

11:00 a.m. on 3 June 2010,  
Hilmore House,  
Gain Lane,  
Bradford,  
West Yorkshire BD3 7DL

THIS DOCUMENT IS IMPORTANT and requires your immediate attention. If you are in any doubt about the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000. If you have sold or transferred all of your registered holding of ordinary shares in the company, please pass this document and accompanying form of proxy to the stockbroker, bank manager or other agent through whom the sale was effected for transmission to the purchaser or transferee.

Wm Morrison Supermarkets PLC

## **Notice of Annual General Meeting 2010**



**MORRISONS**

Wm Morrison Supermarkets PLC

Registered Office:  
Hilmore House  
Gain Lane  
Bradford  
West Yorkshire  
BD3 7DL  
Registered in England: 358949  
Telephone: 0845 611 5000

20 April 2010

Dear Shareholder,

I am pleased to enclose with this letter the notice of the 2010 Annual General Meeting of Wm Morrison Supermarkets PLC which will be held at Hilmore House, Gain Lane, Bradford, BD3 7DL at 11:00 a.m. on 3 June 2010 (the Notice). The Notice appears on pages 3 to 7 of this letter.

The Annual General Meeting is an important occasion for the Company's shareholders to express their views by attending, raising questions and voting at the meeting. The Board would welcome your participation at the Annual General Meeting. The meeting will be held at the Company's headquarters at Hilmore House in Bradford and a map appears on the back of the attendance card indicating the location.

Whether or not you will be attending the Annual General Meeting, I would urge you to complete, sign and return the form of proxy enclosed with this letter or, alternatively, register your proxy electronically in accordance with the instructions on the proxy form.

This letter is also being sent to those who have been nominated to receive information rights under section 146 of the Companies Act 2006 who do not themselves have a right to appoint a proxy or proxies. The attention of such nominated persons is drawn to note 5 of the Notice on page 4.

If you have received more than one mailing, it may be that your shares are registered in two or more accounts on the Wm Morrison Supermarkets PLC share register. If that was not your intention, you might consider merging them into one single entry. This would have several benefits in environmental terms by reducing the amount of energy and paper used for shareholder communications, reducing printing and postage costs and also reducing the possibility of important documents such as dividend cheques being lost, misplaced or used fraudulently. Please contact Capita Registrars who will be pleased to carry out your instructions at no cost to you.

The detailed business to be considered at the Annual General Meeting is set out in the Notice. The following explanatory notes will assist in understanding the business to be conducted at the Annual General Meeting:

#### **ORDINARY BUSINESS**

The ordinary business of the meeting consists of nine ordinary resolutions (requiring a simple majority of votes to be passed).

**Resolution 1** is to receive and consider the Directors' report and audited financial statements for the 52 weeks ended 31 January 2010. The Directors are required to present these documents to the Annual General Meeting.

**Resolution 2** is a resolution to approve the Directors' remuneration report for the 52 weeks ended 31 January 2010. The Company is required to seek shareholders' approval of the Directors' remuneration report which appears in full on pages 32 to 40 of the Annual report and financial statements 2010. It can also be viewed on the Morrisons website at [www.morrisons.co.uk/annualreport10](http://www.morrisons.co.uk/annualreport10).

**Resolution 3** is to approve a final dividend of 7.12p per share payable on 9 June 2010 to ordinary shareholders on the register of members at the close of business on 7 May 2010. The proposed final dividend will bring the total dividend for the year to 8.2p per ordinary share. Dividend warrants will be posted on 7 June 2010 to those ordinary shareholders registered at the close of business on 7 May 2010. Statements and, if applicable, share certificates for participants in the dividend reinvestment plan will be posted on 14 June 2010.

**Resolutions 4, 5, 6 and 7** are separate resolutions to re-elect Martyn Jones, Penny Hughes, Johanna Waterous and Dalton Philips as Directors. The Board believes that each of them continues to perform effectively with full commitment to his/her role.

