

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice from a stockbroker, bank manager, solicitor, accountant, or other financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your AO World plc ordinary shares, please send this document, together with the accompanying documents (but not the personalised Form of Proxy), as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.



AO World plc
(incorporated and registered in England and Wales under number 05525751)
NOTICE OF ANNUAL GENERAL MEETING

Notice of the Annual General Meeting of AO World plc to be held at 10am on Thursday 17 July 2014 at AO Park, 5A The Parklands, Lostock, Bolton, BL6 4SD is set out at the end of this document.

A Form of Proxy for use at the Annual General Meeting is enclosed.

To be valid, the Form of Proxy should be completed and returned in accordance with the instructions printed thereon as soon as possible but in any event so as to arrive not later than 10am on Tuesday 15 July 2014.

Please note that the Form of Proxy can be delivered in hard copy form by post, by courier or by hand to the Capita Asset Services at the address printed on the back of the Form of Proxy or, if preferred, in an envelope to Freepost RSBH-UXKS-LRBC, PXS, 34 Beckenham Road, Beckenham BR3 4TU or by completing it online at <https://www.aoshareportal.com/>. CREST members may utilise the CREST electronic proxy appointment service.



AO World plc
("the Company")

(incorporated and registered in England and Wales under number 05525751)

Registered Office:

AO Park
5A The Parklands
Lostock
Bolton
BL6 4SD

Directors:

Richard Rose
John Roberts
Steve Caunce
Bill Holroyd
Chris Hopkinson
Brian McBride
Marisa Cassoni
Rudolf Lamprecht

17 June 2014

To the holders of AO World plc ordinary shares

Notice of Annual General Meeting

Dear Shareholder

I am pleased to be writing to you with details of our first Annual General Meeting ("**AGM**") which we are holding at AO Park, 5A The Parklands, Lostock, Bolton, BL6 4SD on 17 July 2014 at 10am.

The AGM allows the Board to present the Company's strategy and financial results to shareholders and gives shareholders the opportunity to meet members of the Board and raise questions they may have. Your participation is important to us and we hope to see as many of you as possible. However, we ask shareholders to complete, sign and return the Form of Proxy whether or not you intend to be present at the AGM. As with many other public companies, voting on all resolutions proposed at the AGM will be by way of a poll as the Board believes this is a more transparent method of voting.

The formal notice of AGM is set out on pages 6 and 7 of this document and the remainder of this letter explains certain elements of the business to be considered at the meeting, the action to be taken and the recommendation of the Board as to voting on the resolutions proposed.

Resolutions

Resolution 1 – To receive the Annual Report and Accounts

The Chairman will present the Annual Report and Accounts for the year ended 31 March 2014 to the AGM. These accounts accompany this circular.

Resolutions 2 and 3 – Directors' Remuneration Report

There are new requirements this year in relation to the content of the Directors' Remuneration Report and the approval of the Report, following changes made to the Companies Act 2006.

In accordance with the new Companies Act 2006 provisions, the Directors' Remuneration Report in the annual report contains:

- a statement by Bill Holroyd, Chair of the Company's Remuneration Committee;
- the annual report on remuneration, which sets out payments made in the financial year ending 31 March 2014; and
- the Directors' remuneration policy in relation to future payments to the Directors and former Directors.

The statement by the Remuneration Committee Chair and the annual report on remuneration will be put to an annual advisory shareholder vote by ordinary resolution. The policy part of the Director's Remuneration Report, which sets out the Company's forward looking policy on Directors' remuneration (including the approach to exit payments to Directors), is subject to a binding shareholder vote by ordinary resolution at least every three years.

The Directors' Remuneration Report is set out in full in the Annual Report on pages 48 to 57.

Resolution 2 is the ordinary resolution to approve the Directors' Remuneration Report, other than the part containing the Directors' remuneration policy. Resolution 2 is an advisory resolution and does not affect the future remuneration paid to any Director.

