



## Howden Joinery Group Plc

### Chairman's explanatory letter for Annual General Meeting to be held on Thursday 8 May 2014 at 11 a.m.

**This document is important and requires your immediate attention. When considering what action to take, you are recommended to consult an independent financial adviser authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all of your Howden Joinery Group shares, please pass this document and the accompanying form of proxy to the purchaser or transferee, or to the agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.**

The Notice of Annual General Meeting is set out on page 2.

3 April 2014

Dear Shareholders

The Annual General Meeting ("the AGM") of Howden Joinery Group Plc (the "Company") will be held on Thursday 8 May 2014 at 11 a.m. at UBS Investment Bank, 1 Finsbury Avenue, London, EC2M 2PP. Details of the business to be considered at the AGM are set out in the Notice of Meeting that follows this letter. I would like to explain and comment further on a number of the matters to be dealt with.

#### REAPPOINTMENT OF DIRECTORS

In accordance with the Company's articles of association and in line with the requirements of the UK Corporate Governance Code, all of the directors of the Company (the "Directors" or the "Board") will retire by rotation and be proposed for reappointment at the meeting with the exception of Richard Pennycook who, having been appointed director by the Board following Angus Cockburn's resignation, will be proposed for appointment in accordance with Article 117 of the Company's articles of association. Their biographies can be found on page 33 of the Annual Report.

#### DIRECTORS' REMUNERATION REPORT AND POLICY

The Directors' remuneration report for the year and our remuneration policy is set out in full in the Annual Report commencing on page 37.

For the first time there will be a separate, binding vote on forward looking remuneration policy in addition to the advisory vote on the retrospective aspects of the remuneration report. The new vote on policy is being proposed as an ordinary resolution, in line with the amendments made to the Companies Act 2006 and the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, and, if passed, will be effective from the date of adoption for a period of three years. If at any time during the three year period there are proposed changes to this policy by the Company, a resolution to that effect will be put to shareholders at that time.

The Board is also recommending an increase to the aggregate limit of the ordinary remuneration of the non-executive directors by way of amendment to Article 141 of the Company's articles of association. The proposed aggregate limit is £750,000 per annum, which is in line

with other listed companies of a similar size and structure, and is to ensure that the Board is not restricted by the articles of association should it be determined that the appointment of additional non-executive directors would be in the best interests of the Company. During 2013 changes were made to NED and Chairman fee levels, as set out in the remuneration report, within the existing limits.

#### DIVIDEND

The Directors recommend a final dividend of 4.5 pence per ordinary share to be paid on 20 June 2014 to shareholders on the register of members at the close of business on 23 May 2014.

#### OTHER BUSINESS

Further explanatory notes relating to the other business to be conducted at the AGM are set out on pages 6 to 8.

#### RECOMMENDATION AND ACTION TO BE TAKEN

The Board considers that each of the proposed resolutions in the Notice of Meeting is in the best interests of the Company and its shareholders as a whole and unanimously recommends that you vote in favour of each of the proposed resolutions as the directors intend to do in respect of their own beneficial holdings.

In accordance with best practice for AGMs and as was the case at last year's AGM, all resolutions will be put to a vote on a poll rather than being decided by a show of hands. We believe this will result in a more accurate reflection of the views of our shareholders as each shareholder will have one vote for every share held. Whether or not you intend to come to the AGM, please complete the proxy form sent to you with the Notice of Meeting and return it to the Company's Registrars in accordance with the instructions thereon by not later than 11 a.m. on Tuesday 6 May 2014. By doing so, you will not be precluded from attending and voting in person at the AGM.

