. The

14 day notice period will only be relied upon by the Directors in circumstances where the proposals to be tabled are time-sensitive and where short notice is considered by the Board to be to the advantage of shareholders.

Authority to Allot Equity Securities (Resolution 16)

The Companies Act 2006 provides that Directors shall only allot shares in the Company with the authority of shareholders in General Meeting. The authority given to the Directors at the Annual General Meeting on 15 May 2013 to allot (or issue) shares pursuant to Section 551 of the Companies Act 2006 expires at the conclusion of this year's Annual General Meeting. Resolution 16 will be proposed as a Special Resolution to seek renewal of this authority until the conclusion of the next Annual General Meeting in 2015.

In line with guidelines issued by the Association of British Insurers ("ABI") to the effect that ABI members will permit and treat as routine resolutions seeking authority to allot shares representing up to two-thirds of the Company's issued share capital in certain circumstances, the Board considers it appropriate to seek a resolution to grant authority to the Directors to allot shares in the capital of the Company up to a maximum nominal amount of £33,229,792, representing approximately two-thirds (or 66 per cent) of the current issued share capital of the Company as at 4 April 2014 (the latest practicable date before publication of this letter). Of this amount, £16,614,896, representing approximately one-third (or approximately 33 per cent) of the current issued share capital of the Company can only be allotted pursuant to a rights issue.

Part (a) of Resolution 16 renews the Directors' general authority to issue shares up to an aggregate nominal amount of £16,614,896 representing approximately one-third of the current issued share capital of the Company; and

Part (b) of Resolution 16 extends this authority to a further aggregate nominal amount of £16,614,896 representing approximately one-third of the current issued share capital of the Company which can only be exercised pursuant to a fully pre-emptive rights issue.

The Directors have no present intention of exercising this authority.

Pre-Emptive Allotment of Equity Securities (Resolution 17)

The Companies Act 2006 provides that any allotment of new shares for cash must be made pro rata to individual shareholders' holdings, unless such provisions are disapplied under Section 570 of the Companies Act 2006. The authority given to the Directors at the last Annual General Meeting to allot shares for cash pursuant to Section 570 of the Companies Act 2006, expires at the conclusion of this year's Annual General Meeting.

Resolution 17 will be proposed as a Special Resolution for the renewal of the Directors' authority to allot equity securities for cash without first offering them to shareholders pro rata to their holdings. This authority facilitates certain issues of shares to shareholders which would otherwise be restricted by Section 561 of the Companies Act, and authorises other allotments of up to a maximum aggregate nominal amount of £2,492,234 representing approximately 5 per cent of the current issued ordinary share capital of the Company as at 4 April 2014 (the latest practicable date prior to publication of this letter). This authority also allows the Directors, within the same aggregate limit, to sell for cash shares that may be held by the Company in treasury. The Directors have no present intention of exercising this authority.

The authorities granted under Resolutions 16 and 17 will expire at the next Annual General Meeting.

Authority to Purchase Ordinary Shares (Resolution 18)

Resolution 18 will be proposed as a Special Resolution for the renewal of the Company's authority to purchase its own shares in the market during the period until the next Annual General Meeting of the Company for up to 29,886,875 shares, representing approximately 14.99 per cent of the issued ordinary share capital of the Company as at 4 April 2014 (the latest practicable date prior to the printing of this document). The price payable shall not be more than the higher of (a) 5 per cent above the average price of the middle market quotation as derived from the London Stock Exchange Daily Official List for the ordinary shares for the 5 business days before the purchase is made, and (b) an amount equal to the higher of the price of the last independent trade and the highest current independent bid for an ordinary share in the Company as derived from the London Stock Exchange Trading System (in each case exclusive of any expenses) and, in any event, not less than 25 pence per share being the nominal value of the shares.

The Directors have no current intention of exercising the authority to purchase the Company's own ordinary shares. In considering whether or not to purchase ordinary shares under the market purchase authority, the Directors will take into account cash resources, the effect on gearing and other investment opportunities before exercising the authority. In addition, the Company will only exercise the authority to make such a purchase in the market when the Directors consider it is in the best interests of shareholders generally to do so and it would result in an increase in earnings per ordinary share. Any purchases of ordinary shares would be by means of market purchases through the London Stock Exchange.

Listed companies purchasing their own shares may hold them in treasury as an alternative to cancelling them. 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. Any shares which are repurchased will be cancelled or held in treasury.

If Resolution 18 is passed at the Annual General Meeting, it is the Company's current intention to hold in treasury all of the shares it may purchase pursuant to the authority granted to it. However, in order to respond properly to the Company's capital requirements and prevailing market conditions, the Directors will need to reassess at the time of any and each actual purchase whether to hold the shares in treasury or cancel them, provided it is permitted to do so. In line with guidelines issued by the ABI, the Company is only proposing to hold a maximum of up to 10 per cent of its issued share capital in treasury.

On 26 March 2014, 2,425,000 ordinary shares previously held by the Company in treasury were transferred at market value to Marshalls EBT Limited as Trustee of the Marshalls plc Employee Benefit Trust (the "EBT") for the purposes of the Company's employee share schemes. The EBT has waived its right to receive dividends on shares held in the EBT (other than shares in which beneficial ownership has passed to or remains with individual employees), and would exercise any voting rights in accordance with the directions of the Board. As at 4 April 2014 (the latest practicable date prior to the printing of this document), the Company held no treasury shares and there were no options or awards to subscribe for equity shares outstanding.

Recommendation and Action to be Taken

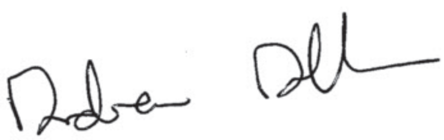
The Board believes that all the proposed Resolutions to be considered at the Annual General Meeting are likely to promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. The Board recommends that you vote in favour of the proposed Resolutions. The Directors will be voting in favour of the proposed Resolutions in respect of their own shareholdings in the Company which as at 4 April 2014 amounted in aggregate to 603,574 shares representing approximately 0.3 per cent of the existing issued ordinary share capital of the Company.

Shareholders attending the Annual General Meeting in person or by proxy have the right to ask questions of the Directors in relation to any of the business to be put to the Annual General Meeting. Under section 319A of the Companies Act 2006, the Company must answer any question asked by a shareholder relating to such business unless answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, the answer has already been given on a website in the form of an answer to a question, or it is not in the interests of the Company or the good order of the meeting that the question be answered. Shareholders unable to attend the meeting are invited to send any questions to the Company Secretary at the Company's registered office in advance of the meeting and the Company will do its best to respond.