Resolution 3 is the ordinary resolution to approve the Directors' remuneration policy which is set out in the Directors' Remuneration Report in the Annual Report on pages 49 to 53.

Once the Directors' remuneration policy has been approved/commences, all payments by the Company to the Directors and any former Directors must be made in accordance with the policy (unless a payment has been separately approved by a shareholder resolution).

If the Directors' remuneration policy is approved and remains unchanged, it will be valid for up to three financial years without a new shareholder approval. If the Company wishes to change the Directors' remuneration policy, it will need to put the revised policy to a vote again before it can implement the new policy.

If the Directors' remuneration policy is not approved for any reason, the Company will, if and to the extent permitted by the Companies Act 2006, continue to make payments to Directors in accordance with existing contractual arrangements and will seek shareholder approval for a revised policy as soon as is practicable.

Resolutions 4 to 11 inclusive – Re-election of Directors

Resolutions 4 to 11 inclusive deal with the election/re-election of the Directors in accordance with the requirements of the UK Corporate Governance Code (the 'Code'). The Code provides for all directors of FTSE 350 companies to be subject to re-election by the shareholders every year. Accordingly, in keeping with the Board's aim of following best corporate governance practice, all the Board is standing for re-election by the shareholders at this year's AGM. Biographies of each of the Directors seeking re-election can be found on pages 10 and 11 of this document. Whilst no formal performance review has been conducted in the short period from IPO (3 March 2014) to 31 March 2014, the Board is satisfied that the Directors are performing effectively and are demonstrating a commitment to their roles and this will continue to be monitored going forward with a formal performance review taking place when appropriate.

Resolutions 12 and 13 – Reappointment of Auditors and Auditors' Remuneration

Resolution 12 relates to the reappointment of Deloitte LLP as the Company's Auditors to hold office until the next AGM of the Company.

Resolution 13 authorises the Directors to set their remuneration. The Directors have delegated the responsibility of setting the Auditors' remuneration to the Audit Committee of the Board.

Resolution 14 – Allotment of share capital

Resolution 14 deals with the Directors' authority to allot shares.

At the general meeting of the Company held on 25 February 2014, the Directors were given authority to allot ordinary shares in the capital of the Company:

- up to a maximum nominal amount of £350,877.19, equal to one-third of the allotted share capital of the Company; and
- up to a maximum aggregate nominal value of £701,754.39, equal to two-thirds of the issued share capital of the Company, where an offer is made in connection with a fully pre-emptive rights issue.

This authority expires at the end of the Company's first AGM.

Accordingly, Resolution 14 will, if passed, renew this authority to allot on broadly the same terms.

Resolutions

continued

The Association of British Insurers (“ABI”) guidelines on directors’ authority to allot shares state that ABI members will permit, and treat as routine, resolutions seeking authority to allot shares representing up to one-third of the Company’s issued share capital. In addition they will treat as routine a request for authority to allot shares representing an additional one-third of the Company’s issued share capital provided that it is only used to allot shares pursuant to a fully pre-emptive rights issue.

In light of these guidelines, the Board considers it appropriate that Directors be granted authority to allot ordinary shares in the capital of the Company up to a maximum nominal amount of £701,754.38 representing the ABI guideline limit of approximately 66% of the Company’s issued ordinary share capital (excluding treasury shares) as at 13 June 2014 (the latest practicable date prior to publication of this letter). Of this amount 140,350,876 shares (representing approximately 33% of the Company’s issued ordinary share capital (excluding treasury shares) can only be allotted pursuant to a rights issue. The power will last until the end of the next AGM of the Company or, if earlier, on 16 October 2015.

The Directors have no present intention of allotting new ordinary shares other than in relation to the Company’s employee share schemes. However, the Directors consider it appropriate to maintain the flexibility that this authority provides.

As at the date of this letter the Company does not hold any shares in the capital of the Company in treasury.