Yours sincerely

**Will Samuel**  
Chairman

## Notice of the Annual General Meeting

Notice is hereby given that the Annual General Meeting of Howden Joinery Group Plc (“the Company”) will be held at UBS Investment Bank, 1 Finsbury Avenue, London, EC2M 2PP on Thursday 8 May 2014 at 11 a.m. for the following purposes:

### ORDINARY BUSINESS

1. To receive the Company’s accounts, and the reports of the directors of the Company (the “Directors” or the “Board”) and the independent auditor thereon for the 52 weeks ended 28 December 2013.
2. To declare and approve a final dividend of 4.5 pence per ordinary share recommended by the directors in respect of the 52 weeks ended 28 December 2013.
3. To appoint Mr R Pennycook as a director of the Company.
4. To reappoint Mr W Samuel as a director of the Company.
5. To reappoint Mr J M Wemms as a director of the Company.
6. To reappoint Ms T Hall as a director of the Company.
7. To reappoint Mr M Allen as a director of the Company,
8. To reappoint Mr M Ingle as a director of the Company.
9. To reappoint Mr M P W Robson as a director of the Company.
10. To reappoint Deloitte LLP as auditor of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at which accounts are laid.
11. To authorise the Directors to determine the auditor’s remuneration.

### SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions which will be proposed as ordinary resolutions:

12. To receive and approve the Directors’ Remuneration Report

(other than the part containing the directors’ remuneration policy referred to in Resolution 13 below) contained within the annual report and accounts for the financial year ended 28 December 2013.

13. To receive and approve the Directors’ remuneration policy set out on pages 37 to 57 of the Directors’ Remuneration report contained within the annual report and accounts for the financial year ended 28 December 2013, such Directors’ remuneration policy to take effect from the date of its adoption.
14. That the Company and any companies which are subsidiaries of the Company at any time during the period for which this resolution relates, be and are hereby authorised for the purposes of Part 14 of the Companies Act 2006, during the period commencing on the date of this Annual General Meeting and ending on the date of the Company’s next Annual General Meeting, to:
  - a. make political donations to political parties and/ or independent election candidates;
  - b. make political donations to political organisations other than political parties; and
  - c. incur political expenditure, up to an aggregate amount of £100,000.

For the purpose of this resolution the terms “political donations”, “independent election candidates”, “political organisations” and “political expenditure” have the meanings set out in sections 363 to 365 of the Companies Act 2006.

15. (i) That the Board be and is hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 to allot shares in the Company and to

grant rights to subscribe for or to convert any securities into shares in the Company:

- a. up to an aggregate nominal amount of £21,548,157; and
- b. comprising equity securities (as defined in the Companies Act 2006) up to an aggregate nominal amount of £43,096,313 (including within such limit any shares issued or rights granted under a. above) in connection with an offer by way of a rights issue,

to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter, such authorities to apply until the end of next year’s Annual General Meeting or, if earlier, until the close of business on 8 August 2015 but, in each case, so that the Company may make offers and enter into arrangements during the relevant period which would, or might, require shares to be allotted or rights to subscribe for or convert any security into shares to be granted after the authority ends and the Board may allot shares and grant rights under any such offer or agreement as if the authority had not ended;

- (ii) That, subject to paragraph (iii), all existing authorities given to the Directors pursuant to section 551 of the Companies Act 2006 be revoked by this resolution; and

(iii) That paragraph (ii) shall be without prejudice to the continuing authority of the Directors to allot shares, or grant rights to subscribe for or convert any security into shares, pursuant to an offer or agreement made by the Company before the expiry of the authority pursuant to which such offer or agreement was made.

To consider and, if thought fit, to pass the following resolutions which will be proposed as special resolutions:

16. That if resolution 15 is passed, and in place of all existing powers, the Board be and is hereby generally empowered pursuant to section 570 and section 573 of the Companies Act 2006 to allot equity securities (as defined in the Companies Act 2006) for cash, under the authority given by resolution 15, as if section 561 of the Companies Act 2006 did not apply to the allotment.

