



## Notice of 2018 Annual General Meeting

**This document is important and requires your immediate attention.**

If you are in any doubt as to what action to take you should consult an appropriate independent financial adviser.

If you have sold or transferred all of your shares in Bellway p.l.c., you should pass this document and all accompanying documents to the person through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Jesmond Dene House Hotel, Jesmond Dene Road, Newcastle upon Tyne, NE2 2EY on Wednesday 12 December 2018 at 8.30 am for the following purposes:

### Ordinary Business

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

1. THAT the Accounts for the financial year ended 31 July 2018 and the Directors' Report, the Strategic Report and the Auditor's Report on those Accounts and the auditable part of the Remuneration Report be received.
2. THAT the Remuneration Report, except for the Directors' Remuneration Policy, shown on pages 58 to 77 of the Annual Report and Accounts for the year ended 31 July 2018, be approved.
3. THAT a final dividend for the year ended 31 July 2018 of 95.0p per ordinary 12.5p share, as recommended by the directors, be declared.
4. THAT Mr J M Honeyman be re-elected as a director of the Company.
5. THAT Mr K D Adey be re-elected as a director of the Company.
6. THAT Mr P N Hampden Smith be re-elected as a director of the Company.
7. THAT Mrs D N Jagger be re-elected as a director of the Company.
8. THAT Ms J Caseberry be re-elected as a director of the Company.
9. THAT Mr I McHoul be elected as a director of the Company.
10. THAT KPMG LLP be reappointed as the auditor of the Company, to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which Accounts are laid before the Company.
11. THAT the Audit Committee is authorised on behalf of the Board to agree the remuneration of the auditor of the Company.

### Special Business

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

12. THAT the directors be generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act 2006 (the 'Act') 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:
  - (a) up to a maximum nominal amount of £5,124,205 (such amount to be reduced by any allotments or grants made under paragraph (b) below in excess of such sum); and
  - (b) comprising equity securities (within the meaning of section 560 of the Act) up to a maximum nominal amount of £10,248,411 (such amount to be reduced by any allotments made under paragraph (a) above) in connection with an offer by way of a rights issue:
    - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
    - (ii) to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,

and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with any treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter.

The authorities conferred on the directors under paragraphs (a) and (b) above shall apply in substitution for all pre-existing authorities under that section and shall expire at the conclusion of the next Annual General Meeting of the Company or on 12 March 2020 whichever is sooner, unless previously revoked or varied by the Company, and such authority shall extend to the making before such expiry of an offer or an agreement that would or might require equity securities to be allotted after such expiry, and the directors may allot shares in the Company and grant rights to subscribe for, or to convert any security into, shares in the Company in pursuance of that offer or agreement as if the authority conferred hereby had not expired.

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

13. THAT if Resolution 12 above is passed, and in place of all existing powers, the directors be authorised to allot equity securities (as defined in the Companies Act 2006 (the 'Act')) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, such authority to be limited to:
  - (a) the allotment of equity securities or sale of treasury shares in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (b) of Resolution 12, by way of a rights issue only):
    - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
    - (ii) to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,

and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with any treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

- (b) in the case of the allotment of equity securities and/or sale of treasury shares (otherwise than under paragraph (a) above) up to an aggregate nominal amount of £768,631;

such authority to expire at the conclusion of the next Annual General Meeting of the Company (or, if earlier, at the close of business on 12 March 2020) but, in each case, prior to its expiry the Company may make offers and enter into agreements which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if authority had not expired.

14. THAT if Resolution 12 is passed, the directors be authorised in addition to any authority granted under Resolution 13 to allot equity securities (as defined in the Companies Act 2006 (the 'Act')) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, such authority to be:

- (i) limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £768,631; and
- (ii) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board of the Company determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

such authority to expire at the conclusion of the next Annual General Meeting of the Company (or, if earlier, at the close of business on 12 March 2020) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if authority had not expired.