**Resolution 4** is a resolution to re-elect Martyn Jones as a Director on his retirement by rotation as required by the Articles of Association. Martyn Jones joined the Group in 1990 after gaining wide buying, marketing and product development experience in fresh and frozen foods. After eight years with J. Sainsbury, he moved into manufacturing with RHM and then Campbells before joining Morrisons. Starting as Trading Manager for frozen foods, he was promoted to Trading Operations Director in 1993. He was appointed Grocery Director in 1997 and then Senior Trading Director in 2002. He was appointed to the Board of the Company in March 2007. Martyn is also a member of the Corporate Compliance and Responsibility Committee.

**Resolution 5** is a resolution to re-elect Penny Hughes as a Director. Penny joined the Group in January 2010 and she is required by the Articles of Association to retire and submit herself for re-election as a Director at the first Annual General Meeting following her appointment. Penny Hughes is currently a Non-Executive Director of Cable & Wireless Worldwide Plc and Home Retail Group plc, the president of the Advertising Association and a trustee of the British Museum and she has recently accepted a Non-Executive Directorship of Royal Bank of Scotland Plc. Her previous experience includes 10 years with Coca-Cola ultimately as president of Coca-Cola GB & Ireland and various non-executive roles including Body Shop International plc, GAP Inc, Reuters plc, Skandinaviska Enskilda Banken, Trinity Mirror plc and Vodafone plc.

**Resolution 6** is a resolution to re-elect Johanna Waterous as a Director. Johanna joined the Group in February 2010 and she is required by the Articles of Association to retire and submit herself for re-election as a Director at the first Annual General Meeting following her appointment. Johanna is currently a Non-Executive Director of RSA Group Plc and Sandpiper CI, as well as being an Operating Partner of Global Leisure Partners. Her previous experience includes 22 years with McKinsey & Co, London, ultimately as Co-Leader of the firm's Global Marketing and Sales Practice. Johanna is a Non Executive Director of the Kew Foundation and Chair of Royal Horticultural Society Enterprises and a Trustee of English National Opera. Between 1998 and 2006, Johanna was Chairman of Tate Enterprises.

**Resolution 7** is a resolution to re-elect Dalton Philips as a Director. Dalton joined the Group as CEO in March 2010 and he is required by the Articles of Association to retire and submit himself for re-election as a Director at the first Annual General Meeting following his appointment. Dalton had been Chief Operating Officer of Loblaw Companies Limited, Canada's largest food distributor and a leading provider of general merchandise, pharmacy and financial products and services since January 2007. Prior to that he was Chief Executive of Irish department store group, Brown Thomas. Between 1998 and 2005 he worked for Wal-Mart's international division holding a range of commercial positions, rising to Chief Operating Officer in Germany. Dalton started his career as a Store Manager in New Zealand with Jardine Matheson and was later regional director of the company's Spanish supermarket division.

**Resolution 8** is a resolution to re-appoint KPMG Audit Plc as auditors of the Company until the conclusion of the next Annual General Meeting.

**Resolution 9** is a resolution to authorise the Directors of the Company to fix the remuneration of the auditors.

### SPECIAL BUSINESS

**Resolutions 10 to 15** (inclusive) constitute special business. Resolutions 11 and 15 are proposed as ordinary resolutions and resolutions 10, 12, 13 and 14 are special resolutions. The special resolutions require a 75% majority of votes to be passed.

**Resolution 10** is a special resolution to renew and extend until the close of the next Annual General Meeting the authority given at the Annual General Meeting held on 4 June 2009 to buy ordinary shares in the Company on the London Stock Exchange. The existing authority is for up to a maximum of 262,983,160 ordinary shares of 10p each representing approximately 10% of the issued ordinary share capital at the date of the 2009 Annual General Meeting Notice. The Directors propose an increase in the authority in respect of ordinary shares to 265,202,295 which represents 10% of the issued ordinary share capital at the date of the Notice. The minimum and maximum prices to be paid for the shares are as stated in the resolution. Shares purchased may be cancelled or held in treasury, sold for cash or used to meet the Company's obligations under its employee share schemes. The resolution is proposed to ensure the Directors have the flexibility to act in the Company's best interests if the requirement arises. No purchase will be made unless the expected effect will be to increase earnings per share.