Light refreshments will be available both before and after the meeting.

Whether or not you are able to attend the Meeting, please complete and return the enclosed Form of Proxy so as to reach the Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY not less than 48 hours before the time appointed for the holding of the Meeting. Alternatively you can vote online or via smartphone or appoint a proxy online by registering at www.eproxyappointment.com no later than 11 a.m. on 12 May 2014. Details about how to use this facility are set out on the enclosed Form of Proxy. Completion and return of a Form of Proxy will not prevent you from attending and voting in person at the Meeting if you so wish. Members can access information relating to the Annual General Meeting, including the information required by Section 311A of the Companies Act 2006, on the Company's website www.marshalls.co.uk.

Yours faithfully



Andrew Allner
Chairman

MARSHALLS PLC
(Registered in England: No. 5100353)
NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of Marshalls plc will be held at Birkby Grange, Birkby Hall Road, Huddersfield, West Yorkshire HD2 2XB on Wednesday 14 May 2014 at 11 a.m. to consider and, if thought fit, pass the following Resolutions which are to be proposed, in the case of Resolutions 1 to 14, as Ordinary Resolutions and, in the case of Resolutions 15 to 18, as Special Resolutions of the Company:

1. That the Report of the Directors and the Accounts for the year ended 31 December 2013 together with the Auditor's Report be received;
2. That KPMG LLP be appointed as the Auditors to the Company, to hold office until the conclusion of the next General Meeting at which accounts are laid before the members;
3. That the Directors be authorised to determine the remuneration of the Auditors of the Company;
4. That a final dividend for the year ended 31 December 2013 of 3.50 pence per ordinary share in the Company be declared and paid to members whose names appear on the Register of Members at the close of business on 6 June 2014;
5. That Andrew Allner, having retired by rotation and being eligible, be re-elected as a Director;
6. That Ian Burrell, having retired by rotation and being eligible, be re-elected as a Director;
7. That Alan Coppin, having retired by rotation and being eligible, be re-elected as a Director;
8. That Mark Edwards, having retired by rotation and being eligible, be re-elected as a Director;
9. That Tim Pile, having retired by rotation and being eligible, be re-elected as a Director;
10. That David Sarti, having retired by rotation and being eligible, be re-elected as a Director;
11. That Martyn Coffey, having been appointed since the last Annual General meeting, be elected as a Director;
12. That the Directors' Remuneration Policy, set out on pages 67 to 77 of the Directors' Remuneration Report, which takes effect immediately after the end of the Annual General Meeting on 14 May 2014, be approved;

13. That the Directors' Remuneration Report, excluding the Directors' Remuneration Policy, for the year ended 31 December 2013 be approved;

14. (a) That the Marshalls plc 2014 Management Incentive Plan (the "MIP"), a copy of the draft Rules of which has been produced to the meeting and signed for identification by the Chairman and a summary of the principal terms of which is contained in the letter from the Chairman of the Remuneration Committee of the Board and its Appendices 2 and 3 circulated to shareholders and dated 10 April 2014 be established and approved; and

    (b) that the Directors be and are authorised to do all such acts and things as may be considered necessary or appropriate in connection with the implementation of the MIP and the grant of awards including making any amendments that may be necessary or appropriate to take account of any relevant statutory or regulatory requirements provided that no such amendment shall be made if in the opinion of the Directors it would conflict in any material way with the summary of the MIP.

15. That a general meeting, other than an annual general meeting, may be called on not less than 14 clear days' notice;

16. That the Directors be and are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 to exercise all the 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 ("Rights"):

    (a) up to an aggregate nominal amount of £16,614,896 representing approximately one-third of the current issued share capital of the Company; and

    (b) up to a further aggregate nominal amount of £16,614,896 representing approximately one-third of the current issued share capital of the Company provided that (i) they are equity securities (within the meaning of section 560(1) of the Companies Act 2006) and (ii) they are offered by way of a rights issue to holders of ordinary shares on the register of members at such record date as the Directors may determine, where the equity securities respectively attributable to the interests of the ordinary shareholders are proportionate (as nearly as may be practicable) to the respective numbers of ordinary shares held, or deemed held, by them on such record date, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory authority or stock exchange or by virtue of shares being represented by depositary receipts or any other matter;

    provided that such authority shall expire at the conclusion of the 2015 Annual General Meeting, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted after such expiry, and the Directors may allot shares and grant Rights in pursuance of such offer or agreement as if the authority conferred by this Resolution had not expired;

17. That, subject to the passing of Resolution 16, the Directors be and are hereby empowered pursuant to Section 570 and Section 573 of the Companies Act 2006 to allot equity securities (as defined in Section 560 of the Companies Act 2006) for cash pursuant to the general authority conferred by Resolution 15 or by way of a sale of treasury shares as if Section 561(1) of the Companies Act 2006 did not apply to such allotment or sale, provided that this power shall be limited to allotments of equity securities and the sale of treasury shares:

    (a) in connection with an offer of securities (but in the case of the authority granted under paragraph (b) of Resolution 15 by way of rights issue only) in favour of the holders of ordinary shares on the register of members at such record date(s) as the Directors may determine where the equity securities respectively attributable to the interests of the ordinary shareholders are proportionate (as nearly as may be practicable) to the respective numbers of ordinary shares held or deemed to be held by them on any such record date(s), subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange or by virtue of shares being represented by depositary receipts or any other matter; and

    (b) (otherwise than pursuant to paragraph (i) of this Resolution 17) to any person or persons up to an aggregate nominal amount of £2,492,234;

    and such power shall expire at the conclusion of the 2015 Annual General Meeting of the Company, but so that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted or treasury shares to be sold after such expiry, and the Directors may allot equity securities or sell treasury shares in pursuance of such offer or agreement as if the power conferred by this Resolution had not expired;

18. That the Company be generally and unconditionally authorised and in accordance with Section 701 of the Companies Act 2006, to make market purchases (as defined in Section 693(4) of the Companies Act 2006) on the London Stock Exchange of up to 29,886,875 ordinary shares of 25 pence each in the capital of the Company (being approximately 14.99 per cent of the current issued ordinary share capital of the Company) on such terms and in such manner as the Directors of the Company may from time to time determine, provided that:

    (a) the amount paid for each share (exclusive of expenses) shall not be more than the higher of (i) 5 per cent above the average of the middle market quotation for ordinary shares in the Company as derived from the London Stock Exchange Daily Official List for the 5 business days before the date on which the share is contracted to be purchased, and (ii) an amount equal to the higher of the price of the last independent trade and the highest current independent bid for an ordinary share in the Company as derived from the London Stock Exchange Trading System;

(b) the minimum price which may be paid for an ordinary share (exclusive of expenses) is 25 pence per ordinary share; and

(c) the authority herein contained shall expire at the conclusion of the 2015 Annual General Meeting of the Company, provided that the Company may, before such expiry, make a contract to purchase its own ordinary shares which would or might be executed wholly or partly after such expiry, and the Company may make a purchase of its own ordinary shares in pursuance of such contract as if the authority hereby conferred had not expired.

