

Other statutory information

Auditors and audit information

PricewaterhouseCoopers LLP are willing to continue as auditors of the Company and Resolution 10 in the Notice of Meeting concerning their reappointment, and Resolution 11 concerning the determination of their remuneration, are to be proposed at the Annual General Meeting.

The Directors in office at the date of this report confirm that, so far as they are each aware, in respect of the consolidated financial statements for the financial year ended 31 July 2009, there is no relevant audit information of which PricewaterhouseCoopers LLP are unaware and each Director has taken all the steps that ought to have been taken as a Director to be aware, in respect of the consolidated financial statements for the financial year ended 31 July 2009, of any relevant audit information and to establish that PricewaterhouseCoopers LLP are aware of that information.

Share capital and voting rights

Following the completion of the corporate transaction in April 2009, as detailed on pages 5 and 146, there were 283,839,366 fully paid ordinary shares of 10 pence each in issue and listed on the London Stock Exchange as at 31 July 2009. In addition, there were 886,988,540 deferred 24 pence shares outstanding at the year-end; such shares have no voting or dividend rights and are not able to be traded.

The rights and obligations attaching to the Company's ordinary shares, as well as the powers of the Company's Directors, are set out in the Company's Articles of Association, copies of which can be obtained from Companies House in the UK or by writing to the Company Secretary.

The Company also has a Level I American Depositary Receipt ("ADR") programme in the USA for which the Bank of New York Mellon acts as Depositary. The ADRs are traded on the US over-the-counter market, where each ADR now represents one-tenth of a Wolseley plc ordinary share. Further details are given on page 146.

Restrictions on transfer of shares

There are no restrictions on the voting rights attached to the Company's ordinary shares or on the transfer of securities in the Company. No person holds securities in the Company carrying special rights with regard to control of the Company. The Company is not aware of any agreements between holders of securities that may result in restrictions on the transfer of securities or on voting rights. The Company's Articles of Association may be amended by a special resolution of the Company's shareholders.

CREST

The Company's ordinary shares are in CREST, the settlement system for stocks and shares.

Share options

During the financial year ended 31 July 2009, options were exercised pursuant to the Company's share option schemes resulting in the allotment of 5,649 ordinary 25 pence shares (prior to the capital reorganisation) and 3,034 ordinary 10 pence shares. A further five ordinary 10 pence shares have been allotted under these schemes since the end of the financial year to the date of this report. Details of shares issued during the year are set out in note 33 to the financial statements.

Employee Benefit Trusts

The Wolseley plc 2004 Overseas Employee Benefit Trust, the Wolseley plc 2004 Employee Benefit Trust and the Wolseley plc 2004 Directors' Benefit Trust were established on 5 October 2004 in connection with the Wolseley Share Option Plan 2003 and the Wolseley plc 2002 Long Term Incentive Scheme, details of which are set out in the Remuneration report on pages 69 to 71. The trustees of each of the trusts have waived their rights to receive dividends on any shares held by them. As part of the corporate transaction in April 2009, as detailed on pages 5 and 146, the Wolseley plc Employee Benefit Trust, which held over six million ordinary shares of 25 pence each, accepted in full the rights available. Consequently, at the date of this report, the Trust now holds 1,975,046 ordinary shares of 10 pence each.

Authority to issue shares

At the Annual General Meeting held in 2008, authority was given to the Directors to allot new 25 pence ordinary shares up to a nominal value of £34,503,353, equivalent to the authorised but unissued ordinary share capital at 22 September 2008. At the General Meeting held in April 2009 to approve the corporate transaction, further authority was given to the Directors to allot new 10 pence ordinary shares up to a nominal value of £20,604,321, in connection with one or more issues of relevant securities under the rights issue and, in addition, £8,700,000, equivalent to 87 million 10 pence ordinary shares. The Directors will propose (Resolution 13 in the Notice of Meeting) to seek authority to allot and grant rights to subscribe for or to converting securities into shares up to an aggregate nominal amount of £18,922,625, representing approximately two-thirds of the Company's issued share capital as at 28 September 2009, of which 94,613,125 shares (representing approximately one-third of the Company's issued ordinary share capital) may only be allotted pursuant to a fully pre-emptive rights issue. If approved at the forthcoming Annual General Meeting, the authority will expire at the conclusion of the Annual General Meeting to be held in 2010.

