
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.



Notice of Annual General Meeting

This Circular contains the Notice of Annual General Meeting to be held on Wednesday 20 May 2015 at 11 am at the Cedar Court Hotel, Ainley Top, Huddersfield HD3 3RH 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 am on 18 May 2015. Shareholders can vote 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 am on 18 May 2015.

Letter from the Chairman

MARSHALLS PLC

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

(Registered in England: No. 5100353)

9 April 2015

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 20 May 2015 at the Cedar Court Hotel, Ainley Top, Huddersfield HD3 3RH. The formal Notice of Annual General Meeting can be found on page 6 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 2014 together with the Auditor's Report.

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 appointment of KPMG LLP as the Company's Auditors expires at the AGM. In accordance with best practice principles of corporate governance in relation to the rotation of auditors, the Company tendered the audit in the second half of 2014 and as a consequence it is proposed that the present Auditors, KPMG LLP, will be replaced by Deloitte LLP with effect from the close of the Annual General Meeting. Resolution 2 therefore proposes that Deloitte 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 4.00 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 5 June 2015. Subject to approval by the Ordinary Shareholders at the Annual General Meeting, the dividend will be paid on 3 July 2015. An interim dividend of 2.00 pence per Ordinary Share was paid on 5 December 2014.

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, Martyn Coffey, Alan Coppin, Mark Edwards and Tim Pile will retire by rotation and will offer themselves for re-election as Directors. Jack Clarke, having joined the Board in October 2014, and Janet Ashdown, having joined the Board in March 2015, will each offer themselves 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 election or re-election satisfies the Code as regards their independence.

Biographical details of those Directors in office as at 6 March 2015 are on pages 32 and 33 of the Annual Report.

Janet Ashdown joined the Board as an independent Non-Executive Director on 25 March 2015. She is also a member of the Remuneration, Nomination and Audit Committees. Janet Ashdown is a non-executive director of SIG Plc, and a member of its Audit, Remuneration, Nomination and Governance Committees; she is also a non-executive director of Coventry Building Society and a member of its Remuneration and Risk Committees. She was previously a non-executive director of Essar Oil UK Limited. Janet's executive career included 30 years with BP plc, most recently as Director, BP Oil UK Limited and Head of UK Retail and Commercial Fuels. Between 2010 and 2012 she was CEO of Harvest Energy, UK, part of the Blue Ocean Associates group. She was also President of the UK Petroleum Industry Association and is a charity trustee of "Hope In Tottenham". She has wide experience in both governance and management, with particular focus on major projects, infrastructure and international business development.

Notice of Annual General Meeting *continued*

Directors' Remuneration Report (Resolution 12)

The Directors' Remuneration Policy approved by shareholders at the 2014 Annual General Meeting continues to apply so is not re-submitted this year to a shareholder vote. In accordance with the Regulations in relation to remuneration reporting, the Directors' Remuneration Report is submitted to an advisory vote. An advisory vote means that payments made or promised to Directors will not have to be repaid in the event that the Resolution is not passed.

Resolutions 1–12 inclusive are proposed as Ordinary Resolutions at the Annual General Meeting.

Special Business

Employee Share Schemes

The Directors are supportive of the principle of extending share ownership amongst Marshalls' employees and wish to offer them opportunities to acquire shares, including, where appropriate and as permitted by relevant legislation, on a tax-favoured basis. The following new and renewed share incentive arrangements are proposed to enable employees to acquire shares and participate as stakeholders in the Group.

Introduction of Bonus Share Plan ("BSP") (Resolution 13)

Under the proposed BSP, individuals who do not participate in the Marshalls Management Incentive Plan (the "MIP") but who are eligible to participate in the Company's other annual bonus arrangements would be granted awards over shares with a value equal to up to 5 per cent of base salary in the relevant year. The awards would be subject to the same performance targets as the annual bonus and to the extent performance targets are met, participants will have the right to acquire the relevant number of shares which have vested at the end of a three-year deferral period, provided they remain in employment at that time. Executive Directors and senior managers who participate in the MIP would not be eligible to participate in the BSP.