Dated: 10 April 2014

Registered Office:
Landscape House
Premier Way
Lowfields Business Park
Elland
HX5 9HT

By Order of the Board

Cathy Baxandall
Company Secretary

Notes:

1. Any member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies (who need not be a member of the Company) to attend, speak and vote instead of the member. A member can appoint more than one proxy in relation to the meetings, provided that each proxy is appointed to exercise the rights attaching to different shares held by him. Completion and return of a Form of Proxy will not preclude a member from attending and voting at the meeting in person should he or she subsequently decide to do so.

2. A proxy form which may be used to make this appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY. As an alternative to completing a hard copy proxy form, proxies may be appointed electronically as set out on the form.

3. Your proxy could be the Chairman, another Director of the Company or another person who has agreed to attend to represent you. Your proxy will vote as you instruct and must attend the meeting for your vote to be counted. Details of how to appoint the Chairman or another person as your proxy using the proxy form are set out in the notes to the proxy form. Appointing a proxy does not preclude you from attending the meeting and voting in person. If you attend the meeting in person, your proxy appointment will automatically be terminated. A proxy appointed by more than one member has one vote for and one against the resolution if at least one member who appointed the proxy has voted for the resolution and at least one against.

4. A copy of this Notice has been sent for information only to persons who have been nominated by a member to enjoy information rights under Section 146 of the Companies Act 2006 (a "Nominated Person"). The right to appoint a proxy cannot be exercised by a Nominated Person; it can only be exercised by the member. However, a Nominated Person may have a right under an agreement between him and the member by whom he was nominated to be appointed as a proxy for the meeting or to have someone else so appointed. If a Nominated Person does not have such a right or does not wish to exercise it, he may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.

5. In order to be valid, any Form of Proxy and power of attorney or other authority under which it is signed, or a notarially certified or duly certified copy of such power or authority, must reach the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY not less than 48 hours before the time of the meeting or of any adjournment of the meeting or, in the case of a poll taken subsequently to the date of the meeting or adjournment of the meeting 24 hours before the poll is taken at which the proxy form is to be used. Forms of Proxy may be returned by post or internet as set out on the forms. The Company may require reasonable evidence of the identity of the member and the proxy, the member's instructions (if any) as to how the proxy will vote, and where the proxy is appointed by a person acting on behalf of a member, the authority of that person to make the appointment.

6. To change your proxy instructions you may return a new proxy appointment using the methods set out above. Where you have appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY. The deadline for receipt of proxy appointments (see above) also applies in relation to amended instructions. Any attempt to terminate or amend a proxy appointment received after the relevant deadline will be disregarded. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same meeting, the one which is last sent shall be treated as replacing and revoking the other or others.

7. Only persons entered on the Company's Share Register at 6.00 p.m. on 12 May 2014, being the date which is two days prior to the meeting, or at 6.00 p.m. on the date which is two days prior to any adjourned meeting, shall be entitled to attend and vote at the meeting or adjourned meeting. Changes to entries on the Register after this time shall be disregarded in determining the rights of persons to attend or vote (and the number of votes they may cast) at the meeting or adjourned meeting.

8. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual on the Euroclear website (www.euroclear.com/CREST). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment 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 & Ireland Limited'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 the issuer's agent (ID number 3RA50) by the latest time(s) for receipt of proxy appointments specified in this Notice. 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 issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. 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.

9. Please note that the Company takes all reasonable precautions to ensure no viruses are present in any electronic communication it sends out but the Company cannot accept responsibility for loss or damage arising from the opening or use of any e-mail or attachments from the Company and recommends that shareholders subject all messages to virus checking procedures prior to use. Any electronic communication received by the Company, including the lodgement of an electronic proxy form, that is found to contain any virus will not be accepted.

10. A member of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the Annual General Meeting. In accordance with the provisions of the Companies Act 2006, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares. It is no longer necessary to nominate a designated corporate representative.

11. As at 4 April 2014 (being the latest practicable business day prior to the publication of this Notice), the Company's issued share capital consists of 199,378,755 ordinary shares, carrying one vote each.

12. Copies of (a) the service contracts of each of the Executive Directors; (b) the letters of appointment of the Non-Executive Directors and (c) the Register of Interests in shares of the Company kept pursuant to Section 809 of the Companies Act 2006 will each be available for inspection at the Registered Office of the Company during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) from the date of this Notice until the date of the Annual General Meeting and at the place of the Annual General Meeting from at least 15 minutes prior to, and until the conclusion of, the Annual General Meeting.

13. Biographical details of each Director who is being proposed for re-appointment by shareholders, including their membership of Board Committees, are set out in the Annual Report.

14. A copy of this Notice, and other information required by Section 311A of the Companies Act 2006, can be found on the Company's website (www.marshalls.co.uk).

15. Any member attending the Annual General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is not in the interests of the Company or the good order of the meeting that the question be answered.

16. Under Section 527 of the Companies Act 2006 members reaching the threshold requirements 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 (a) 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 Annual General Meeting, or (b) any circumstance connected with an auditor of the Company ceasing to hold office since the previous Annual General Meeting. Compliance with this section is at the Company's cost. Any such statement must also be forwarded to the Company's auditor not later than the time it is made available on the website. The business that may be dealt with at the Annual General Meeting includes any statement that the Company has been required to publish on the Company's website under Section 527 of the Companies Act 2006.

17. You may not use any electronic address provided in this Notice to communicate with the Company for any purposes other than those expressly stated.