This power:

- a. shall be limited to the allotment of equity securities in connection with an offer of equity securities (but in the case of the authority granted under resolution 15(i)b, by way of a rights issue only) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter;
- b. in the case of the authority granted under resolution 15(i)a, shall be limited to the allotment (otherwise than under a. above) of equity

securities up to an aggregate nominal amount of £3,232,224;

- c. shall apply until the end of next year's Annual General Meeting or, if earlier, until the close of business on 8 August 2015 but during this period the Company may make offers and enter into arrangements, which would, or might, require equity securities to be allotted after the power ends and the Board may allot equity securities under any such offer or agreement as if the power had not ended; and
  - d. applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 560(3) of the Companies Act 2006 as if in the first paragraph of this resolution the words "under the authority given by resolution 15" were omitted.
17. That the Company be and is hereby generally and unconditionally authorised to make one or more market purchases (within the meaning of section 693(4) of the Companies Act 2006) of ordinary shares of 10p each in the capital of the Company ("ordinary shares") provided that:
- a. the maximum aggregate number of ordinary shares authorised to be purchased is 64,644,470;
  - b. the minimum price (exclusive of expenses) which may be paid for an ordinary share is 10p;
  - c. the maximum price (exclusive of expenses) which may be paid for an ordinary share is the higher of: (i) an amount equal to 105% of the average middle market quotations for an ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately

preceding the day on which the ordinary share is contracted to be purchased; and (ii) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the London Stock Exchange Trading System;

- d. this authority expires at the conclusion of the next Annual General Meeting of the Company or, if earlier, at the close of business on 8 November 2015; and
  - e. the Company may make a purchase of ordinary shares after the expiry of this authority if the contract for such purchase was entered into before such expiry.
18. That a general meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice.
19. That the Company's articles of association shall be amended by deleting the existing Article 141 and replacing it with the following:
- "The ordinary remuneration of the directors who do not hold executive office for their services (excluding amounts payable under any other provision of these Articles) shall not exceed in aggregate £750,000 per annum or such higher amount as the Company may from time to time by ordinary resolution determine. Subject thereto, each such director shall be paid a fee for their services (which shall be deemed to accrue from day to day) at such rate as may from time to time be determined by the Board."

By order of the Board

**Caroline Bishop**  
Secretary

3 April 2014

## Notice of the Annual General Meeting *continued*

### PROCEDURAL NOTES

#### 1. Entitlement to attend and vote

The Company pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those members entered in the register of members of the Company as at 6 p.m. on 6 May 2014 shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares registered in their name at that time. Changes to the entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

#### 2. Entitlement to appoint proxies

A registered member of the Company may appoint one or more proxies to exercise all or any of his rights to attend, speak and vote at a meeting of the Company provided that if more than one proxy is appointed each proxy is appointed to exercise the rights attached to a different share or shares held by him. A proxy need not be a member of the Company.

The proxy form sent to you with this Notice of Meeting invites members to vote in one of three ways: “for”, “against” and “vote withheld”. Please note that a “vote withheld” has no legal effect and will count neither for nor against a resolution.

In order to be valid an appointment of proxy must be returned by one of the following methods:

- sending the completed and signed form of proxy sent to you with this Notice of Meeting by post or (during normal business hours only) by hand so as to be received by the Company’s Registrars, Computershare Investor Services PLC, Registrar’s Department at The Pavilions, Bridgwater Road, Bristol, BS99 6ZY not later than 11 a.m. on 6 May 2014;

- electronically, by logging onto the following website at [www.eproxyappointment.com](http://www.eproxyappointment.com). You will need an internet enabled computer with minimum web browser of IE4 or Netscape 4. Members will be required to enter their Shareholder Reference Number (SRN) and PIN (both printed on a member’s form of proxy) and to agree to certain terms and conditions. Full details of the procedure are given on the website. The proxy appointment and/or voting instructions must be received by the Company’s Registrars not later than 11 a.m. on 6 May 2014; or

- in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the Company’s Registrars, Computershare Investor Services PLC, (under CREST participant ID “3RA50”) not later than 11 a.m. on 6 May 2014. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company’s Registrars are able to retrieve the message. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST Personal Members or other CREST Sponsored Members, and those CREST Members who have appointed voting service provider(s), should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST

procedures, limitations and system timings, please refer to the CREST Manual.

We may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Returning a form of proxy will not prevent a member from attending the meeting and voting in person.

Any power of attorney or other authority (if any) under which the form of proxy is executed (or a duly certified or authorised copy of such power of authority) must be included with the form of proxy.

#### 3. Nominated Persons

Any person to whom this Notice of Meeting is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a “Nominated Person”) may have a right, under an agreement between him and the member by whom he was nominated, to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.