Introduction of All-Employee Sharesave Plan (Resolution 14)

It is proposed to introduce a new all-employee tax-advantaged Sharesave Plan. Under the Sharesave Plan, all eligible employees are invited to participate on the same basis by entering into an approved savings contract for a period of three years and are granted an option to acquire Ordinary Shares in the Company at the end of that period using the proceeds of their savings contract. The exercise price of an option is fixed at the time the invitation to apply for an option is issued and will not be less than 80 per cent of the market value of a share at that time.

The Sharesave Plan is intended to qualify for tax advantages (under Schedule 3 to the Income Tax (Earnings & Pensions) Act 2003 ("ITEPA")). There will be power to scale back awards and limit the maximum monthly saving at the Remuneration Committee's discretion, to preserve balance and protect the overall sustainability of the Company's incentive scheme structure.

The main provisions of each of the BSP and the Sharesave Plan are summarised in Appendix 1 to the Notice of Meeting.

Extension of Share Incentive Plan ("SIP") (Resolution 15)

The Company currently operates a SIP which was approved by shareholders in 2006 for a period of ten years. The SIP is intended to qualify for tax-advantaged treatment (under Schedule 2 to ITEPA) and is an all-employee plan under which all eligible employees are invited to participate on the same basis, allowing the purchase of shares in the Company using sums deducted from the participant's pre-tax salary. The Directors wish to renew approval for the SIP to enable its continued operation beyond 2016 within the financial limits permitted by the relevant legislation, and to incorporate changes to Schedule 2 to ITEPA introduced under the Finance Act 2013 and the Finance Act 2014, including increasing the financial limits for participation in the SIP.

The BSP, the Sharesave Plan and the SIP will operate within the 10 per cent dilution limit which applies to the all-employee share plans already operated by the Company, and, in the case of the BSP, the 5 per cent dilution limit which applies to discretionary share plans. The Company will manage its remaining capacity within this limit carefully and may use new issue shares, treasury shares and shares purchased in the market to satisfy options.

Notice of General Meetings (Resolution 16)

Resolution 16 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 2014. This Resolution 16, proposed as a Special Resolution, seeks renewal of the approval until the close of the 2016 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.

Notice of Annual General Meeting *continued*

Special Business *continued*

Authority to Allot Equity Securities (Resolution 17)

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 14 May 2014 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 17 will be proposed as a Special Resolution to seek renewal of this authority until the conclusion of the next Annual General Meeting in 2016.

In line with guidelines issued by the Investment Association (formerly the ABI) (the "IA") to the effect that IA 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 2 April 2015 (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 17 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 17 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 18)

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 18 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 2 April 2015 (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 17 and 18 will expire at the next Annual General Meeting.

Authority to Purchase Ordinary Shares (Resolution 19)

Resolution 19 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 2 April 2015 (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 five 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.

Notice of Annual General Meeting *continued*

Special Business *continued*

Authority to Purchase Ordinary Shares (Resolution 19) *continued*

If Resolution 19 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 IA, the Company is only proposing to hold a maximum of up to 10 per cent of its issued share capital in treasury. The Company does not currently hold any shares in treasury.

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 2 April 2015 amounted in aggregate to 188,533 shares representing approximately 0.09 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 appoint a proxy online by registering at www.eproxyappointment.com no later than 11 am on 18 May 2015. 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

Notice of Annual General Meeting

Marshalls plc

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 the Cedar Court Hotel, Ainley Top, Huddersfield HD3 3RH on Wednesday 20 May 2015 at 11 am to consider and, if thought fit, pass the following Resolutions which are to be proposed, in the case of Resolutions 1 to 12, as Ordinary Resolutions and, in the case of Resolutions 13 to 19, as Special Resolutions of the Company:

1. That the Report of the Directors and the Accounts for the year ended 31 December 2014 together with the Auditor's Report be received;
2. That Deloitte 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 2014 of 4.00 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 5 June 2015;
5. That Andrew Allner, having retired by rotation and being eligible, be re-elected as a Director;
6. That Martyn Coffey, 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 Jack Clarke, having been appointed since the last Annual General Meeting, be elected as a Director;
11. That Janet Ashdown, having been appointed since the last Annual General Meeting, be elected as a Director;
12. That the Directors' Remuneration Report, excluding the Directors' Remuneration Policy, for the year ended 31 December 2014 be approved;
13. That the Directors be authorised to establish the Marshalls Bonus Share Plan ("**BSP**"), a copy of the draft rules of which is produced to the meeting and a summary of the main provisions of which is set out in Appendix 1, and to do all such acts and things as may be necessary or expedient to give effect to the BSP;
14. That the Directors be authorised to establish the Marshalls 2015 Sharesave Plan, a copy of the draft rules of which is produced to the meeting and a summary of the main provisions of which is set out in Appendix 1, and to do all such acts and things as may be necessary or expedient to give effect to the Sharesave Plan as a tax-advantaged plan under Schedule 3 to the Income Tax (Earnings & Pensions) Act 2003 ("**ITEPA**");
15. That the Directors be authorised to renew the Marshalls Employee Share Incentive Plan ("**SIP**"), a copy of the rules of which is produced to the meeting and a summary of the changes to which is included in the note on Resolution 15 on page 3 of this Notice of Annual General Meeting, and to do all such acts and things as may be necessary or expedient for the purpose of extending the SIP for a further period of ten years and implementing and giving effect to amendments to update the rules of the SIP, including in such manner as may be necessary to ensure that they meet the requirements for SIP schemes as set out in Schedule 2 to ITEPA;
16. That a general meeting, other than an annual general meeting, may be called on not less than 14 clear days' notice;
17. 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 2016 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;

18. That, subject to the passing of Resolution 17, 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 17 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 equity securities (but in the case of the authority granted under paragraph (b) of Resolution 17 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 18) to any person or persons up to an aggregate nominal amount of £2,492,234 (representing no more than 5 per cent of issued Ordinary Share capital at the date of this Notice of Annual General Meeting);
- and such power shall expire at the conclusion of the 2016 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;
19. 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 five 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 2016 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: 9 April 2015

By Order of the Board

C.E. Baxandall
Company Secretary

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

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 pm on 18 May 2015, being the date which is two days prior to the meeting, or at 6.00 pm 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 email 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 2 April 2015 (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 the Executive Directors; (b) the letters of appointment of the Non-Executive Directors, (c) the Register of Interests in shares of the Company kept pursuant to Section 809 of the Companies Act 2006 and (d) the Rules of the Bonus Share Plan, the Sharesave Plan and the SIP (the "**Plans**") 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. A copy of the rules of the Plans is also available for inspection at the offices of Pinsent Masons LLP, 30 Crown Place, London, EC2A 4ES during business hours on any weekday from the date of this Notice of Meeting until the close of the 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 or are included in this Notice.
 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 Auditors 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
Summary of the main provisions of the Marshalls Bonus Share Plan 2015 ("BSP")
and the Marshalls Sharesave Plan 2015 (the "Sharesave Plan")

1. THE BSP

1.1 General

Under the BSP, employees who do not participate in the Company's Management Incentive Plan ("**MIP**") but who are eligible for an annual performance related bonus under the Company's other incentive arrangements may be granted awards over bonus shares ("**Bonus Share Awards**") subject to the same performance targets as their annual bonus. The shares are subject to a three-year deferral period (the "**Holding Period**"). To the extent the performance targets are met, the participants will have the right to acquire the relevant number of shares at the end of the Holding Period, subject to remaining in employment at that time.

The BSP is a non-tax advantaged plan under which income tax and national insurance contributions ("**NICs**") arise on the delivery of shares pursuant to a Bonus Share Award. A participant is required to indemnify the Company (and, if different, his employer company) in respect of income tax and employee NICs arising in connection with Bonus Share Awards. Unless the Company determines otherwise, no amount will be payable by participants for the acquisition of Shares pursuant to a Bonus Share Award.