At 20 April 2010 options to subscribe for shares in respect of a maximum 32,102,479 ordinary shares of 10p each in the Company were outstanding, representing approximately 1.21% of the issued ordinary share capital at that date, approximately 1.34% of the issued ordinary share capital assuming exercise in full by the Company of its existing authority to purchase its own shares and 1.34% of the issued ordinary share capital assuming exercise in full by the Company of the authority to purchase its own shares being sought at the Annual General Meeting (assuming in both cases cancellation of such shares on purchase).

**Resolution 11** is an ordinary resolution to authorise the Directors to allot unissued shares. It replaces the authority granted at the Annual General Meeting of the Company held on 4 June 2009 and will run until the close of the next Annual General Meeting. The intention is to renew and roll the authority forward by one year at each future Annual General Meeting. Under this resolution the Directors will be authorised to allot up to £85,000,000 of the unissued share capital of the Company representing approximately one third of the issued ordinary share capital on the date of the Notice. Save in relation to shares to be issued under the Company's share option and incentive schemes, there is no present intention of exercising this authority.

**Resolution 12** is a special resolution to authorise the Directors to allot unissued shares for cash otherwise than to existing shareholders pro-rata to their respective holdings. They may do so only in respect of £13,260,000 of ordinary share capital (representing 5% of the issued ordinary share capital on the date of the Notice) or in connection with rights issues of ordinary shares. The intention is to renew and roll the authority forward by one year at each future Annual General Meeting.

**Resolution 13** is a special resolution to renew and extend until the close of the next Annual General Meeting the authority given at the Annual General Meeting held on 4 June 2009 to enable the Company to call General Meetings, other than the Annual General Meeting, on 14 days' notice. The Company will need to meet the requirements of electronic voting under the Shareholder Rights Directive before it can call a General Meeting on 14 days' notice. The flexibility offered by this resolution will be used where, taking into account the circumstances, the Directors consider this appropriate in relation to the business to be considered at the meeting.

**Resolution 14** is a special resolution to adopt new articles of association (the New Articles) primarily in order to take account of the final implementation of the Companies Act 2006, the Companies (Shareholder Rights) Regulations 2009 and amendments to the Uncertificated Securities Regulations 2001. A copy of the New Articles to be adopted will be produced to the Meeting and for the purpose of identification initialled by the Chairman.

The principal changes introduced in the New Articles are summarised in Appendix 1 to the Notice. Other changes, which are of a minor, technical or clarifying nature and also some more minor changes (which merely reflect changes made by the Companies Act 2006 or the Companies (Shareholder Rights) Regulations 2009 and amendments to the Uncertificated Securities Regulations 2001, or conform the language of the New Articles with that used in the Model Articles for Public Companies produced by the Department for Business Enterprise and Regulatory Reform (now the Department for Business, Innovation and Skills (BIS) (the Model Articles)) have not been noted in Appendix 1. A copy of the proposed New Articles and a copy of the Company's current articles of association, marked to show the changes being proposed pursuant to resolution 14 will be available for inspection at the Company's registered office and at Ashurst LLP, Broadwalk House, 5 Appold Street, London, EC2A 2HA until the close of the Annual General Meeting.

**Resolution 15** is an ordinary resolution to approve the rules of the Wm Morrison Supermarkets PLC Sharesave Scheme 2010 (the Scheme), the main features of which are summarised in Appendix 2 to the Notice, and to authorise the Directors of the Company to make such modifications to the Scheme as they may consider appropriate to take account of the requirements of HM Revenue & Customs and best practice and to adopt the Scheme as so modified and to do all such other acts and things as they may consider appropriate to implement the Scheme. The Scheme will replace the Wm Morrison Supermarkets PLC Sharesave Scheme 2000 that was approved by shareholders at the Annual General Meeting held on 18 May 2000. A draft of the rules to be approved will be produced to the Meeting and for the purpose of identification initialled by the Chairman and will be available for inspection at the Company's registered office and at Ashurst LLP, Broadwalk House, 5 Appold Street, London, EC2A 2HA until the close of the Annual General Meeting.

If approved, the Scheme rules will enable the Directors of the Company, without further shareholder approval, to establish further schemes based on the Scheme but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further schemes are treated as counting against the limits on individual or overall participation in the Scheme.