Appendix 1

Letter from the Chairman of the Remuneration Committee of Marshalls plc

Date: 10 April 2014

To: Ordinary Shareholders

Dear Shareholder

PROPOSED INTRODUCTION OF THE MARSHALLS PLC 2014 MANAGEMENT INCENTIVE PLAN

In this letter and Appendices 2 and 3, we provide you with an explanation of the ordinary resolution set out in the Notice of Annual General Meeting (the "AGM"), which is being submitted to Shareholders to approve the introduction of the Marshalls plc 2014 Management Incentive Plan (the 'MIP' or 'Plan').

Background

The Remuneration Committee conducted an extensive review of the remuneration policy for the Executive Directors and Senior Management of the Company taking into account the following factors:

- the appointment of a new Chief Executive in September 2013;
- the repositioning of the strategy for the business and the requirement for any incentive to be aligned to the revised strategy;
- Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (the "BIS Regulations") which require the Company to seek shareholder approval of the Remuneration Committee policy through a binding vote at the 2014 AGM; and
- the expiry of the current incentive plans (see below).

The Company currently operates the following incentive plans for Executive Directors and Senior Management of the Company:

- the Marshalls Performance Incentive Plan (the "PIP") – the last year of operation of this Plan is the 2013 financial year; and
- the Marshalls plc 2005 Long-Term Incentive Plan (the "LTIP") – the last awards under this Plan will be granted in 2014.

Objective of the New Policy

The Committee's key objectives for the new policy are:

- to set conservative levels of fixed remuneration;
- to provide an incentive programme which provides the following:
  - flexibility to allow the Committee to set relevant targets against a background of continual change and transformation of the business over the next few years;
  - earned incentives materially contribute to the build-up of long-term equity holdings by Executive Directors and Senior Management of the Company;
  - a material value if the incentive is earned; and
  - mitigation against over-compensating participants for the cyclical nature of the construction industry. Traditional long-term incentive plans can operate as "boom or bust" incentives because of leveraging due to the grant of Shares when the share price is low at the bottom of the cycle and the comparative ease of satisfying 3 year targets on the upswing of the cycle.
- In setting the new policy, the Committee also sought to reduce the maximum level of incentive opportunity compared to the Company's current arrangements: this responds to perceived shareholder wishes to see reduced leveraging in companies (the maximum annual incentive opportunity under the current PIP and LTIP combined is 350 per cent of salary, whereas the maximum annual incentive opportunity under the MIP will be 250 per cent of salary).

Overview of the Proposed MIP

The following paragraphs set out the key elements of the Plan.

The maximum aggregated annual incentive opportunity will be 250 per cent of salary. On assessment of the Performance Targets at the end of the Plan Year the Committee will determine the amount of the maximum annual incentive opportunity awarded (the "Company Contribution"). The Remuneration Committee will, in line with the new BIS Regulations, detail the Performance Targets set, their level of achievement and the corresponding amount of maximum annual incentive opportunity awarded for their achievement, in the Annual Remuneration Report for that Plan Year.

Performance Conditions and Targets are set at the beginning of the Plan Year. The types of Performance Conditions for 2014 and their weighting are:

Primary Performance Conditions

Performance Condition	Weighting
Earnings per Share ("EPS")	60%
Net Debt	30%
Export Sales Growth	10%

Additional Performance Conditions

<table>
<tr><th>Performance Condition</th><th>Weighting</th></tr>
<tr><td>Customer service (at or above 95%)</td><td rowspan="2">20% reduction in the Company Contribution earned in respect of the Primary Performance Conditions if these additional conditions are not achieved</td></tr>
<tr><td>Health & Safety incidence (reduction of 10%)</td></tr>
</table>

(additional details are contained in the 2013 Remuneration Committee Report).

The Company Contribution for the Plan Year will be made to the Participant's Plan Account. The Company Contribution will be held in two separate parts in the Participant's Plan Account:

Element A

- The maximum annual incentive opportunity for Element A is 150 per cent of salary;
- 50 per cent of the cumulative balance held in the Participant's Plan Account under Element A will be paid in each of the first three Plan Years with 100 per cent of the balance paid at the end of the fourth Plan Year (in Year 4 the Remuneration Committee may resolve to start a new contribution period);
- The deferred balance will be converted into Shares using the 30 day average share price in the period up to the end of the relevant Plan Year;
- 50 per cent of the deferred balance will be at risk of forfeiture each Plan Year where the minimum Performance Targets set by the Committee are not met; and
- in addition, malus and clawback provisions will apply.

Element A is, in effect, a renewal of the current PIP but with the maximum opportunity reduced from 250 per cent of salary to 150 per cent.