The limited power granted to the Directors at the Annual General Meeting in 2008 to allot equity shares for cash other than pro rata to existing shareholders will expire at the 2009 Annual General Meeting. Subject to the terms of the authority noted above, the Directors recommend (Resolution 14 in the Notice of Meeting) that they be empowered to allot equity securities, until the Annual General Meeting to be held in 2010. This authority shall be limited to the allotment of equity securities for cash, in connection with an open offer to existing shareholders in proportion to their existing holdings up to an aggregate nominal amount of £1,419,196, being 5 per cent of the ordinary share capital issued at the date of this report.

The Directors currently have no intention to issue ordinary shares, other than pursuant to the Company's employee share schemes and any share dividend alternatives. The Directors recommend that you vote in favour of Resolutions 13 and 14 to maintain the Company's flexibility in relation to future share issues, including any issues to finance business opportunities should appropriate circumstances arise.

Authority to purchase shares

In certain circumstances, it may be advantageous for the Company to purchase its own ordinary shares and a special resolution will be proposed at the Annual General Meeting (Resolution 15 in the Notice of Meeting) to renew the Directors' limited authority, last granted in 2008, to repurchase the Company's ordinary shares in the market. The authority will be limited to a maximum of 28,300,000 ordinary shares (being approximately 10 per cent of the Company's issued share capital at the date of this report) and sets the minimum and maximum prices which may be paid. The Directors will use this authority to purchase shares only after careful consideration, taking into account market conditions, other investment opportunities, appropriate gearing levels and the overall financial position of the Company. The authority will enable the Directors to continue to be able to respond promptly should circumstances arise in which they consider such a purchase would result in an increase in earnings per share and would be in the best interests of the Company.

The Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 allow shares purchased by the Company to be held as treasury shares that may be cancelled, sold for cash or used for the purpose of employee share schemes. The Company holds no shares in treasury but the Directors currently intend that any shares which are purchased will be held in treasury. The authorities to be sought by each of Resolutions 14 and 15 are intended to apply equally to shares to be held by the Company as treasury shares and to the sale of treasury shares. The Directors consider it desirable for these general authorities to be available to provide flexibility in the management of the Company's capital resources.

Change of control

The Company does not have agreements with any Director or Officer that would provide compensation for loss of office or employment resulting from a change of control following a takeover bid, except that provisions of the Company's share plans may cause options and awards granted under such schemes to vest on a takeover. All of the Company's share schemes contain provisions relating to a change of control. Outstanding options and awards would normally vest and become exercisable for a limited period of time upon a change of control following a takeover, reconstruction or winding-up of the Company (not being an internal organisation), subject at that time to rules concerning the satisfaction of any performance conditions.

Donations

The Group's charitable donations in 2009 totalled £1,555,000 (2008: £1,591,000).

At each of the Annual General Meetings held since 2002, shareholders have passed a resolution, on a precautionary basis, to approve donations to political organisations and to incur political expenditure (as such terms are defined in sections 362 to 379 of the Companies Act 2006). The Board has repeatedly confirmed that it operates a policy of not giving any cash contribution to any political party in the ordinary meaning of those words and that it has no intention of changing that policy. The Directors propose to seek, once more, authority for the Group to make political donations and/or incur political expenditure in respect of each of the heads identified in Resolution 12 in the Notice of Meeting in amounts not exceeding £125,000 in a total aggregate, which they might otherwise be prohibited from making or incurring under the terms of the Companies Act 2006 and which would not amount to "donations" in the ordinary sense of the word. The authority sought by Resolution 12 in the Notice of Meeting will last until the Company's next Annual General Meeting.

Creditor payment policy

All Group companies are responsible for establishing terms and conditions of trading with their suppliers. It is the Group's policy that payments to suppliers are made within agreed terms and are, where applicable, consistent with the UK Government backed Better Payment Practice Code. Copies of this Code can be obtained from the Company Secretary at the Company's registered office. At 31 July 2009, the Company had no trade creditors (2008: nil). The amount of trade creditors for the Group as at 31 July 2009 was equivalent to 65 days (2008: 58 days) of trade purchases.