### Recommendation

The Board considers the proposals described in this letter and each of the resolutions to be proposed at the Annual General Meeting are in the current best interests of the Company and its shareholders as a whole and recommends that you vote in favour of each of the resolutions. The Directors will vote in favour of each of the resolutions proposed at the Annual General Meeting. In accordance with current best practice, voting on the resolutions proposed at the Annual General Meeting will be conducted by poll vote rather than by a show of hands and the relevant procedures will be explained at the meeting.

Board colleagues and I look forward to seeing you at the Annual General Meeting.

Yours sincerely,



Sir Ian Gibson  
Chairman

## Notice of meeting

The seventieth Annual General Meeting of the Company will be held at Hilmore House, Gain Lane, Bradford, West Yorkshire, BD3 7DL on 3 June 2010 at 11:00 a.m. for the following purposes:

### ORDINARY BUSINESS

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

1. To receive and consider the Directors' report and audited financial statements for the 52 weeks ended 31 January 2010.
2. To approve the Directors' remuneration report for the 52 weeks ended 31 January 2010.
3. To declare a final dividend of 7.12p per share payable on 9 June 2010 to ordinary shareholders on the register of members at the close of business on 7 May 2010.
4. To re-elect Martyn Jones as a Director.
5. To re-elect Penny Hughes as a Director.
6. To re-elect Johanna Waterous as a Director.
7. To re-elect Dalton Philips as a Director.
8. To re-appoint KPMG Audit Plc as auditors 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 before the Company.
9. To authorise the Directors to fix the remuneration of the auditors.

### SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions, of which resolutions 11 and 15 will be proposed as ordinary resolutions and resolutions 10, 12, 13 and 14 will be proposed as special resolutions:

10. That the Company be generally and unconditionally authorised to make market purchases (as defined in Section 693(4) of the Companies Act 2006 (the Act)) on the London Stock Exchange of ordinary shares of 10p each in the capital of the Company (ordinary shares) provided that:
  - (i) the maximum aggregate number of ordinary shares hereby authorised to be purchased is 265,202,295 ordinary shares representing approximately 10% of the issued ordinary share capital at the date of this Notice;
  - (ii) the minimum price which may be paid for the ordinary shares is their par value and the maximum price (excluding expenses) which may be paid for the ordinary shares is an amount equal to the higher of (a) 5% above the average of the middle market quotations of an ordinary share as derived from the Daily Official List of the London Stock Exchange Plc for the 5 business days before the purchase is made and (b) the value of an ordinary share calculated on the basis of the higher of the price quoted for the last independent trade and the highest current independent bid for any number of ordinary shares on the trading venue where the purchase is carried out;
  - (iii) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting or, if earlier, on 30 June 2011; and
  - (iv) the Company may make a contract to purchase its own shares under the authority hereby conferred prior to the expiry of such authority and may make a purchase of its own shares in pursuance of such contract.
11. That the Directors be generally and unconditionally authorised in accordance with section 551 of the Act, in substitution for all existing authorities to the extent unused, to exercise all 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 up to an aggregate nominal amount of £85,000,000, provided that this authority shall, unless renewed, varied or revoked by the Company, expire at the conclusion of the next Annual General Meeting or, if earlier, on 30 June 2011 save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or rights to be granted after such expiry and the Directors may allot shares or grant rights in pursuance of such offer or agreement as if the authority conferred by this resolution has expired.

12. That the Directors be given the general power to allot equity securities (as defined by section 560 of the Act) for cash, either pursuant to the authority conferred by resolution 11 or by way of a sale of treasury shares, as if section 561 of the Act did not apply to any such allotment or sale, provided that this power shall be limited to the allotment of equity securities:
  - (i) in connection with a rights issue, open offer of securities to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings and to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary, but in each case subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and
  - (ii) (otherwise than pursuant to paragraph (i) of this resolution 12) to any person or persons up to an aggregate nominal amount of £13,260,000,

and shall expire at the conclusion of the next Annual General Meeting or, if earlier, on 30 June 2011 (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