Resolution 15 – Disapplication of statutory pre-emption rights

Resolution 15 will give the Directors authority to allot ordinary shares in the capital of the Company pursuant to the authority granted under Resolution 14 above for cash without complying with the pre-emption rights in the Companies Act 2006 in certain circumstances. In the light of the ABI guidelines described in relation to Resolution 14 above, this authority will permit the directors to allot:

- (a) shares up to a nominal amount of £701,754.38 (representing two-thirds of the Company’s issued share capital) on an offer to existing shareholders on a pre-emptive basis. However unless the shares are allotted pursuant to a rights issue (rather than an open offer), the Directors may only allot shares up to a nominal amount of £350,877.19 (representing one-third of the Company’s issued share capital) (in each case subject to any adjustments, such as for fractional entitlements and overseas shareholders, as the Directors see fit); and
- (b) shares up to a maximum nominal value of £52,631.58, representing approximately 5% of the issued ordinary share capital of the Company as at 13 June 2014 (the latest practicable date prior to publication of this letter) otherwise than in connection with an offer to existing shareholders.

The Directors confirm their intention to follow the provisions of the Pre-emption Group’s Statement of Principles regarding cumulative usage of authorities within a rolling three-year period. The Principles provide that companies should not issue shares for cash representing more than 7.5% of the Company’s issued ordinary share capital in any rolling three-year period, other than to existing shareholders, without prior consultation with shareholders.

The authority contained in Resolution 15 will expire upon the expiry of the general authority conferred in Resolution 14 (i.e., at the end of the next AGM of the Company or, if earlier, on 16 October 2015).

Resolution 16 – Authority to purchase own shares

Resolution 16 gives the Company authority to buy back its own ordinary shares in the market as permitted by the Companies Act 2006. The authority limits the number of shares that could be purchased to a maximum of 42,105,263 shares (representing approximately 10% of the Company’s issued ordinary share capital as at 13 June 2014 (the latest practicable date prior to publication of this letter)) and sets minimum and maximum prices. This authority will expire at the end of the next AGM of the Company or, if earlier, on 16 October 2015.

The Directors have no present intention of exercising the authority to purchase the Company’s ordinary shares but will keep the matter under review, taking into account the financial resources of the Company, the Company’s share price and future funding opportunities. The authority will be exercised only if the Directors believe that to do so would result in an increase in earnings per share and would be in the interests of shareholders generally. Any purchases of ordinary shares would be by means of market purchases through the London Stock Exchange.

Listed companies purchasing their own shares are allowed to hold them in treasury as an alternative to cancelling them. No dividends are paid on shares while they are held in treasury and no voting rights attach to treasury shares.

If Resolution 16 is passed at the AGM, 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.

As at 13 June 2014 (the latest practicable date prior to the publication of this letter), there were options to subscribe for ordinary shares in the capital of the Company representing 1.16% of the Company's issued share capital (excluding treasury shares). If the authority to purchase the Company's ordinary shares being sought in Resolution 16 were to be exercised in full, these options would represent 1.29% of the Company's issued share capital (excluding treasury shares).

Resolution 17 – Political donations

Resolution 17 deals with political donations. Under the Companies Act 2006, political donations to any political parties, independent election candidates or political organisations or the incurring of political expenditure are prohibited unless authorised by shareholders in advance. What constitutes a political donation, a political party, a political organisation, or political expenditure is not easy to decide, as the legislation is capable of wide interpretation. Sponsorship, subscriptions, payment of expenses, paid leave for employees fulfilling public duties, and support for bodies representing the business community in policy review or reform, may fall within this.

Therefore, notwithstanding that the Company has not made a political donation in the past, and has no intention either now or in the future of making any political donation or incurring any political expenditure in respect of any political party, political organisation or independent election candidate, the Board has decided to put forward Resolution 17 to renew the authority previously granted by shareholders of the Company. This will allow the Company to continue to support the community and put forward its views to wider business and Government entities without running the risk of being in breach of the law.