15. THAT the Company be generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 (the 'Act') to purchase ordinary shares in the capital of the Company by way of one or more market purchases (within the meaning of section 693 of the Act) on such terms and in such manner as the directors may determine subject to the following conditions:

- (a) the maximum number of ordinary shares hereby authorised to be purchased is 12,298,093 shares, being approximately 10% of the ordinary shares in issue;
- (b) the minimum price (exclusive of expenses) is 12.5p per share;
- (c) the maximum price (exclusive of expenses) at which ordinary shares may be purchased shall not exceed (i) an amount equal to 105% of the average of the middle market quotations derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which the ordinary shares are 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, in both cases exclusive of expenses,

unless previously renewed, varied or revoked, the authority to purchase conferred by this resolution shall expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, 15 months after the passing of this resolution provided that any contract for the purchase of any shares, as aforesaid, which was concluded before the expiry of the said authority may be executed wholly or partly after the said authority expires and the relevant shares purchased pursuant thereto.

16. THAT a general meeting of the Company, other than an Annual General Meeting of the Company, may be called on not less than 14 clear days' notice.

By order of the Board

**Simon Scougall**

Group General Counsel and Company Secretary

Registered Office

Bellway p.l.c.  
Seaton Burn House  
Dudley Lane  
Seaton Burn  
Newcastle upon Tyne, NE13 6BE

Registered in England and Wales  
Number 1372603

15 October 2018

Notes:

- (i) A member, entitled to attend and vote at the meeting convened by the above notice, may appoint one or more proxies to attend and speak and vote instead of him/her, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a member of the Company.
- (ii) Completion and return of a proxy vote will not preclude shareholders from attending in person and voting at the meeting. To be valid, the form of proxy must be received by post or hand (during normal business hours) by Link Asset Services, PXS 1, 34 Beckenham Road, Beckenham, BR3 4ZF at least 48 hours before the time set for the meeting. You can also vote online at [www.signalshares.com](http://www.signalshares.com).
- (iii) CREST members will be able to cast their vote using CREST electronic proxy voting using the procedures described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). In order to be valid, the Company's Registrars must receive CREST Proxy Instructions not less than 48 hours before the time of the meeting or any adjourned meeting.
- (iv) The above statement, as to proxy rights, contained in note (i) above does not apply to a person who receives this notice of general meeting as a person nominated to enjoy 'information rights' under section 146 of the Companies Act 2006 (the 'Act'). If you have been sent this notice of meeting because you are such a nominated person, the following statements apply:
  - (a) you may have a right under an agreement between you and the member of the Company by whom you were nominated to be appointed or to have someone else appointed as a proxy for this general meeting; and
  - (b) if you have no such right or do not wish to exercise it, you may have a right under such an agreement to give instructions to that member as to the exercise of voting rights. Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements.
- (v) To be entitled to attend and vote at the meeting (and for the purposes of determination by the Company of the number of votes cast), shareholders must be entered on the Company's Register of Members by no later than close of business on Monday 10 December 2018 (or, in the event of any adjournment, at close of business on the date which is two days prior to the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting or adjourned meeting.
- (vi) Pursuant to section 527 of the Act, where requested by either a member or members having a right to vote at the general meeting and holding at least 5% of total voting rights of the Company or at least 100 members having a right to vote at the meeting and holding, on average, at least £100 per member of paid up share capital, the Company must publish on its website a statement setting out any matter that such members propose to raise at the meeting relating to either the audit of the Company's accounts that are to be laid before the meeting or the circumstances connected with an auditor ceasing to hold office since the last meeting at which accounts were laid. Where the Company is required to publish such a statement on its website, it may not require the members making the request to pay any expenses incurred by the Company in complying with the request. It must forward the statement to the Company's auditor and the statement may be dealt with as part of the business of the meeting.
- (vii) Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such questions 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 of 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 undesirable, in the interests of the Company or the good order of the meeting, that the question be answered.
- (viii) Members have the right, under section 338 of the Act, to require the Company to give its members notice of a resolution which the shareholders wish to be moved at an Annual General Meeting ('AGM') of the Company. Additionally, members have the right under section 338A of the Act to require the Company to include a matter (other than a proposed resolution) in the business to be dealt with at the AGM. The Company is required to give such notice of a resolution or include such matter once it has received requests from members representing at least 5% of the total voting rights of all the members who have a right to vote at the AGM or from at least 100 members with the same right to vote who hold shares in the Company on which there has been paid up an average sum per member of at least £100. This request must be received by the Company not later than six weeks before the AGM or, if later, the time at which notice is given of the AGM. In the case of a request relating to section 338A of the Act, the request must be accompanied by a statement setting out the grounds for the request.
- (ix) Except as provided above, members who wish to communicate with the Company in relation to the meeting should do so in writing either to the Group General Counsel and Company Secretary at the registered office address or to the Company's Registrar, Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU. No other methods of communication will be accepted. In particular, you may not use any electronic address (within the meaning of section 333(4) of the Act) provided either in this notice of meeting or in any related documents to communicate with the Company for any purposes other than those expressly stated.
- (x) There will be available for inspection during the meeting and for at least 15 minutes before it begins, the directors' appointment letters and service contracts.
- (xi) A copy of this notice and the other information required by section 311A of the Act can be found at [www.bellwaycorporate.com](http://www.bellwaycorporate.com).
- (xii) As at the date of this notice there are 122,980,930 ordinary shares of 12.5p each in issue and the total voting rights of the Company are therefore 122,980,930.