1.2 Eligibility

Any employee who is not a participant in the MIP at the time of the award, and who is eligible for an annual performance related bonus for the relevant financial year (the "**Plan Year**"), is eligible to participate in the BSP, at the discretion of the Remuneration Committee of the Board (the "**Committee**"). For the avoidance of doubt, Executive Directors will not participate in the BSP.

1.3 Award Values

Bonus Share Awards will typically be granted over shares having an aggregate market value at the date of award of up to 5 per cent of the participant's base salary for the Plan Year ("**Award Shares**").

1.4 Vesting of Bonus Share Awards

Bonus Share Awards will normally vest, subject to continuing employment, at the end of the relevant Holding Period.

1.5 Leaving Employment

If a participant leaves the Group other than in certain "good leaver" circumstances (described below) before the end of the Holding Period, the Bonus Share Award will lapse, in respect of all of the Award Shares, on the leaving date.

If a participant leaves the Group by reason of death, injury, ill health or disability, redundancy, retirement (with the agreement of the employer) or the sale of the participant's employing business or company out of the Group, or the participant is otherwise designated by the Committee to be a good leaver for the purposes of the BSP, the participant's Bonus Share Award may vest on the leaving date if approved by the Committee.

1.6 Corporate Events

There are provisions that allow Bonus Share Awards to vest early in the event of a takeover of the Company and other specified corporate events.

1.7 Malus and Clawback

In exceptional circumstances, including (without limitation) material mis-statement of Group results, participant misconduct, circumstances in which it is determined that the participant has caused or contributed to a material loss for the Group in certain circumstances involving the fault on the part of the participant, or if the performance outcome has been incorrectly calculated, the Committee may, on such basis as they consider to be fair, reasonable and proportionate, either reduce the value of a Bonus Share Award (including to nil), or, within three years of the end of the Holding Period, require a participant to transfer to the Company all or some of the value acquired pursuant to the Bonus Share Award which the participant still holds.

2. THE SHARES SAVE PLAN

2.1 General

The Sharesave Plan is intended to be a tax-advantaged scheme under Schedule 3 to the Income Tax (Earnings & Pensions) Act 2003.

2. **THE SHARESAVE PLAN** *continued*

2.2 **Eligibility**

Any UK-based employee (including any full-time director) of the Company or other participating subsidiary who has been employed, at a relevant grant date, for a qualifying period of such length as the Committee may determine from time to time (but not exceeding five years) and any other employee who is nominated by the Committee is eligible to participate.

2.3 **Issue of Invitations**

Invitations to apply for options granted under the Sharesave Plan ("**Options**") will normally be issued within a period of 42 days following the announcement of the Company's results for any period.

2.4 **Exercise Price**

The price per share at which Ordinary Shares in the Company ("**Shares**") may be acquired upon exercise of an Option is determined by the Directors before Options are granted on any occasion. It must not be less than the higher of 80 per cent of the market value of a Share when invitations are issued to participants, and, in the case of Options to subscribe for Shares, the nominal value of a Share.

2.5 **Monthly Savings**

Any employee who applies for an Option must enter into an HMRC approved "save as you earn" contract (the "**Savings Contract**"). The employee agrees to enter into a Savings Contract for a period of three or five years and to make monthly savings contributions of a fixed amount, currently of not less than £5 or more than £500, over three or five years. Upon expiry of the Savings Contract, the employee may (depending upon the interest rate, set by HMRC, which applies at the relevant time (if any)) be entitled to receive a tax-free bonus in addition to repayment of the savings contributions. The employee may elect to apply the proceeds of the Savings Contract to exercise the Option and acquire Shares. Alternatively, the employee may choose to withdraw the proceeds of the Savings Contract.

2.6 **Exercise of Options**

Options will normally be exercisable only during the period of six months from the maturity of the Savings Contract.