Employee communication and involvement

The Group places particular importance on involving its employees; keeping them regularly informed through informal bulletins, such as its management magazine "Directions" and other in-house publications, meetings and the Company's intranet, on matters affecting them as employees and on the issues affecting their performance. A European Works Council ("EWC") has been operating since 1996 to provide a forum for informing and consulting Europe-based employees on such matters as significant developments in the Group's operations, management's plans and expectations, organisational changes within the Group and also for employee representatives to consult Group management about concerns over any aspect of the Group's operations. At the date of this report, there were 27 EWC representatives of which 21 were employee representatives and six were management representatives. Employee representatives are appointed from each European country in which Wolseley operates, with more than one employee representative appointed from the UK, France and Denmark. All employees are offered a range of benefits depending on their local environment and are encouraged to become shareholders in the Company, where possible, through participation in the Company's share schemes.

UK pension schemes

During the year the Company consulted employees on changes to its pension arrangements. The following changes have been made to the Wolseley Group pension arrangements for future pension built up from 1 June 2009:

- with effect from 31 May 2009, the defined benefit schemes of the Wolseley Group Retirement Benefits Plan and the William Wilson Group Pension Scheme were closed to new members;
- Final Pensionable Salary for the Wolseley Group Retirement Benefits Plan and the William Wilson Group Pension Scheme for service from 1 June 2009 will be based on the average of the last five years' pensionable salary prior to retirement. Pension entitlement built up to 31 May 2009 will remain based on pensionable salary in the final year of employment. The same changes to final pensionable salary will be made to the Brooks Belfast Retirement Benefits Scheme, however, the effective date will be 1 July 2009. The benefits accrued prior to the effective date are not affected;
- the pension payable to a member's spouse for the Wolseley Group Retirement Benefits Plan will be 50 per cent of the member's pension. Pension accrued to 31 May 2009 is not affected by this change; and
- the Wolseley Group Defined Contribution Plan has been created for Wolseley employees based in the UK. All employees recruited from 1 June 2009 will be offered participation in this plan. In addition, employees who were in existing defined contribution arrangements within the Wolseley Group, transferred to the Wolseley Group Defined Contribution Plan from this date.

The Wolseley Group Defined Contribution Plan is a trust-based defined contribution pension scheme with three Company nominated trustees, one of whom is an independent trustee and two who are UK-based employees of the Group. In addition, there are three member nominated trustees, which are in the process of being selected. The chairman of the trustees is Wayne Phelan of PS Independent Trustees Limited.

The principal UK defined benefit scheme, which is now closed to new entrants, has one corporate and two individual trustees. The chairman of the trustees is David Tucker and, save for an independent trustee, all of the other trustees and trustee directors are UK-based employees or former employees of the Group. The other main UK defined benefit scheme provides benefits for employees of the William Wilson Group, which has, with effect from July 2008, three member nominated trustees and three Company-nominated trustees. The chairman of the trustees is Ian Percy CBE and all of the other trustees are UK-based employees of the William Wilson Group or of the Company. Permanent employees outside the UK are offered membership of their employing companies' pension arrangements.

Employment policies

The Group remains committed to equality of opportunity in all of its employment practices. It is Group policy that the selection of employees for training, development and promotion should be determined solely on their skills, attributes and other requirements which are relevant to the job and which are in accordance with the laws of the country concerned. Priority is given to the training of employees and the development of their skills is of prime importance. Employment of disabled people is considered on merit with regard only to the ability of any applicant to carry out the function required. Arrangements to enable disabled people to carry out the function required will be made if it is reasonable to do so. An employee becoming disabled would, where appropriate, be offered retraining. The Group continues to operate on a largely decentralised basis; this provides encouragement for the development of entrepreneurial flair, balanced by a rigorous control framework exercised by a small head office team. Local management is responsible for maintaining high standards of health and safety and for ensuring that there is appropriate employee involvement in decision-making.

On behalf of the Board



Richard Shoylekov Group Company Secretary and General Counsel
28 September 2009