The statement of the rights of members in relation to the appointment of proxies in paragraph 3 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by members of the Company. If more than one valid proxy appointment is submitted, the form of proxy which is last validly delivered before the latest time for receipt of proxies will take precedence.

#### 4. Voting rights

As at 27 March 2014 (being the last practicable date prior to the

publication of this Notice) the Company's issued share capital consists of 646,444,702 ordinary shares, carrying one vote each. The Company holds no shares in treasury and therefore the total number of voting rights in the Company as at 27 March 2014 are 646,444,702.

#### **5. Right to ask questions**

A shareholder attending the meeting has the right to ask questions relating to the business being dealt with at the meeting in accordance with section 319A of the Companies Act 2006. In certain circumstances prescribed by section 319A of the Companies Act 2006, the Company need not answer a question.

#### **6. Shareholder requests**

Members may require the Company to publish on a website a statement setting out any matter relating to:

- (i) 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
- (ii) any circumstance 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 Annual General Meeting, pursuant to requests under section 527 of the Companies Act 2006. The Company is required to publish such information if it receives requests to that effect from members representing not less than 5 per cent of the total voting rights of all members who have a right to vote on the matter or not less than 100 members with the right to vote on the matter and who hold shares on which an average sum per member of not less than £100 has been

paid up. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

#### **7. Communicating with the Company in relation to the Annual General Meeting**

Except as provided above, members who wish to communicate with the Company in relation to the Annual General Meeting should do so using the following means: (i) by writing to the Company Secretary at the registered office address; or (ii) by writing to the Company's Registrar, Computershare Investor Services PLC, Registrar's Department at The Pavilions, Bridgwater Road, Bristol, BS99 6ZY. No other methods of communication will be accepted. In particular you may not use any electronic address provided either in this Notice of Meeting or in any related documents (including the Chairman's Statement, the Annual Report 2013 and the proxy form) to communicate with the Company for any purposes other than those expressly stated.

#### **8. Inspection of documents**

Copies of the Directors' service contracts and/or letters of appointment by the Company, as well as the proposed amendment to the Company's articles of

association, will be available for inspection at the Company's registered office at 40 Portman Square, London, W1H 6LT during usual business hours on weekdays (Saturdays, Sundays and public holidays excepted) from the date of this Notice of Meeting until the conclusion of the Annual General Meeting. They will also be available at UBS Investment Bank, 1 Finsbury Avenue, London, EC2M 2PP on 8 May 2014 for at least fifteen minutes prior to and until the conclusion of the Annual General Meeting.

#### **9. Website**

A copy of this Notice of Meeting and the other information required by section 311A of the Companies Act 2006 can be found at [www.howdenjoinerygroupplc.com](http://www.howdenjoinerygroupplc.com)

#### **10. Data protection statement**

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

#### **11. Corporate representatives**

Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

## Notice of the Annual General Meeting *continued*

### **EXPLANATORY NOTES RELATING TO THE PROPOSED BUSINESS OF THE MEETING**

The notes on the following pages give an explanation of the proposed resolutions.

#### **Resolution 1 – Accounts and reports of the Directors and auditors**

The Directors are required to present the report of the Directors and the accounts of the Company for the year ended 28 December 2013 to shareholders at the AGM. The report of the directors, the accounts and the report of the Company's auditor on the accounts and on those parts of the Directors' Remuneration Report that are capable of being audited are contained within the Annual Report.

#### **Resolution 2 – Final dividend**

A final dividend can only be paid after the shareholders at a general meeting have approved it. If Resolution 2 is approved by shareholders, the final dividend for the year ended 28 December 2013 will be paid on 20 June 2014 to shareholders whose names are on the register of members at the close of business on 23 May 2014.