This authority will cover the period from the date Resolution 17 is passed until the end of the next AGM of the Company or, if earlier, 16 October 2015. As permitted under the Companies 2006 Act, Resolution 17 also covers any political donations made, or political expenditure incurred, by any subsidiaries of the Company.

Resolution 18 – Length of notice of meeting

Resolution 18 is a resolution to allow the Company to hold general meetings (other than AGMs) on 14 days' notice.

The minimum notice period for general meetings of listed companies is 21 days, but companies may reduce this period to 14 days (other than for AGMs) provided that two conditions are met. The first condition is that the Company offers a facility for shareholders to vote by electronic means. This condition is met if the Company offers a facility, accessible to all shareholders, to appoint a proxy by means of a website. Please refer to "Action to be taken" below and to note 4 to the notice of meeting on page 8 of this document for details of the Company's arrangements for electronic proxy appointment. The second condition is that there is a special resolution of shareholders approving the reduction of the minimum notice period from 21 days to 14 days.

The Board is therefore proposing Resolution 18 as a special resolution to approve 14 days as the minimum period of notice for all general meetings of the Company other than AGMs. The approval will be effective until the end of the next AGM of the Company, when it is intended that the approval be renewed. The Board will consider on a case by case basis whether the use of the flexibility offered by the shorter notice period is merited, taking into account the circumstances, including whether the business of the meeting is time-sensitive.

Action to be taken

We ask shareholders to complete, sign and return the Form of Proxy whether or not you intend to be present at the AGM. The completion of an appointment of proxy does not preclude you from attending and voting in person at the AGM should you decide to do so.

The Form of Proxy can be delivered in hard copy form by post, by courier or by hand to the Capita Asset Services at the address printed on the back of the Form of Proxy or, if preferred, in an envelope to Freepost RSBH-UXKS-LRBC, PXS, 34 Beckenham Road, Beckenham BR3 4TU or by completing it online at <https://www.aoshareportal.com/>. CREST members may utilise the CREST electronic proxy appointment service.

To be valid, the Form of Proxy should be completed and returned in accordance with the instructions printed thereon as soon as possible but in any event so as to arrive not later than 10am on Tuesday 15 July 2014.

Recommendation

The Board considers the Resolutions 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 Directors unanimously recommend that you vote in favour of the Resolutions as they intend to do in respect of their own beneficial holdings which amount in aggregate to 192,779,296 shares representing approximately 45.8% of the existing issued ordinary share capital of the Company (excluding treasury shares).

Yours sincerely

Richard Rose
Chairman

Notice of AGM

AO World plc (“Company”)

NOTICE IS HEREBY GIVEN that the first Annual General Meeting of the Company will be held at AO Park, 5A The Parklands, Lostock, Bolton, BL6 4SD on 17 July 2014 at 10 am to consider and, if thought fit, to pass Resolutions 1 to 14 inclusive and 17 as ordinary resolutions and Resolutions 15, 16 and 18 as special resolutions:

Resolution 1

To receive the Annual Report and Accounts of the Company for the year ended 31 March 2014.

Resolution 2

To approve the Directors’ Remuneration Report, other than the part containing the Directors’ remuneration policy, in the form set out in the Company’s Annual Report and Accounts for the year ended 31 March 2014.

Resolution 3

To approve the Directors’ remuneration policy in the form set out in the Directors’ Remuneration Report in the Company’s Annual Report and Accounts for the year ended 31 March 2014.

Resolution 4

To re-elect Richard Rose as a Director

Resolution 5

To re-elect John Roberts as a Director.

Resolution 6

To re-elect Steve Counce as a Director.

Resolution 7

To re-elect Brian McBride as a Director.

Resolution 8

To re-elect Charles William (Bill) Holroyd as a Director.

Resolution 9

To re-elect Chris Hopkinson as a Director.