13. That a general meeting, other than an Annual General Meeting, may be called on not less than 14 clear days' notice.
14. That:
  - (i) the Articles of Association of the Company be amended by deleting all of the provisions of the Company's Memorandum of Association which, by virtue of section 28 of the Act, are treated as provisions of the Company's Articles of Association; and
  - (ii) the Articles of Association produced to the meeting and initialled by the Chairman of the meeting for the purpose of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.
15. That the Wm Morrison Supermarkets PLC Sharesave Scheme 2010 (the Scheme) to be constituted by the rules produced in draft to the meeting and initialled by the Chairman for the purposes of identification be hereby approved and the Directors be and they are hereby authorised to cause such rules to be adopted in the form of such draft with such modifications (if any) as they consider necessary or desirable including any amendments thereto required by HM Revenue & Customs for the purposes of obtaining approval of the Scheme under the provisions of schedule 3 of the Income Tax (Earnings and Pensions) Act 2003 and to do all acts and things which they consider necessary or expedient in implementing and giving effect to the same.

By Order of the Board  
G.J. McMahon  
Secretary  
20 April 2010

Registered Office  
Hilmore House  
Gain Lane  
Bradford BD3 7DL

## Notes

1. Members are entitled to appoint a proxy or proxies to exercise all or any of the rights to attend, speak and vote on their behalf at the meeting. To appoint more than one proxy or to request a personalised proxy form, contact the Registrars for (an) additional proxy form(s) or you may photocopy the form enclosed with your Notice of Meeting. If you appoint more than one proxy, each proxy must be appointed to exercise the rights attached to a different share or shares held by you. Please indicate in the box next to the proxy's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope. A proxy need not be a member of the Company. To be valid the form of proxy must be completed and lodged with the Registrars of the Company not later than 11:00 a.m. on 1 June 2010. A proxy should either be submitted by post on the enclosed form of proxy using the pre-paid envelope or via the internet at [www.capitaregistrars.com/shareholders/products/proxy-voting.asp](http://www.capitaregistrars.com/shareholders/products/proxy-voting.asp) where full instructions are given. This address is given only for the filing of proxies for the Annual General Meeting and not for any other purpose. If you choose to appoint a proxy electronically you will need your unique investor code which is printed on the form of proxy. Return of a completed proxy form, internet proxy or any CREST proxy instruction (as described below) will not prevent a member attending the meeting and voting in person if he/she wishes to do so. Further details relating to proxies are set out in the notes on the enclosed form of proxy.
2. CREST members who wish to appoint a proxy or proxies by utilising CREST electronic appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. 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 (CREST proxy instruction) must be properly authenticated in accordance with Euroclear UK and Ireland's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent, Capita Registrars, (ID RA10) by the latest time for receipt of proxy appointments specified in the notice of Annual General Meeting (note 1). For this purpose, the time of receipt shall be taken as the time (as determined by the timestamp applied to the message by the CREST applications host) from which the issuer's agent (Capita Registrars) is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK and Ireland 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 his/her CREST sponsor or voting service provider(s) take(s)) such action as is necessary to ensure that a message is transmitted by means of the CREST system by a particular time. In this connection, CREST members and, where applicable, 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.

The Company may treat as invalid a CREST proxy instruction in the circumstances set out in regulation 35(5) of the Uncertificated Securities Regulations 2001.
3. The Company specifies that in order to have the right to attend, speak, ask questions and vote at the meeting (and also for the purpose of calculating how many votes a person entitled to attend and vote may cast) a person must be entered on the register of holders of the ordinary shares of the Company no later than 6.00 p.m. on 1 June 2010. Changes to entries on the register after this time will be disregarded in determining the rights of any person to attend or vote at the meeting.
4. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share. It is no longer necessary to nominate a designated corporate representative.
5. In accordance with section 325 of the Companies Act 2006, the right to appoint proxies does not apply to persons nominated to receive information rights under section 146 of the Companies Act 2006. Persons nominated to receive information rights under that section who have been sent a copy of this Notice are informed that they may have a right under an agreement with the registered member by whom they were nominated to be appointed, or to have someone else appointed, as a proxy for the purposes of this meeting. If they have no such right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the member on the exercise of voting rights. Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements.
6. The total issued share capital of the Company at the date of this Notice was 2,652,022,952 ordinary shares of 10p each carrying one vote each. At the date of this Notice the Company does not hold any shares in treasury.
7. Details of the Directors' remuneration and other benefits are contained in the Directors' remuneration report and the Directors' report and financial statements. Copies of the Directors' service contracts, appointment letters and the standard terms of employment will be available for inspection at the Annual General Meeting and at the registered office of the Company during normal business hours on any weekday, except English public holidays.
8. Shareholders should note that, pursuant to requests made by shareholders of the Company under section 527 of the Companies Act 2006, the Company may be required 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 previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. 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 auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at future Annual General Meetings will include any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.
9. Voting on the resolutions proposed at the Annual General Meeting will be conducted by poll vote rather than by a show of hands and the relevant procedures will be explained at the meeting.
10. 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, the total 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 – [www.morrisons.co.uk/corporate](http://www.morrisons.co.uk/corporate)