#### **Resolutions 3 to 9 – Appointment and reappointment of Directors**

In accordance with Article 117 of the Company's articles of association, Richard Pennycook will retire and offer himself for reappointment having been appointed to the Board since the last Annual General Meeting. In line with the requirements of the UK Corporate Governance Code each of the other Directors will retire and offer themselves for reappointment. We believe that there is a good balance of skills and experience available to the Company through the current membership of the Board. The performance of individuals and of the Board as a whole is formally considered through the annual board evaluation process. Having considered the performance of the individuals standing for re-election, the Nominations Committee is

satisfied with the contribution of all the current Directors and that each Director's performance continues to be effective and to demonstrate commitment to the role. It is therefore proposed that each is re-elected. Biographies for each of the Directors can be found on page 33 of the Annual Report.

#### **Resolutions 10 and 11 – Reappointment and remuneration of auditors**

The auditors of a company must be reappointed at each general meeting at which accounts are laid. Resolution 10 proposes the reappointment of the Company's existing auditor, Deloitte LLP, until the conclusion of the next Annual General Meeting of the Company at which accounts are laid.

Resolution 11 gives authority to the Directors to determine the auditor's remuneration.

#### **Resolutions 12 and 13 – Directors' remuneration report and policy**

The Directors' remuneration report, which may be found on pages 37 to 57 of the annual report and accounts, gives details of your Directors' remuneration for the year ended 28 December 2013 and sets out the way in which the Company will implement its policy on Directors' remuneration. The Company's auditors, Deloitte LLP, have audited those parts of the Directors' remuneration report capable of being audited and their report may be found on pages 129 to 132 of the annual report and accounts.

The directors' remuneration policy, which may be found on pages 39 to 47 of the annual report and accounts, sets out the Company's proposed policy on directors' remuneration. A copy of the directors' remuneration policy is also available on the website at [www.howdenjoinerygroupplc.com](http://www.howdenjoinerygroupplc.com) or in hard copy on request from the Company Secretary.

The Board considers that appropriate executive remuneration

plays a vital part in helping to achieve the Company's overall objectives and, accordingly, and in compliance with the legislation, shareholders will be invited to approve the Directors' remuneration report and separately the directors' remuneration policy.

The vote on the directors' remuneration report is advisory in nature in that payments made or promised to Directors will not have to be repaid, reduced or withheld in the event that this resolution is not passed. In contrast, the vote on the directors' remuneration policy is binding in nature in that the Company may not make a remuneration payment or payment for loss of office to a person who is, is to be, or has been a director of the Company unless that payment is consistent with the approved Directors' remuneration policy, or has otherwise been approved by a resolution of members.

If Resolution 13 is passed, the directors' remuneration policy will take effect from the date of its adoption. A remuneration policy will be put to shareholders again no later than 8 May 2017. If Resolution 12 in respect of the directors' remuneration report is not passed, the policy will be presented to shareholders for approval at the next AGM.

#### **Resolution 14 – Political donations**

The Companies Act 2006 prohibits the Company and its subsidiaries from making political donations or from incurring political expenditure in respect of a political party or other political organisation or an independent election candidate unless authorised by the Company's shareholders. Neither the Company nor any of its subsidiaries has any intention of making any political donation or incurring any political expenditure. However, the relevant provisions of the Companies Act 2006 define "political party", "political organisation", "political donation" and "political expenditure" in a broad manner. For example,

donations to certain charitable organisations could, technically, constitute “political donations” or “political expenditure”. This resolution enables the Company and its subsidiaries to incur expenditure of up to £100,000 in aggregate in respect of the various heads identified in the relevant provisions without inadvertently committing a breach of the Companies Act 2006 through the undertaking of routine activities such as making charitable donations or providing sponsorship. The authority sought will, if granted, last until the conclusion of the next Annual General Meeting of the Company.

#### **Resolution 15 – Authority to allot shares**

This resolution seeks authority for the Directors to allot up to a maximum nominal amount of £21,548,157 (being 33.3% of the issued share capital of the Company as at 27 March 2014 in accordance with ABI guidance) and also gives the Board authority to allot ordinary shares up to a maximum amount of £43,096,313 by way of a rights issue (being 66.6% of the Company’s total ordinary share capital in issue as at 27 March 2014 in accordance with ABI guidance). This authority will expire at the conclusion of the Annual General Meeting of the Company next year. The Board has no present intention to exercise this authority or to allot shares in the Company other than in connection with the employees’ share schemes. As at 27 March 2014, the Company held no treasury shares.