Resolution 10

To re-elect Marisa Cassoni as a Director.

Resolution 11

To re-elect Rudolf Lamprecht as a Director.

Resolution 12

To reappoint Deloitte LLP as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company.

Resolution 13

To authorise the Directors to determine the remuneration of the Auditors.

Resolution 14

THAT the Directors be and they 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 £350,877.19; and
- (b) up to a further aggregate nominal amount of £350,877.19 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 dates 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 by them on any such record dates and to other holders of equity securities entitled to participate therein, 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,

provided that this authority shall expire at the end of the next Annual General Meeting of the Company or, if earlier, on 16 October 2015, save that the Company shall be entitled to make offers or agreements before the expiry of such authority which would or might require shares to be allotted or Rights to be granted after such expiry and the directors shall be entitled to allot shares and grant Rights pursuant to any such offer or agreement as if this authority had not expired; and all unexercised authorities previously granted to the Directors to allot shares and grant Rights be and are hereby revoked.

Resolution 15

THAT the Directors be and they are hereby empowered pursuant to section 570 and section 573 of the Companies Act 2006 to allot equity securities (within the meaning of section 560 of that Act) for cash either pursuant to the authority conferred by Resolution 14 above or by way of a sale of treasury shares as if section 561(1) of that Act did not apply to any such allotment provided that this power shall be limited to:

- (a) the allotment of equity securities in connection with an offer of securities (but in the case of the authority granted under paragraph (b) of Resolution 14 by way of rights issue only) in favour of the holders of ordinary shares on the register of members at such record dates as the Directors may determine and other persons entitled to participate therein 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 dates, 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 ordinary shares being represented by depositary receipts or any other matter; and

- (b) the allotment (otherwise than pursuant to sub-paragraph (a) of this Resolution 15) to any person or persons of equity securities up to an aggregate nominal amount of £52,631.58,

and shall expire upon the expiry of the general authority conferred by Resolution 14 above, save that the Company shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted after such expiry and the directors shall be entitled to allot equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired.

Resolution 16

THAT the Company be generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of ordinary shares of 0.25p each of the Company on such terms and in such manner as the Directors may from time to time determine, provided that:

- (a) the maximum number of ordinary shares hereby authorised to be acquired is 42,105,263 representing approximately 10% of the issued ordinary share capital of the Company as at 13 June 2014;
- (b) the minimum price (excluding expenses) which may be paid for any such ordinary share is 0.25p;
- (c) the maximum price (excluding expenses) which may be paid for any such ordinary share is the higher of (i) an amount equal to 105% of the average of the middle market quotations for an ordinary share in the Company as derived from The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such share is contracted to be purchased and (ii) the amount stipulated by Article 5(1) of the EU Buy-back and Stabilisation Regulation (being the higher of the price of the last independent trade and the highest current independent bid for an ordinary share in the Company on the trading venues where the market purchases by the Company pursuant to the authority conferred by this Resolution 16 will be carried out);
- (d) the authority hereby conferred shall expire at the end of the next Annual General Meeting of the Company or, if earlier, on 16 October 2015, unless previously renewed, varied or revoked by the Company in general meeting; and
- (e) the Company may make a contract to purchase its ordinary shares under the authority hereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority, and may purchase its ordinary shares in pursuance of any such contract.