## Notes – continued

11. A copy of the proposed New Articles and a copy of the Current Articles marked to show the changes being proposed in resolution 14 will be available for inspection at the Company's registered office and at Ashurst LLP, Broadwalk House, 5 Appold Street, London, EC2A 2HA during normal business hours on any weekday, except English public holidays until the close of the Annual General Meeting.

12. A copy of the proposed rules for the Wm Morrison Supermarkets PLC Sharesave Scheme 2010 will be available for inspection at the Company's registered office and at Ashurst LLP, Broadwalk House, 5 Appold Street, London, EC2A 2HA during normal business hours on any weekday, except English public holidays until the close of the Annual General Meeting.

### APPENDIX 1

#### Summary of Principal Changes to the Articles of Association of Wm Morrison Supermarkets PLC

##### 1. Articles which duplicate statutory provisions

Provisions in the current Articles of Association (the Current Articles) which replicate provisions contained in the Companies Act 2006 (the Act) are in some circumstances to be removed in the new Articles of Association (the New Articles) or amended to bring them into line with the Act. The main changes made to reflect this approach are detailed below. Other changes, which are of a minor technical or clarifying nature, or conform the language of the New Articles to the Act, have not been noted.

##### 2. The Company's objects

The provisions regulating the operations of the Company are currently set out in the Company's Memorandum of Association and the Current Articles. The Company's Memorandum of Association contains, among other things, the objects clause which sets out the scope of the activities the Company is authorised to undertake. This is drafted to give a wide scope.

The Act significantly reduces the constitutional significance of a company's memorandum of association. The Act provides that a memorandum of association will record only the names of subscribers and the number of shares each subscriber has agreed to take in the company. Under the Act the objects clause and all other provisions which are currently contained in a company's memorandum of association, for existing companies at 1 October 2009, will be deemed to be contained in a company's articles of association but the company can remove these provisions by special resolution.

Further the Act states that unless a company's articles of association provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses. For this reason the Company is proposing to remove its objects clause together with all other provisions of its Memorandum of Association which, by virtue of the Act, are to be treated as forming part of the Company's Current Articles from 1 October 2009. Resolution 14 confirms the removal of these provisions for the Company. As the effect of this resolution will be to remove the statement currently in the Company's Memorandum of Association regarding limited liability, the New Articles also contain an express statement regarding the limited liability of the shareholders.

##### 3. Form of resolution

The Current Articles contain provisions relating to extraordinary resolutions. However, under the Act, the concept of an extraordinary resolution has not been retained. References to extraordinary resolutions have been replaced by references to special resolutions in the New Articles.

##### 4. Distribution of assets otherwise than in cash

The Current Articles contain provisions dealing with the distribution of assets in kind in the event of the Company going into liquidation. These provisions have been removed in the New Articles as the powers of liquidators are governed by insolvency law. The Insolvency Act 1986 confers powers on the liquidator contained in the Current Articles.

##### 5. Authorised share capital and unissued shares

The Act abolishes the requirement for a company to have an authorised share capital and the New Articles reflect this. The number of shares directors can allot remains restricted as allotment authority continues to be required under the Act, except in respect of employee share schemes.

##### 6. Suspension of registration of share transfers

The Current Articles permit the Directors to suspend the registration of transfers. Under the Act share transfers must be registered as soon as practicable. The power in the Current Articles to suspend the registration of transfers is inconsistent with this requirement. Accordingly, this power has been removed in the New Articles.