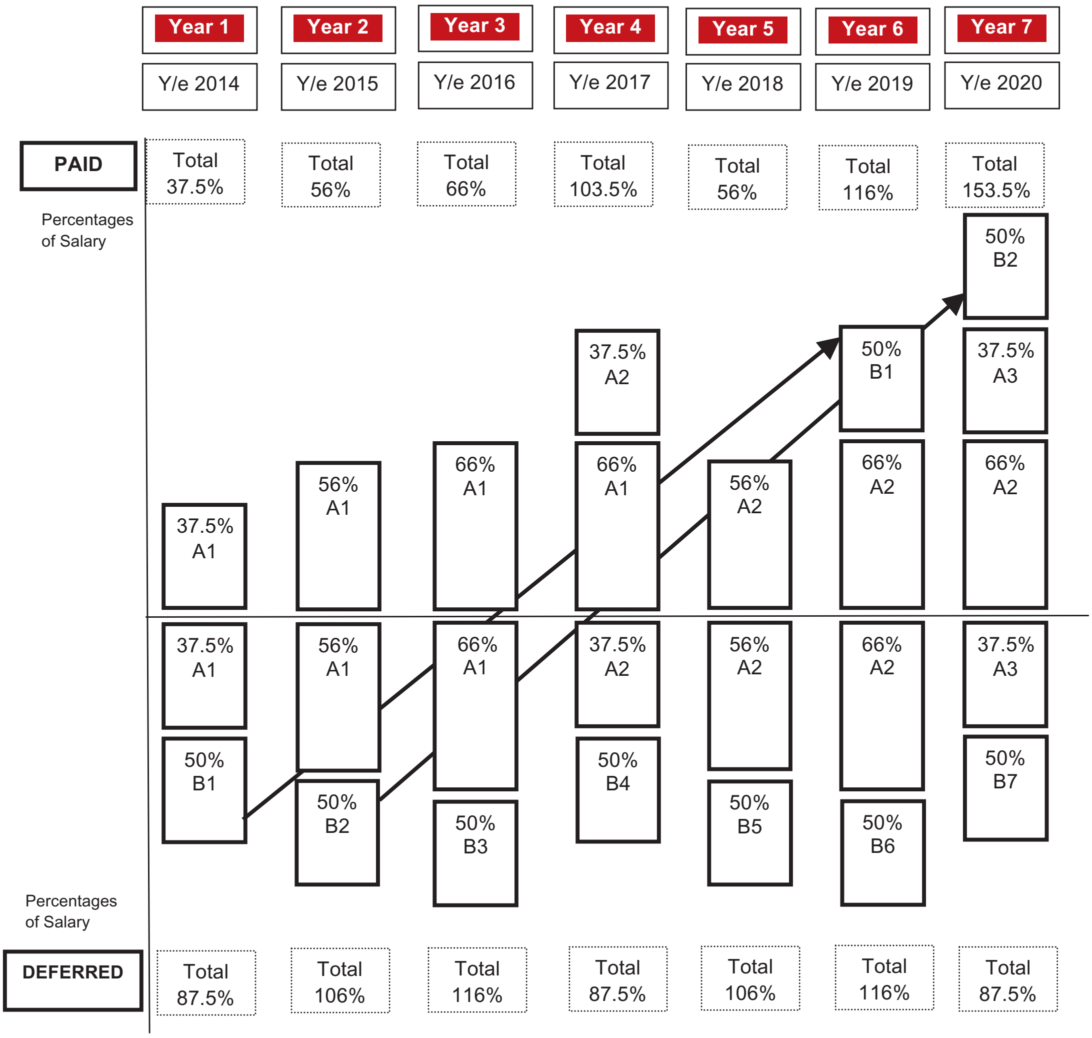
Element B

- Maximum annual incentive opportunity for Element B is 100 per cent of salary; and
- Shares will be awarded each Plan Year based on the Company Contribution earned. These Shares will be subject to the following conditions:
    - There is a three year vesting period for the Shares subject to the award during which the Participant must remain in employment;
    - There is a minimum EPS underpin set at the date of grant, and if this is not met over the vesting period, 50 per cent of the Shares are forfeited; and
    - There is a further holding restriction that provides no Shares may be sold (except to pay for tax) for five years following the date of grant. This sale restriction will apply to Executive Directors irrespective of whether they have ceased employment with the Company.

Both Element A and Element B are subject to the Performance Conditions set out above.

Illustration of How the MIP Operates

The operation of the MIP for Executive Directors over 7 years (assuming that 50 per cent of the maximum is earned each year) is illustrated in the diagram below.



Key to Abbreviations	Meaning
Element A1	Element A of the Plan – first cycle of operation.
Element A2	Element A of the Plan – second cycle of operation.
Element A3	Element A of the Plan – third cycle of operation.
Element B1-7	Annual grant of Element B of the Plan.
Note 1	The percentages are percentages of salary. In Year 4 the total payment as a percentage of salary would be 66% (Element A first cycle - A1) and 37.5% (Element A second cycle - A2) = total of 103.5% of salary. The elements deferred in Year 4 would be 37.5% of salary (Element A second cycle) and 50% of salary granted under Element B (B4) = total of 87.5% of salary.

Committee's Rational for the Design

The following table sets out the key reasons that led the Committee to the proposed design of the MIP.

Performance Conditions and Targets

The Company is in the process of driving the business through a period of substantial change in its Sector and the wider economy which has an impact on the ability to set Performance Targets. It is the Committee's view that:

- at this point in the strategy, the Performance Conditions should be a mixture of quantitative and qualitative elements to reflect both financial performance and strategic / transformational KPIs;
- the Performance Conditions should be measured annually for the following reasons:
  - annual disclosure of the level of satisfaction of the Performance Targets will provide Shareholders with greater visibility of the decisions the Remuneration Committee is making (this will be reinforced by the current requirements in the BIS Regulations for full retrospective disclosure of Performance Targets and their level of satisfaction);
  - retrospective annual disclosure will enable the Company to provide shareholders with a greater degree of transparency on the assessment of strategic / transformational KPIs compared to the disclosure of forward looking multiple year Performance Targets based on KPIs; and
  - the lack of visibility currently to set meaningful multiple year Performance Targets.

The Performance Conditions will be focused on strengthening earnings performance, improving net debt position and increasing export sales as well as additional Performance Conditions including improvement in Health & Safety and customer service performance.

Simplicity and Clarity

The MIP is simple with the following key features:

- an annual assessment of performance using Performance Targets based on financial measures and strategic KPIs;
- dependent on the level of performance achieved, a Company Contribution into a Participant's Plan Account would give rise to the following maximum potential entitlements for a Participant:
  - an immediate payment in cash or Shares equal to 50 per cent of the cumulative balance of Element A; and
  - an immediate award in Shares up to a maximum of 100 per cent of salary (Element B) subject to the following conditions:
    - continued employment to the third anniversary of the date of grant;
    - the satisfaction of an EPS underpin on 50 per cent of the Shares;

- a restriction on the sale of Shares to the fifth anniversary of the date of grant. The Sale Restrictions continue to apply following cessation of employment; and
- the unpaid balance of Element A in Shares of which up to 50 per cent will be forfeited if subsequent years' performance falls below a threshold level.

The MIP is transparent and is expected to be easily understood by Participants and the Company. The MIP provides greater clarity over the performance metrics which drive long term value creation and the provision of reward to Executive Directors and senior management.

Long-Term Equity Holdings

It was a key consideration for the Remuneration Committee to ensure that any new scheme supported the long-term alignment of the interests of Executive Directors and senior management with Shareholders, and this is achieved through the majority of incentives earned being in the form of Shares, a significant proportion of which must be held by the Participant for a material period.

The Committee believes that this approach will ensure that Executive Directors and senior management are locked-in Shareholders and focused on long-term sustainable value. Shares may be earned by Participants on annual measurement of Performance Targets but the ultimate value of these Shares will depend on the future share price which will ensure that Participants are focused on making strategic decisions today that are designed to flow through to shareholder value in the future. The following features of the Plan support the Committee's objectives:

- 70 per cent of the total maximum incentive opportunity earned is provided in Shares;
- Element A – the unpaid balance is deferred in Shares on a rolling basis;
- Element B – Shares held by Executive Directors cannot be sold for five years. This restriction applies even after an Executive Director has ceased employment; and
- a minimum shareholding requirement of 200 per cent of salary for the CEO and 100 per cent for other Executive Directors.