Resolution 17

THAT in accordance with sections 366 and 367 of the Companies Act 2006 the Company and all companies which are subsidiaries of the Company during the period when this Resolution 17 has effect be generally and unconditionally authorised to:

- (a) make political donations to political parties or independent election candidates not exceeding £50,000 in total;
- (b) make political donations to political organisations other than political parties not exceeding £50,000 in total; and
- (c) incur political expenditure not exceeding £50,000 in total,

(as such terms are defined in the Companies Act 2006) during the period beginning with the date of the passing of this resolution and ending at the end of the next Annual General Meeting of the Company or, if earlier, on 16 October 2015 provided that the authorised sum referred to in paragraphs (a), (b) and (c) above, may be comprised of one or more amounts in different currencies which, for the purposes of calculating the said sum, shall be converted into pounds sterling at the exchange rate published in the London edition of the Financial Times on the date on which the relevant donation is made or expenditure incurred (or the first business day thereafter) or, if earlier, on the day in which the Company enters into any contract or undertaking in relation to the same provided that, in any event, the aggregate amount of political donations and political expenditure made or incurred by the Company and its subsidiaries pursuant to this Resolution shall not exceed £150,000.

Resolution 18

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

By order of the Board

David Myers, Company Secretary
AO World plc
17 June 2014

Registered office

AO Park, 5A The Parklands
Lostock, Bolton, BL6 4SD

Registered in England
No. 05525751

Notes

1. A member entitled to attend and vote at the Meeting may appoint another person(s) (who need not be a member of the Company) to exercise all or any of his rights to attend, speak and vote at the Meeting. A member can appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him.
 2. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Your proxy could be the Chairman, another Director of the Company or another person who has agreed to attend to represent you. Your proxy must vote as you instruct and must attend the meeting for your vote to be counted. Appointing a proxy does not preclude you from attending the Meeting and voting in person.
 3. A proxy form which may be used to make this appointment and give proxy instructions accompanies this notice. Details of how to appoint a proxy are set out in the notes to the proxy form. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Capita Asset Services:
 - by telephone: 0871 664 0300 (Calls cost 10 pence per minute plus network extras) or from outside the UK on +44 (0) 208 639 3399. Lines are open Monday to Friday, 9am till 5.30pm;
 - in writing: Capita Asset Services, PXS 1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU; or
- As an alternative to completing a hard copy proxy form, proxies may be appointed electronically in accordance with note 4 below.
4. In order to be valid an appointment of proxy must be returned (together with any authority under which it is executed or a copy of the authority certified) by one of the following methods:
 - in hard copy form by post, by courier or by hand to the Company's Registrar, Capita Asset Services, at the address printed on the back of the Form of Proxy or, if preferred, in an envelope to Freepost RSBH-UXKS-LRBC, PXS, 34 Beckenham Road, Beckenham BR3 4TU;
 - by completing it online at <https://www.aoshareportal.com/> by following the on screen instructions to submit it – you will need to identify yourself with your personal investor code (which is set out on your personalised form of proxy which accompanies this notice); or
 - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in note 8 below;and in each case the appointment of proxy must be received by the Company not less than 48 hours before the time of the Meeting (excluding non-working days).
 5. 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 Capita Asset Services:
 - by telephone: 0871 664 0300 (Calls cost 10 pence per minute plus network extras) or from outside the UK on +44 (0) 208 639 3399. Lines are open Monday to Friday, 9am till 5.30pm; or
 - in writing: Capita Asset Services, PXS 1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.
- The deadline for receipt of proxy appointments (see note 4) also applies in relation to amended instructions. 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.
6. 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 rights to appoint a proxy cannot be exercised by a Nominated Person: they 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.
 7. To be entitled to attend and vote, whether in person or by proxy, at the Meeting, members must be registered in the Register of Members of the Company at 6pm on Tuesday 15 July 2014 or, if the meeting is adjourned, at 6pm on the date which is two days prior to the adjourned meeting). Changes to entries on the Register of Members 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 (EUI) 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 RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the 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. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
 10. 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 recommend that the 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.
 11. Voting on all resolutions will be conducted by way of a poll rather than a show of hands. This is a more transparent method of voting as member votes are to be counted according to the number of shares held. As soon as practicable following the AGM, the results of the voting at the Meeting and the numbers of proxy votes cast for and against and the number of votes actively withheld in respect of each of the Resolutions will be announced via a Regulatory Information Service and also placed on the Company's website: <http://corporate.ao.com>.
 12. A member of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the 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.
 13. Members satisfying the thresholds in section 527 of the Companies Act 2006 can require the Company to publish a statement on its website 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 Meeting; or (b) any circumstances connected with an Auditor of the Company ceasing to hold office since the last Annual General Meeting, that the members propose to raise at the Meeting. The Company cannot require the members requesting the publication to pay its expenses. Any statement placed on the website must also be sent to the Company's auditors no later than the time it makes its statement available on the website. The business which may be dealt with at the Meeting includes any such statement that the Company has been required to publish on its website.
 14. The Company must cause to be answered at the Meeting any question relating to the business being dealt with at the Meeting which is put by a member attending the Meeting, except (i) if to do so would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information, (ii) if the answer has already been given on a website in the form of an answer to a question, or (iii) if it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.
 15. As at 13 June 2014 (being the latest practicable date prior to the publication of this Notice), the Company's issued share capital consists of 421,052,631 ordinary shares, carrying one vote each. The Company holds no ordinary shares in treasury. Therefore the total voting rights in the Company are 421,052,631.
 16. The contents of this notice of Meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the Meeting, details of the totals of the voting rights that members are entitled to exercise at the Meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website: <http://corporate.ao.com>.
 17. Copies of the Directors' service contracts with the Company the terms and conditions of the Non-Executive Directors are available for inspection at the registered office of the Company during usual business hours (Saturdays, Sundays and public holidays excepted) and will be available at the place of the Meeting from 15 minutes before the Meeting until its conclusion.
 18. You may not use any electronic address provided in this notice of Meeting to communicate with the Company for any purposes other than those expressly stated.