##### 7. Vacation of office by directors

The Current Articles specify the circumstances in which a director must vacate office. The New Articles update these provisions to reflect the approach taken on mental and physical incapacity in the Model Articles.

##### 8. Disclosure of interests

Under the Current Articles, a disenfranchisement notice can be served on any registered holder of shares who fails to disclose his interest in shares when a notice requesting information is not complied with. This right has been extended in the New Articles so that, in certain circumstances, members who hold 0.25% or more of the issued capital of the Company can be subject to further restrictions on the dividends payable to such a member and on the transfer of shares by that member. This is specifically permitted by the Listing Rules published by the Financial Services Authority.

##### 9. Votes of members

The time limits for the appointment or termination of a proxy appointment have been altered by the Act so that the Articles of Association cannot provide that they should be received more than 48 hours before the meeting or in the case of a poll taken more than 48 hours after the meeting, more than 24 hours before the time for the taking of a poll, with weekends and bank holidays being permitted to be excluded for this purpose. Multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share held by the shareholder. The New Articles reflect these new provisions.

##### 10. Removal of Chairman's casting vote

The New Articles remove the provision giving the Chairman a casting vote in the event of equality of voting at general meetings as this is no longer permitted under the Act.

##### 11. Provision for employees on cessation of business

The Act provides that the powers of the directors to make provision for a person employed or formerly employed by the group in connection with the cessation or transfer of the whole or part of the undertaking of the group, may only be exercised by the directors if they are so authorised by the company's articles of association or by the company in general meeting. The New Articles include this authority.

##### 12. Use of seals

The New Articles provide an alternative option for execution of documents (other than share certificates). Under the New Articles, when the seal is affixed to a document it may be signed by one authorised person in the presence of a witness. Previously the requirement was for signature by either two directors or by both a director and the secretary or such other person or persons as the directors may approve.

##### 13. Stock

All references to stock in the New Articles have been removed as these are no longer relevant to the Company.

##### 14. Cumulative Redeemable Preference Shares

Following the redemption of the Company's Cumulative Redeemable Preference Shares in 2009, the provisions in the Current Articles relating to those shares have been removed from the New Articles.

### 15. Model Articles

In some areas, the opportunity has been taken to conform the language of the New Articles with that used in the Model Articles, including the provisions relating to uncertificated shares, liens, calls on shares, forfeiture and transmission of shares.

### 16. General

Generally the opportunity has been taken to bring clearer language into the New Articles and to use "plain English". In addition, the New Articles have been reformatted, headings have been reviewed and amended and a contents page has been included.

## APPENDIX 2

### Summary of the principal features of Wm Morrison Supermarkets PLC Sharesave Scheme 2010 (the Scheme)

#### Introduction

A summary of the main features of the Scheme are set out below, together with a description of how the Scheme is intended to operate. It is intended that the Scheme will be submitted to HM Revenue & Customs for formal approval under Schedule 3 to the Income Tax (Earnings and Pensions) Act 2003.

#### Employee Eligibility

Generally, all UK resident and ordinarily resident employees and directors of a constituent company (who in the case of directors, usually work at least 25 hours per week for the Group) are eligible to participate. The Grantor (defined below) will have the discretion to set out a minimum service requirement of up to five years before an employee or director may be eligible to participate in a particular offer under the Scheme.

#### Shareholder Dilution

The Scheme contains a limit on the number of new shares to be issued as a result of the exercise of options granted under the Scheme. This limit applies to options granted under the Scheme and options granted/awards made under all other share incentive schemes operated by the Group. Options and awards which have lapsed are disregarded. Shares which have been purchased in the market, including any so purchased and held by trustees of an employee benefit trust for the purpose of satisfying options and awards are disregarded. The reissue of treasury shares will be treated as a new issue of shares.

The Directors will ensure that appropriate policies regarding the timing and amount of options granted exist in order to spread the potential issue of new shares over the life of the Scheme.

The rules of the Scheme provide that no more than 10% of the issued ordinary share capital of the Company, from time to time, should be issued under all share incentive schemes operated by the Group in any rolling 10 year period.