Supporting a High Performance Culture

The MIP has the following relevant features:

- high incentive potential if stretching targets are achieved (provided that share price is maintained and performance is sustainable and does not result in forfeiture);
- it allows the accumulation of locked in value to be banked early on in the Participant's employment period;
- it ensures that the Company is competitive and therefore able to retain and attract the best talent;
- the Plan rewards the successful implementation of the Company strategy;

- it is flexible in allowing the award of Shares on an annual basis based on the satisfaction of strategic KPIs measured on either a qualitative or quantitative basis; and
- it is designed to mitigate against over-compensating participants for the cyclical nature of the construction industry. Traditional long-term incentive plans can operate as "boom or bust" incentives because of leveraging due to the grant of Shares when the share price is low at the bottom of the cycle and the comparative ease of satisfying 3 year targets on the upswing of the cycle.

Retention of Management

The MIP has the following relevant features:

- the Plan (subject to performance) allows the accumulation of benefits on an annual basis which are then subject to deferral and risk adjustment. The value of these banked elements will act as an effective retention of the Executive Directors and senior management and fully align them to drive value for Shareholders;
- the potential value delivered by the Plan provides the necessary incentive opportunity for the Company to be competitive amongst its Sector;
- it is simple which maximises its retentive and incentive effect;
- it is based on long-term locked in shareholdings; and
- the fact that a proportion of the Shares under Element B is earned annually and is not subject to additional performance conditions for vesting maximises their perceived value to Participants who are not then likely to discount for the likelihood of performance conditions being met over a standard three year performance period (research suggests that normal discounting is 20-30 per cent p.a.). This maximises the value of the incentive for a given dilution cost to Shareholders and Income Statement cost to the Company.

Balancing Risk and Reward

The MIP provides that:

- 70 per cent of the maximum annual contribution is deferred;
- 50 per cent of the amount deferred under Element A is subject to the risk of forfeiture if minimum performance thresholds are not achieved in subsequent years;
- 50 per cent of Element B is subject to the risk of forfeiture if an EPS underpin is not achieved at the end of the vesting period; and
- deferred elements are in Shares with a corresponding alignment of interests with shareholders and additional risk adjustment through the exposure to the share price over the periods of deferral.

Adherence to UK Corporate Governance

The MIP has been designed to support the Company's strategy and is therefore tailored to the Company. It also incorporates a number of features which would be considered leading edge in terms of UK corporate governance:

- in addition to the current clawback for mis-statement or malus, the Plan also includes a real risk of forfeiture of earned incentives if subsequent annual forfeiture thresholds are not achieved;
- 70 per cent of the incentive is earned in Shares;
- it encourages the alignment of the interests of Executive Directors and senior management with Shareholders through supporting the accumulation of material long-term shareholdings;
- simplicity; and
- it encourages a holistic strategy driven approach by the Executive Directors and senior management.

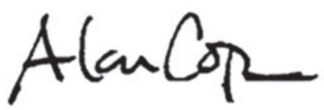
Shareholder Consultation

The Remuneration Committee consulted with its 14 top shareholders as well as the main Shareholder representative bodies prior to finalising the design of the MIP. The Remuneration Committee is grateful for the significant degree of engagement with the Company and its advisers shown by those shareholders consulted throughout the consultation process, and for their comments and feedback. At the end of this process the Remuneration Committee is pleased that the majority of Shareholders consulted have indicated they are supportive of the Plan.

Board Recommendation

The Board considers the Plan to be in the best interests of the Company and Shareholders. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the ordinary resolution set out in the AGM Notice, as all the Directors intend to do in relation to their own individual holdings which amount in aggregate to 603,574 Shares, representing 0.3 per cent of the Company's issued share capital as at 4 April 2014 (the latest practicable date prior to the printing of this document).

Yours faithfully



Alan Coppin

Chairman of the Remuneration Committee

Appendix 2

This Appendix 2 sets out the key terms of the MIP summarised in the letter from the Chairman of the Remuneration Committee dated 10 April 2014 (the "Chairman's Letter").

Definitions

"AGM"	the annual general meeting of Shareholders convened by the Notice of AGM dated 10 April 2014;
"Board"	the Board of Directors of the Company;
"Close Period"	a period when the Board of the Company is prohibited from dealing in Shares under the Listing Rules of the London Stock Exchange;
"Remuneration Committee" or "Committee"	a Committee of the Board;
"Element A"	Element A of the MIP as defined in the Chairman's Letter and Appendices to that Letter;
"Element B"	Element B of the MIP as defined in the Chairman's Letter and Appendices to that Letter;
"EPS"	the Company's earnings per share
"EBT"	the Marshalls plc Employee Benefit Trust or any successor trust set up in connection with the Company's employee share schemes;
"Group"	the Company and all of its direct and indirect subsidiaries;
"LTIP"	long-term incentive plan;
"Marshalls" or the "Company"	Marshalls plc;
"MIP" or "Plan"	The Marshalls plc 2014 Management Incentive Plan;
"Participant" or "Participants"	individuals employed by the Group intended to participate in the MIP;
"Participant's Plan Account"	the virtual account held for each Participant into which Company Contributions earned under the MIP are transferred;
"Performance Condition" or "Performance Target"	as defined in the Chairman's Letter and Appendices to that Letter;
"Sale Restrictions"	restrictions on Participants selling shares under vested Element B awards;
"Shareholders"	holders of the Shares;
"Shares"	the Company's ordinary shares.

Key Terms

	Element A	Element B	Total
Participants	Executive Directors and Senior Management.	Executive Directors and Senior Management.	
Quantum			

Level (Expected number of Participants)	Element A award % of salary	Level (Expected number of Participants)	Element B award % of salary	Total under Element A and B
Executive Director (3)	150%	**Executive Director (3)**	100%	250%
Senior Management (20)	45% to 120%	**Senior Management (20)**	30% to 70%	75% to 190%

Performance Conditions

The Primary Performance Conditions will be based on a set of key performance indicators for the relevant Plan Year as follows:

- 60% EPS;
- 30% improvement of net debt position; and
- 10% based upon increasing export sales.