Appendix

Biographical details of Directors submitted for re-election

Richard Rose

Chairman and Chairman of the Nomination Committee

Richard was appointed as Chairman of the Board on 1 August 2008. He was independent on appointment. Richard has a wealth of experience chairing high profile boards. He has been Non-Executive Chairman of Booker Group plc since 2006, Crawshaw plc since 2007 and Anpario plc since 2005. In April 2014 Richard was appointed as Non-Executive Chairman of fashion retailer Blue Inc. Previously, he has held a number of positions in organisations such as AC Electrical Wholesale, where he was Chairman from 2003 to 2006 and Whittard of Chelsea plc, where he was Chief Executive Officer and then Executive Chairman from 2004 to 2006.

Significant External Appointments

- Anpario plc
- Booker Group plc
- Crawshaw Group plc
- Marlow Retail Limited (trading as Blue Inc)

Independent

No

Committee Membership

Richard chairs the Nomination Committee.

John Roberts

Founder and Chief Executive Officer

John is a founding Director and established the business of the Group in 2000. He was appointed to the Board in August 2005. Having previously worked extensively in the kitchen appliance industry, he has been instrumental in using the internet as a platform to change the way in which kitchen appliances are sold in the United Kingdom. Since its inception, John has presided over the evolution of the business and led the management team which has successfully developed and expanded the Group's business during periods of challenging market conditions and with a limited capital base. He is from Bolton and is a passionate supporter of staff participation in local charitable causes.

Steve Caunce

Chief Operating Officer and Chief Financial Officer

Steve was appointed to the Board in October 2005. Prior to joining AO, Steve was Finance Director with Phones 4U Limited between 2001 and 2003 and held senior positions at Mytravel Plc and Preston North End Plc. He holds a degree in Mathematics and is an associate of the Institute of Chartered Accountants of England and Wales.

Brian McBride

Senior Independent Non-Executive Director

Brian has been a Non-Executive Director of the Company since his appointment in February 2014. He is currently Chairman of ASOS plc and he is also a Senior Adviser with Scottish Equity Partners, Senior Non-Executive Director at Computacenter plc, Non-Executive Director on the Board of the BBC, a member of the Advisory Board of Huawei UK, the UK subsidiary of the Chinese global communications provider, a member of the Advisory Board of Numis plc, a member of the UK Government's Digital Advisory Board and a member of the Court (Governing Body) of the University of Glasgow. He has previous experience as a Non-Executive Director at Celtic Football Club plc and STthree plc. Brian holds a master's degree in Economics, History and Politics.