In addition the rules of the Scheme allow the Directors to place a limit on the maximum number or value of shares to be applied for by all employees in any one offering.

#### Granting of Options

Invitations to apply for the grant of options may only be made within the period of 42 days beginning on the dealing day following the date on which the Scheme is adopted by the Company, or within the period of 42 days following the announcement of the Company's interim or final results, or, at other times if the Directors consider there are exceptional circumstances. Options may be granted either by the board of directors of the Company or trustees of an employee benefit trust (the Grantor).

Options may only be granted during the period of 30 days beginning on the earliest of the dates used to determine the option exercise price (or if option applications are scaled down) during the period of 42 days beginning on the earliest of such dates.

An option will be personal to the participant (other than on death when it can be exercised by the participant's personal representatives) and not transferable.

#### Savings Contract

An employee who accepts an invitation to participate in an issue of options will be required to enter into a savings contract for a period of three, five years or seven years under which the employee must save between £5 and £250 per month (or such other minimum or maximum amount determined by the Directors and permitted by legislation). The £250 limit is reduced by any other savings contract linked to this or any other savings related share option scheme. These contributions will be deducted from the employee's salary.

If the participant ceases to make contributions before the relevant anniversary of the commencement of the savings contract, the option will lapse, except in the case of a deferral of contributions for a period of up to six months.

#### Exercise Price

The option exercise price shall be determined by the Directors and will be not less than 80 per cent of the market value of a share at the date of invitation (or, if higher and the Grantor has determined that the option exercise will be satisfied by the issue of shares directly to the participant, the nominal value of an ordinary share).

#### Exercise of Options

During the period of six months following the end of the savings contract, the participant may exercise his option to acquire, at the exercise price, ordinary shares up to the total value of his monthly savings contributions (plus any bonus or interest paid where appropriate). Alternatively, the participant may withdraw his contributions and any bonus or interest without exercising the option.

#### Termination of Employment

If a participant ceases to be employed within the Group during the savings period his option will lapse except where cessation of employment is due to death, injury, disability, redundancy or retirement at age 60 or at the age he is bound to retire, or as a result of the Company or part of the business by which the participant was employed ceasing to be a member or part of the Group, when the participant will be able to exercise his option within six months (or 12 months, by the participants personal representatives, in the case of cessation of employment as a result of death) from the date of cessation of employment, but only to the extent of his total savings plus any interest or bonus accrued.

#### Takeover, Reconstruction, Amalgamation and Winding Up

In the event of a takeover, reconstruction, amalgamation or voluntary winding up of the Company during the savings period, participants may exercise options early and within a specified period to the extent of their total savings plus any interest or bonus accrued to the date of exercise.

#### Variation of Share Capital

Upon any variation of the share capital of the Company, whether by way of a capitalisation issue, rights issue, bonus issue, rights offer or any sub-division, consolidation or reduction in the Company's share capital, the exercise price and/or number of shares comprised in an option and the description of the shares may be adjusted in such manner as the Directors determine to be fair and reasonable subject to the prior approval of HM Revenue & Customs.

#### Not Pensionable

The value of any benefit realised under the Scheme by participants will not be taken into account in determining any pension, life assurance or similar benefits.

#### Source of Shares

The Scheme allows the satisfaction of options through the use of newly issued ordinary shares and ordinary shares acquired "on market" either through the medium of an employee benefit trust or the holding of ordinary shares in treasury.

## Notes – continued

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### Amendments to the Scheme

Following HM Revenue & Customs approval of the Scheme the Directors may, at any time, amend any provision of the Scheme. However, no amendment can be made which would materially adversely affect the rights of existing participants without the consent of a majority responding to the Company's request for approval.

Amendments to “key features” (as defined in tax legislation) of the Scheme also require the approval of the HM Revenue & Customs in order for the Scheme to retain its HM Revenue & Custom approved status.

### Overseas Schemes

The Scheme may be rolled out internationally with appropriate “overseas schemes” being introduced where required in order to ensure efficient working of the Scheme in an international context. In approving the Scheme, shareholders are also authorising the introduction of overseas schemes without the requirement for additional shareholder approvals. All schemes will operate within the shareholder dilution limits set out above.