2.7 **Leaving Employment**

Early exercise is permitted following death or cessation of employment by reason of injury, disability, redundancy, retirement or where the participant's employing company or business ceases to be a part of the Group.

In such cases, Options may be exercised within six months of leaving, to the extent that the funds then available in the employee's Savings Contract permit. In the case of death, personal representatives may normally exercise the deceased employee's Option within twelve months of the date of death.

Otherwise Options will lapse on cessation of employment.

2.8 **Corporate Events**

Early exercise of Options is permitted in the event of a takeover, amalgamation, reconstruction or voluntary winding-up of the Company.

Alternatively, by agreement with the acquiring company, participants may, as specified in the rules of the Sharesave Plan, release their Options in consideration of the grant of Options over shares in the acquiring company.

3. **PROVISIONS COMMON TO THE BSP AND THE SHARESAVE PLAN (the "PLANS")**

3.1 **General**

Bonus Share Awards and Options ("**Plan Awards**") are not transferable (except on death) and are not pensionable benefits. Plan Awards will be capable of being satisfied by newly issued Shares, Shares purchased in the market by an employees' trust or by the transfer of treasury shares.

No Plan Awards may be granted after the tenth anniversary of the approval of the Plans by the Company's shareholders.

Operation of the Plans is overseen by the Committee.

3. PROVISIONS COMMON TO THE BSP AND THE SHARESAVE PLAN (the "PLANS") *continued*

3.2 Dilution Limit

In any ten year period ending on the relevant date of grant of any Plan Awards, the maximum number of new Shares which may be issued or made issuable pursuant to Plan Awards and other options or awards granted under any other employee share scheme operated by the Company shall not exceed 10 per cent of the issued Ordinary Share capital of the Company from time to time.

In any ten year period ending on the relevant date of grant of any Bonus Share Awards, the maximum number of new Shares which may be issued or made issuable pursuant to Bonus Share Awards and other options or awards granted under any other discretionary employee share scheme operated by the Company shall not exceed 5 per cent of the issued Ordinary Share capital of the Company from time to time.

Insofar as it is necessary to ensure compliance with the guidance included in the remuneration principles issued from time to time by the Investment Association (formerly the Association of British Insurers), the percentage limit will apply to Plan Awards or other options and awards satisfied or to be satisfied by the issue of treasury Shares.

3.3 Rights attaching to Shares

Shares allotted or transferred under the Plans will rank equally in all respects with all other Shares then in issue (except for any rights attaching to Shares by reference to a record date preceding the allotment or transfer of such Shares). The Company will apply to the Financial Conduct Authority for the listing of any newly issued Shares.

3.4 Variation of Share Capital

If there is a variation in the Ordinary Share capital of the Company, the Committee may make such adjustments pursuant to the rules of Plans, as they consider appropriate to the total number of Shares subject to any Plan Awards and, in the case of Options, the exercise price payable upon the exercise of any Option.

3.5 Alteration of the Plans

The Committee may amend the Plans in any respect. However, they may not make any alteration to the advantage of participants without the prior approval of shareholders in general meeting to the provisions relating to eligibility, any overall and individual limitations on the number/monetary value of Awards or the basis for determining a participant's right to acquire Shares and the adjustment of such rights in the event of a variation of share capital unless the alteration is necessary to comply with any change in legislation, to maintain the tax advantaged status of the Sharesave Plan, to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the Plans, as appropriate or any member of the Group, or the alteration is a minor amendment to benefit the administration of the Plans.

3.6 International

The Plans permit the Committee to add to, vary or amend the Rules by way of a separate Schedule, or other plan based on any of the Plans, in order that any of the Plans may be operated for participants outside the UK in compliance with all requisite local legislative and regulatory requirement as may apply to those participants and/or the relevant Group company.

This summary does not form part of the rules of the Plans and should not be taken as affecting the interpretation of their detailed terms and conditions. The Committee reserves the right up to the time of the Annual General Meeting to make such amendments and additions to the rules of the Plans as they consider appropriate provided that such amendments do not conflict in any material respect with this summary.