In addition, the following non-financial Performance Conditions will apply:

- Customer service (at or above 95%);
- Health & Safety incidence (reduction of 10%);

Failure to satisfy the non-financial Performance Conditions will result in a 20% reduction in the Company Contribution earned in respect of the satisfaction of the Primary Performance Conditions.

The Committee will also set an annual forfeiture condition for Element A which if not satisfied will result in 50% of the cumulative balance under Element A being forfeited. This condition will be disclosed at the same time as the Performance Targets set for the relevant Plan Year.

In addition, there will be an EPS underpin set at the date of grant for Element B awards which if not satisfied at the end of the 3 year vesting period will result in the forfeiture of 50% of the Shares subject to Element B of the awards.

<table>
<tr><th></th><th>Element A</th><th colspan="2">Element B</th></tr>
<tr><td rowspan="6">Cessation of Employment</td><td rowspan="6">All unpaid balances in a Participant's Plan Account will be paid if he or she is a good leaver; balances lapse if a Participant is a bad leaver.

The Participant who is a good leaver will receive an immediate award in cash for the Plan Year during which his cessation of employment occurs pro-rated to the amount of the Plan Year completed on his cessation and based on the level of satisfaction of the Performance Conditions set measured at the normal measurement date. A Participant who is a bad leaver will have no entitlement to an award for the Plan Year of cessation. A Participant will be considered a good leaver if their employment with the Company ceases for one of the following reasons:
• death; injury or disability, retirement; redundancy;
• at the discretion of the Committee (if exercised a full explanation will be provided to shareholders).</td><td colspan="2">Good Leaver</td></tr>
<tr><td>Unvested Shares</td><td>Vested Shares</td></tr>
<tr><td>Pro-rated to the amount of the 3 year vesting period completed on the date of cessation and subject to the proportionate satisfaction of the EPS underpin on 50% of the Shares.</td><td>5 year Sale Restrictions continue to apply.</td></tr>
<tr><td colspan="2">Bad Leaver</td></tr>
<tr><td>Unvested Shares</td><td>Vested Shares</td></tr>
<tr><td>Lapse.</td><td>5 year sale restrictions continue to apply.</td></tr>
<tr><td rowspan="2">Change of Control</td><td rowspan="2">The Participant will receive an award in cash immediately prior to the date of the change of control (and conditional on the change of control actually occurring) based on the level of satisfaction of the Performance Conditions at this date pro-rated to the amount of the Plan Year completed on the change of control subject to the Remuneration Committee's discretion to waive or partially waive pro-rating. All balances in Participants' Plan Accounts will vest in full on a change of control.</td><td>Unvested Shares</td><td>Vested Shares</td></tr>
<tr><td>Shares will best on the date of the change of control subject to the proportionate satisfaction of the EPS underpin on 50% of the Shares.</td><td>Sale restrictions removed.</td></tr>
</table>

Dilution	The Plan will operate standard ABI Dilution Limits.
Shareholding Requirement	The minimum shareholding requirement is 200% of salary for the CEO and 100% for other Executive Directors. Executive Directors will not be expected to purchase Shares in the market to meet this requirement but to retain Shares earned under the Company's incentive arrangements.
Operation of Requirement	Only Shares held unconditionally by Executive Directors and vested Shares under Element B of the MIP will count towards the shareholding requirement.
Clawback & Malus	The MIP will be subject to the usual market practice FTSE 250 malus and clawback provisions allowing the Committee to reduce awards or claim repayment in circumstances where there has been wilful negligence, fraudulent misstatement of results or criminal behaviour, or where the level of satisfaction of the Performance Conditions has been incorrectly calculated.
Sale Restrictions	Element B awards to Executive Directors will be subject to a 2 year period following vesting when the Shares vested cannot be sold. The Committee may also include Sale Restrictions of up to 2 years for other Participants in the Plan.

Operation

The Remuneration Committee, (the members of which are independent Non-Executive Directors), supervises the operation of the Plan in respect of the employees of the Company, including the Executive Directors. The Remuneration Committee has the discretion to make awards at any time where they consider the circumstances appropriate. No awards will be granted during a Close Period.

Eligible Employees

Any employee of the Group is eligible to participate in the Plan. Non-Executive Directors are not eligible to participate in the Plan.

Taxation

The payment of a cash bonus and the vesting and exercise of awards are conditional upon the Participant paying any taxes due.

Allotment and Transfer of Shares

Shares allotted by the Company or transferred by the Trustee of the EBT will not rank for dividends payable if the record date for the dividend falls before the date on which any Shares are acquired by the Participant. An application will be made for the admission of the new Shares to be issued to the Official List of, and to trading on, the London Stock Exchange plc's main market for listed securities following the vesting and/or exercise of awards.

Variation of Share Capital

On a variation of the capital of the Company, the number of Shares subject to awards and their terms and conditions may be adjusted in such manner as the Remuneration Committee determines is appropriate.

Duration

The MIP will operate for a period of 5 years from the date of approval by shareholders. The Remuneration Committee may not grant awards under the Plan after the fifth anniversary of approval.

Amendments

Amendments to the rules of the Plan may be made at the discretion of the Remuneration Committee. However, the provisions governing eligibility requirements, equity dilution, Share utilisation and the adjustments that may be made following a rights issue or any other variation of capital, together with the limitations on the number of Shares that may be issued, cannot be altered to the advantage of Participants without prior Shareholder approval, except for minor amendments to benefit the administration of the Plan, to take account of a change in legislation, or to obtain or maintain favourable tax, exchange control or regulatory treatment for Participants or for the Group. An amendment may not adversely affect the rights of an existing Participant except where the Participant has approved the amendment.

In addition, the Remuneration Committee may add to, vary, or amend the rules of the Plan by way of a separate schedule in order that the Plan operates in compliance with all requisite legislative and regulatory requirements as may apply to both Participants and/or the relevant Group company, provided that the parameters of these arrangements will provide no greater benefits than under the rules of the Plan as summarised above.

General

Cash bonus, Shares acquired and awards and any other rights granted pursuant to the Plan are non-pensionable.

Non-Transferability of Awards

Awards are not transferable, except in the case of a Participant for whom a trustee is acting, in which case the trustee will be able to transfer the benefit to the Participant or by will or the laws of inheritance and distribution.