#### **Resolution 16 – Disapplication of pre-emption rights**

This resolution, which will be proposed as a special resolution, seeks to renew the authority conferred on the Directors under the existing articles of association of the Company (the “Articles”) to issue equity securities of the Company for cash without application of the pre-emption rights pursuant to section 561(1) of the Companies Act 2006. This authority will allow

the Directors flexibility to finance business opportunities by the issue of shares without a pre-emptive offer to existing shareholders. Other than in connection with a rights issue, open offer or other similar issue, the authority contained in this resolution will be limited to an aggregate nominal value of £3,232,224 which, in accordance with the guidelines issued by the Pre-Emption Group, represents 5% of the issued ordinary share capital of the Company as at 27 March 2014. In accordance with the guidelines issued by the Pre-Emption Group, the Board confirms its intention that no more than 7.5% of the issued share capital will be issued for cash on a non pre-emptive basis during any rolling three-year period. This resolution also seeks a disapplication of pre-emption rights on a rights issue so as to allow the Directors to make exclusions or such other arrangements as may be appropriate to resolve legal or practical problems in connection with such an issue. This authority will expire at the conclusion of the Annual General Meeting of the Company next year.

#### **Resolution 17 – Authority to purchase own shares**

This resolution, which will be proposed as a special resolution, renews the authority granted at last year’s Annual General Meeting which expires on the date of the forthcoming Annual General Meeting. The resolution 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 64,644,470 (representing 10% of the issued share capital of the Company as at 27 March 2014) and sets minimum and maximum prices. This authority will expire at the conclusion of the Annual General Meeting of the Company next year. The Directors have no present intention of exercising the authority to purchase the Company’s ordinary

shares but would like to have the flexibility to consider such purchases in the future. 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 best interests of shareholders as a whole. Any shares so purchased would be cancelled or held as treasury shares. As at 27 March 2014, options over 11,970,850 ordinary shares representing 1.85% of the current issued share capital were outstanding under all employee share schemes adopted by the Company. If the authority to purchase the Company’s ordinary shares were to be exercised in full, these options would represent 2.31% of the Company’s issued share capital.

#### **Resolution 18 – Notice of general meetings**

This resolution is required to reflect the implementation of the Shareholder Rights Directive in August 2009. The regulation implementing this Directive increased the notice period for general meetings of the Company to 21 days. Under the Articles the Company can call general meetings (other than an Annual General Meeting) on 14 clear days’ notice and would like to preserve this ability. In order to be able to do so, shareholders must have approved the calling of meetings on 14 clear days’ notice. Resolution 18 seeks such approval. The approval will be effective until the Company’s next Annual General Meeting, when it is intended that a similar resolution will be proposed. It is intended that the shorter notice period would not be used as a matter of routine for such meetings but only where the flexibility is merited by the business of the meeting and is thought to be in the interests of shareholders as a whole. The Company will also need to meet the requirements for electronic voting under the Directive before it can call a general meeting on 14 clear days’ notice.

## Notice of the Annual General Meeting *continued*

### **Resolution 19 – Change to Articles of Association**

This resolution, which will be proposed as a special resolution, seeks to amend the articles of association of the Company (the “Articles”) to increase the amount of fees which the Company is entitled to pay to non-executive directors. Currently, the Articles contain a limit on the Company paying fees to directors who do not hold executive office for their services of £400,000 per annum in aggregate other than with the approval of shareholders by ordinary resolution.

The proposal to increase the limit on the fees which the Company can pay to non-executive directors to £750,000 per annum is to allow the Company some headroom in relation to any further appointments of non-executive directors, either to fill vacancies or to appoint additional directors. This would ensure that the Company will be able to continue acting in its best commercial interests in the future. The level of fees paid to non-executive directors will continue to be monitored by the Remuneration Committee and the Board. The proposed new Articles are available for inspection at 40 Portman Square, London W1H 6LT as noted on page 5 of this document.



**Howden Joinery Group Plc**

#### **Registered Office**

40 Portman Square, London W1H 6LT

Registered in England and Wales with no. 2128710