## Explanatory Notes to the Resolutions

### Ordinary resolutions

These resolutions require more than 50% of votes cast to be cast in favour in order to be passed.

### Special resolutions

These resolutions require at least 75% of votes cast to be cast in favour in order to be passed.

### Ordinary business

#### **Resolution 1 – To receive the accounts for the year ended 31 July 2018, together with the reports of the directors and auditors thereon.**

Under section 437 of the Companies Act 2006, the directors must present the reports of the directors and the accounts of the Company for the year ended 31 July 2018 to the shareholders at the meeting. This is an ordinary resolution and the Board asks that the shareholders receive the reports and accounts.

#### **Resolution 2 – To approve the Remuneration Report**

This is an ordinary resolution, which is advisory only and seeks shareholder approval to the Remuneration Report, excluding the Directors' Remuneration Policy.

#### **Resolution 3 – To declare a final dividend of 95.0p per ordinary 12.5p share for the year ended 31 July 2018**

Pursuant to the Board's recommendation, this is an ordinary resolution to declare a final dividend of 95.0p per 12.5p ordinary share for the year ended 31 July 2018.

#### **Resolutions 4 to 9 – To approve the re-election or election of the existing directors of the Company**

The Articles require one third of the directors to retire and submit themselves for re-election. The Board has, however, adopted the provision in the UK Corporate Governance Code whereby all of the directors are subject to annual re-election. Therefore all of the directors will retire and offer themselves for re-election or election as appropriate. These are ordinary resolutions to approve their re-election or election.

John Watson will step down at the conclusion of the meeting and is accordingly not seeking re-election.

The Board is content that each non-executive director proposed for re-election or election is independent for the purposes of the UK Corporate Governance Code and there are no relationships or circumstances likely to affect their character or judgement. Biographical details of each of the directors can be found on pages 42 and 43 of the Annual Report and Accounts for the year ended 31 July 2018. Following formal rigorous evaluation of all of the directors, the Chairman, acting on behalf of the Board, is satisfied as to the effectiveness and commitment of all of the directors.

#### **Resolution 10 – To reappoint KPMG as the auditor of the Company**

In accordance with section 489 of the Companies Act 2006, the auditors of a company must be reappointed before the end of each general meeting at which accounts are laid. This is an ordinary resolution which proposes the reappointment of the Company's existing auditors, KPMG LLP, until the conclusion of the next general meeting of the Company at which the accounts are laid.

#### **Resolution 11 – To authorise the Audit Committee on behalf of the Board to agree the remuneration of the auditors**

This is an ordinary resolution to authorise the Audit Committee on behalf of the Board to agree the remuneration of the auditors.

## Special Business

Five resolutions will be proposed as special business. The effect of these resolutions is as follows:

### Resolution 12 – Authority to directors to allot shares

This is an ordinary resolution which authorises the directors to allot ordinary shares up to an aggregate nominal value of £10,248,411, which is equivalent to approximately two-thirds of the Company's issued ordinary share capital, as at 15 October 2018, of which half (being ordinary shares up to a nominal value of £5,124,205), representing approximately one-third of the Company's issued share capital, as at 15 October 2018, may only be allotted in connection with a rights issue. Such authority, if granted, will expire at the conclusion of the next AGM of the Company. As at 15 October 2018, the Company held no shares as treasury shares. At present, the directors only intend to use this authority to satisfy the exercise of awards under the Company's share schemes. The directors wish to obtain the necessary authority from shareholders so that allotments can be made (if required and if suitable market conditions arise) at short notice and without the need to convene a general meeting of the Company which would be both costly and time consuming.