Employee Trust

The Company may utilise the EBT in order to meet obligations due under the MIP. The Trustee of the EBT has full discretion with regard to the application of the trust fund (subject to recommendations from the Remuneration Committee). The Company will be able to fund the EBT to acquire Shares in the market and/or to subscribe for Shares at nominal value in order to satisfy awards granted under the Plan. Any Shares issued to the EBT in order to satisfy awards under the Plan will be treated as counting towards the dilution limits that apply to the Plan. For the avoidance of doubt, any Shares acquired by the EBT in the market will not count towards these limits. In addition, unless prior Shareholder approval is obtained, the EBT will not hold more than 5 per cent of the issued share capital of the Company at any time (other than for the purposes of satisfying awards of Shares that it has granted).

Note: This Appendix 2 summarises the main features of the Plan, but does not form part of them, and should not be taken as affecting the interpretation of the detailed terms and conditions constituting the Plan Rules. Copies of the Plan Rules will be available for inspection at the Company's registered office at Landscape House, Premier Way, Lowfields Business Park, Elland, Halifax HX5 9HT during usual office hours (Saturdays, Sundays and statutory holidays excepted) from the date of despatch of the AGM Notice up to and including the date of the AGM. Copies of the Plan Rules will also be made available at Birkby Grange, Birkby Hall Road, Huddersfield HD2 2XB (where the 2014 AGM will be held) for 30 minutes before and after the AGM and during the AGM. The Directors reserve the right, up to the time of the AGM, to make such amendments and additions to the rules of the Plan as they consider necessary or desirable, provided that such amendments and additions do not conflict in any material respect with the summary set out in this Appendix 2.

Appendix 3

This Appendix provides illustrative modelling of the potential opportunity under the MIP for the Chief Executive Officer and Group Finance Director in scenarios where (i) 50 per cent of the applicable performance targets are achieved, and (ii) 100 per cent of the applicable performance targets are achieved.

Chief Executive Officer

50% of Maximum

Input

Role	Chief Executive
Scenario Selected	50% of Maximum

Salary	£400,000
50% of Maximum Element A contribution per annum	75%
50% of Maximum Element B contribution per annum	50%

Chief Executive

	2014	2015	2016	2017	2018	2019	2020
Share price at end of year	£1.81	£1.90	£2.00	£2.10	£2.20	£2.31	£2.43
Element A							
Payment at end of year	£150,000	£233,250	£281,591	£459,580	£254,879	£307,702	£323,087
Value of deferred shares	£150,000	£233,250	£281,591	£163,909	£254,879	£307,702	£0
Cumulative number of deferred shares	82,816	122,646	141,014	78,173	115,770	133,109	0
Element B							
Number of shares earned at end of year	110,421	108,318	106,255	104,231	102,245	100,298	98,387
Number of locked in Shares	110,421	218,739	324,993	429,224	531,469	631,767	730,154
Value of vested shares subject to holding period	£0	£0	£0	£0	£0	£973,322	£1,002,522
Value of vested shares capable of sale	£0	£0	£0	£0	£0	£255,256	£262,914

100% of Maximum

Input

Role	Chief Executive
Scenario Selected	Maximum

Salary	£400,000
Maximum Element A contribution per annum	150%
Maximum Element B award per annum	100%

Chief Executive

	2014	2015	2016	2017	2018	2019	2020
Share price at end of year	£1.90	£2.09	£2.30	£2.53	£2.78	£3.06	£3.36
Element A							
Payment at end of year	£300,000	£474,000	£578,970	£964,685	£517,953	£632,656	£695,922
Value of deferred shares	£300,000	£474,000	£578,970	£327,818	£517,953	£632,656	£0
Cumulative number of deferred shares	158,103	227,093	252,167	129,800	186,439	207,025	0
Element B							
Number of shares earned at end of year	210,804	197,389	184,828	173,066	162,053	151,740	142,084
Number of locked in Shares	210,804	408,193	593,020	766,086	928,139	1,079,879	1,221,964
Value of vested shares subject to holding period	£0	£0	£0	£0	£0	£2,192,136	£2,257,900
Value of vested shares capable of sale	£0	£0	£0	£0	£0	£644,204	£663,530

Group Finance Director

50% of Maximum

Input

Role	Group Finance Director
Scenario Selected	50% of Maximum

Salary	£245,192
50% of Maximum Element A contribution per annum	75%
50% of Maximum Element B contribution per annum	50%

Group Finance Director

	2014	2015	2016	2017	2018	2019	2020
Share price at end of year	£1.81	£1.90	£2.00	£2.10	£2.20	£2.31	£2.43
Element A							
Payment at end of year	£91,947	£142,977	£172,609	£281,713	£156,235	£188,615	£198,046
Value of deferred shares	£91,947	£142,977	£172,609	£100,473	£156,235	£188,615	£0
Cumulative number of deferred shares	50,764	75,179	86,439	47,918	70,965	81,593	0
Element B							
Number of shares earned at end of year	67,686	68,388	67,086	65,808	64,554	63,325	62,119
Number of locked in Shares	67,686	136,074	203,160	268,968	333,522	396,847	458,966
Value of vested shares subject to holding period	£0	£0	£0	£0	£0	£614,525	£632,960
Value of vested shares capable of sale	£0	£0	£0	£0	£0	£156,467	£165,996

100% of Maximum

Input

Role	Group Finance Director
Scenario Selected	Maximum

Salary	£245,192
Maximum Element A contribution per annum	150%
Maximum Element B award per annum	100%

Group Finance Director

	2014	2015	2016	2017	2018	2019	2020
Share price at end of year	£1.90	£2.09	£2.30	£2.53	£2.78	£3.06	£3.36
Element A							
Payment at end of year	£183,894	£290,552	£354,896	£591,331	£317,494	£387,805	£426,585
Value of deferred shares	£183,894	£290,552	£354,896	£200,946	£317,494	£387,805	£0
Cumulative number of deferred shares	96,914	139,203	154,573	79,564	114,283	126,902	0
Element B							
Number of shares earned at end of year	129,218	124,625	116,694	109,268	102,315	95,804	89,707
Number of locked in Shares	129,218	253,843	370,538	479,806	582,121	677,925	767,632
Value of vested shares subject to holding period	£0	£0	£0	£0	£0	£1,384,045	£1,425,566
Value of vested shares capable of sale	£0	£0	£0	£0	£0	£394,883	£418,932

Marshalls

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