Significant External Appointments

- ASOS plc
- Computacenter plc

Committee Membership

Brian is a member of the Remuneration and Nomination Committees.

Bill Holroyd**Non-Executive Director and Chairman of the Remuneration Committee**

Bill has been a Non-Executive Director of the Company since August 2005 having been appointed as a Director of a subsidiary company in September 2003. Bill was formerly the Chief Executive Officer of Holroyd Meek. He was also an investor in and Chairman of Millies Cookies, which was sold to Compass Group plc in 2003, and Chairman of and investor in Positive Solutions Ltd. He is currently an investor in and Non-Executive Director of Warrington Sports Holdings Ltd and Chairman of and investor in TD4 Ltd. In addition, Bill is Chairman of Onside Youth Zones and a Trustee of Save the Family.

Significant External Appointments

- Warrington Sports Holdings Ltd
- TD4 Ltd
- Onside Youth Zones
- Save the Family

Committee Membership

Bill chairs the Remuneration Committee and is a member of the Audit Committee.

Chris Hopkinson**Non-Executive Director**

Chris was appointed to the Board in December 2005. Following university Chris joined the Royal Air Force as a pilot officer and then worked as an analyst for Cazenove. He subsequently joined Mark II, a UK distributor of kitchen and bathroom products, in 1986. Chris holds a degree in Economics & Computer Science and a master's degree in Logistics.

Significant External Appointments

- Better Business Support Ltd
- Clifton Trade Bathrooms Ltd

Committee Membership

Chris is a member of the Nomination Committee.

Marisa Cassoni**Independent Non-Executive Director and Chair of the Audit Committee**

Marisa has been a Non-Executive Director of the Company since her appointment in February 2014. Marisa is a qualified ICAEW chartered accountant and finance professional with 40 years of experience and was previously Finance Director of the UK Division of Prudential Group. Between 2001 and 2006, she was Finance Director of the Post Office (subsequently Royal Mail), and between 2006 and 2012, she was Finance Director of the John Lewis Partnership plc and its subsidiaries. Marisa was a Non-Executive Director of Partnership plc and has been a Non-Executive Director of GFI Group Inc since 2005 and a Non-Executive Director of Skipton Group since 2012. She holds a degree in Physics from Imperial College London and is an associate of the Institute of Chartered Accountants of England and Wales. Marisa also sits on the Economics Affairs Committee of the CBI and is a panel member of the Competition and Markets Authority.

Significant External Appointments

- Skipton Group Holdings Ltd
- GFI Group Inc

Committee Membership

Marisa is the Chair of the Audit Committee and is a member of the Remuneration Committee.

Rudolf Lamprecht**Independent Non-Executive Director**

Rudi has been a Non-Executive Director of the Company since his appointment in January 2014. In 2009, he founded East-West-Connect GmbH & Co. KG and occupies the roles of both President and Chief Executive Officer. He is also currently a Non-Executive Director of Duagon AG and Fujitsu Technology Solutions (Holding) B.V. and was previously a Non-Executive Director of BSH Bosch und Siemens Hausgeräte GmbH & Co. KG, Osram Licht AG and Safe ID Solutions AG. Rudi worked for Hewlett Packard in various positions in Europe and the United States for approximately 20 years. He holds a degree in Computer Science and has studied at Massachusetts Institute of Technology, the European Institute for Business Administration and Stanford University.

Significant External Appointments

- EWC East-West-Connect GmbH & Co. KG
- Duagon AG
- Fujitsu Technology Solutions (Holding) B.V.

Committee Membership

Rudi is a member of the Audit Committee.



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