### Resolutions 13 and 14 – Disapplication of pre-emption rights

These are special resolutions, in substitution for the authority granted to the directors by shareholders on 13 December 2017, which expires at the conclusion of the forthcoming AGM, that shareholders empower the directors to allot ordinary shares for cash without first offering them pro-rata to existing shareholders, as would otherwise be required by section 561 of the Companies Act 2006 (a) in connection with a rights issue or other pre-emptive offer and (b) (otherwise than in connection with a rights issue or other pre-emptive offer) by Resolution 13 up to an aggregate nominal value of £768,631, being approximately 5% of the issued ordinary share capital of the Company as at 15 October 2018, and by Resolution 14 up to a further aggregate nominal value of £768,631, being approximately 5% of the issued ordinary share capital of the Company as at 15 October 2018. If both resolutions are approved, the total aggregate nominal value of ordinary shares which may be allotted for cash without first offering them pro-rata to existing shareholders would be £1,537,262, being approximately 10% of the issued ordinary share capital of the Company as at 15 October 2018.

These disapplication authorities are in line with institutional shareholder guidance and in particular with the Pre-emption Group's Statement of Principles (the 'Pre-emption Principles'). The Pre-emption Principles were revised in 2015 to allow the authority for an issue of shares for cash otherwise than in connection with a pre-emptive offer to be increased from 5% to 10% of the Company's issued share capital, provided that the Company confirms that it intends to use the additional 5% authority only in connection with an acquisition or specified capital investment. The Board therefore confirms, in accordance with the Pre-emption Principles, that to the extent of the authority in Resolution 14, it intends that this will only be used in connection with an acquisition or specified capital investment, which is announced contemporaneously with the issue, or which has taken place in the preceding six-month period and is disclosed in the announcement of the issue.

The renewed authorities will expire at the conclusion of the 2019 AGM or at the close of business on 12 March 2020 whichever is the sooner.

The directors have no present intention of exercising the authority in Resolution 13 or in Resolution 14, but consider it prudent to obtain the flexibility that this authority provides.

In accordance with the Pre-emption Principles, the directors confirm their intention not to issue more than 7.5% of the Company's issued share capital for cash, on a non pre-emptive basis, in any rolling three-year period without prior consultation with shareholders, save for shares issued in respect of an acquisition or specified capital investment, as described above.

### Resolution 15 – Company's purchase of its own shares

The Company's authority to purchase its own ordinary shares, given at the last AGM, expires at the conclusion of the forthcoming AGM. The directors propose, as a special resolution, that it should be renewed for a further year to expire on the date of the next AGM. The directors will review opportunities to use this authority in light of stock market conditions and trading opportunities during the year. The directors will only make purchases (which will reduce the number of shares in issue) after paying due attention to the effect on the financing of the Group, its assets and earnings per share for the remaining shareholders. Any shares purchased under this authority may be cancelled (in which case the number of shares in issue will be reduced accordingly) or may be held in treasury.

At 15 October 2018 there were options outstanding over 713,355 ordinary shares, representing 0.58% of the Company's issued ordinary share capital. This includes 193,983 (0.16%) outstanding PSP awards which can be satisfied from existing shares held in trust rather than by the issue of new shares.

If the authority given by this resolution were to be fully used, these would represent 0.64% of the Company's issued ordinary share capital. There are no warrants outstanding. Details of any substantial shareholders holding more than 10% of the Company's issued ordinary share capital are included in the 'Major interests in shares' table on page 79 of the Annual Report.

### Resolution 16 – Length of notice of meeting

Shareholder approval for the holding of general meetings of the Company, other than an AGM, on 14 days' notice, given at the last AGM, expires at the conclusion of the forthcoming AGM. The directors propose, as a special resolution, that it should be renewed for a further year to expire on the date of next year's AGM. There is no current intention to use this authority and the Company will only consider using this authority where it is considered that this would be for the benefit of shareholders as a whole.

### Recommendation

The directors consider each of the resolutions set out in the Notice of AGM to be in the best interests of the Company and its shareholders as a whole, accordingly they recommend voting in favour of the resolutions as they intend to do in respect of their own beneficial shareholdings.



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**Bellway**