

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, as amended if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all your shares in Wm Morrison Supermarkets PLC (the “**Company**”), please send this document, together with the accompanying Form of Proxy, as soon as possible, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding, you should retain these documents.

WM MORRISON SUPERMARKETS PLC

(Incorporated in England and Wales with registered no. 358949)

Proposed Related Party Transaction and Notice of General Meeting

Financial Adviser & Sponsor
Rothschild

This document should be read as a whole. Your attention is drawn to the letter from the Chairman which is set out on pages 4 to 5 of this document and the recommendation in respect of the Resolution to be proposed at the General Meeting referred to below.

Notice of a General Meeting of Wm Morrison Supermarkets PLC to be held at 2 p.m. on 6 March 2015 at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA is set out on pages 17 to 20 of this document. Details of the action you are recommended to take are set out on page 5 of this document. Whether or not you plan to attend the General Meeting, please complete the enclosed Form of Proxy and return it in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received by the Company’s registrars, Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than 2 p.m. on 4 March 2015 (or in the case of any adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). Alternatively, if you hold Ordinary Shares in uncertificated form, you may also appoint a proxy by completing and transmitting a CREST proxy instruction in accordance with the procedures set out in the CREST Manual ensuring that it is received by Capita Asset Services Limited (ID: RA10) by no later than 2 p.m. on 4 March 2015 (or in the case of any adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). The completion and return of a Form of Proxy or using the CREST electronic proxy appointment service will not prevent you from attending, speaking and voting at the General Meeting, or any adjournment thereof, in person should you wish to do so.

This document should be read in conjunction with the accompanying Form of Proxy and the definitions set out in this document. The whole of this document should be read and, in particular, your attention is drawn to the letter from the Chairman of the Company which contains the unanimous recommendation by the Directors to Shareholders to vote in favour of the Resolution to be proposed at the General Meeting.

No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representation must not be relied on as having been so authorised. The delivery of this document shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as at any subsequent time.

Rothschild, which is authorised by the Prudential Regulation Authority (the “**PRA**”) and regulated by the Financial Conduct Authority (the “**FCA**”) and the PRA in the United Kingdom is acting solely for the Company in relation to the matters set out in this document (the “**Transaction**”) and nobody else and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Rothschild nor for providing advice in relation to the Transaction or any other matter referred to in this document. Apart from the responsibilities and liabilities, if any, which may be imposed upon Rothschild by the Financial Services and Markets Act 2000, as amended (the “**FSMA**”) or the regulatory regime established thereunder, Rothschild does not accept any responsibility whatsoever or make any representation or warranty, express or implied, concerning the contents of this document, including its accuracy, completeness or verification, or concerning any other statement made or purported to be made by it, or on its behalf, in connection with the Company or the Transaction and nothing in this document is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or future. Rothschild accordingly disclaims, to the fullest extent permitted by law, all and any responsibility and liability whether arising in tort, contract or otherwise (save as referred to herein) which it might otherwise have in respect of this document or any such statement.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	<u>Time and Date</u>
Publication of this document	10 February 2015
Latest time for receipt of individual Forms of Proxy for General Meeting	2 p.m. 4 March 2015
Voting record date	6 p.m. 4 March 2015
General Meeting	2 p.m. 6 March 2015

Future times and dates are indicative only and are subject to change by the Company. If the expected timetable of events changes from the above, the Company will release an announcement to this effect.

References to time in this document are to London time.

DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors	Andrew Higginson (<i>Chairman</i>) Dalton Philips (<i>Chief Executive Officer</i>) Trevor Strain (<i>Chief Financial Officer</i>) Philip Cox CBE (<i>Senior Independent Non-Executive Director</i>) Richard Gillingwater CBE (<i>Non-Executive Director</i>) Penny Hughes CBE (<i>Non-Executive Director</i>) Johanna Waterous CBE (<i>Non-Executive Director</i>)
Company Secretary	Mark Amsden
Sponsor	Rothschild New Court St Swithin's Lane London EC4N 8AL
Solicitors	Ashurst LLP Broadwalk House 5 Appold Street London EC2A 2HA
Registrars	Capita Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

PART I—LETTER FROM THE CHAIRMAN

(Incorporated in England and Wales, with registered no. 358949)

Directors:
Andrew Higginson
Dalton Philips
Trevor Strain
Philip Cox CBE
Richard Gillingwater CBE
Penny Hughes CBE
Johanna Waterous CBE

Registered Office:
Hilmore House
Gain Lane
Bradford
West Yorkshire BD3 7DL

10 February 2015

Dear Shareholder,

Notice of General Meeting and Proposed Related Party Transaction

1. Introduction

The Board has become aware of certain technical issues in respect of the Company's procedures for the payment of dividends and the purchase of its own shares in the financial years commencing 30 January 2012 and 4 February 2013 (these are referred to in this document as the "**Relevant Distributions**").

By way of background, under the Act, a public company may pay a dividend only out of its distributable profits as shown in the last accounts filed at Companies House. Similar requirements relate to the purchase by a public company of its own shares. These apply even if the company in question has sufficient distributable profits at the relevant time.

Whilst the Company has always filed its statutory accounts on time in accordance with the requirements of the Act, and at all times had sufficient profits and other distributable reserves to justify the Relevant Distributions, the last accounts filed at Companies House in each of the financial years in which the Relevant Distributions were made did not show the requisite level of distributable profits.

Given that the Company at all times had sufficient profits and other distributable reserves, it could have prepared interim accounts showing the requisite level of distributable profits and filed these at Companies House in order to satisfy the requirements of the Act. The Company did not, however, take this step. Accordingly, the Relevant Distributions were, regrettably, made otherwise than in accordance with the Act.

The purpose of this document is to convene a general meeting to propose the Resolution, which will, if passed, give the Board authority to enter the deeds of release described in Part II of this document and put all potentially affected parties so far as possible in the position in which they were always intended to be had the Relevant Distributions been made in accordance with the requirements of the Act.

The Company has been advised that, as a consequence of the Relevant Distributions having been made otherwise than in accordance with the Act, it may have claims against past and present shareholders who were recipients of the Dividends and against persons who were directors of the Company at the time of payment of the Dividends and at the time of entry into the buy-back programmes in respect of the Share Buy-backs. Therefore, it is proposed that the Company enter into the Shareholders' Deed of Release and the Directors' Deed of Release. The consequence of the entry into these deeds by the Company is that the Company will be unable to make any claims against:

- (a) the Directors and Former Directors; and
 - (b) past and present shareholders of the Company who were recipients of the Relevant Distributions,
- in each case in respect of the payment of the Relevant Distributions otherwise than in accordance with the Act.

The entry by the Company into the Directors' Deed of Release constitutes a related party transaction (as defined in the Listing Rules). Therefore, the Resolution will also seek the specific approval of the Company's shareholders of the entry into the Directors' Deed of Release as a related party transaction, in accordance with the requirements of the Listing Rules.

Further details and an explanation of the business of the General Meeting and the related party transaction are set out in Part II of this document.

2. Notice of General Meeting

Enclosed with this letter is a notice of General Meeting of the Company which will be held at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA at 2 p.m. on 6 March 2015. The Notice can be found in Part V of this document.

You are advised to read the whole of this document, including the Notice, and not to rely solely on the information contained in this letter.

3. Proxy voting

Whether or not you will be attending the General Meeting, I would urge you to complete, sign and return the accompanying Form of Proxy to the Company's registrars, Capita Asset Services at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and, in any event, so as to arrive by no later than 2 p.m. on 4 March 2015. Alternatively, you can register your proxy electronically in accordance with the instructions on the Form of Proxy. Further details are given in the notes to the Notice set out on pages 17 to 20 of this document. Completion and return of the Form of Proxy will not preclude shareholders from attending and voting in person at the General Meeting, should they so wish. The attention of corporate shareholders wishing to appoint more than one corporate representative is drawn to note 7 to the Notice set out on pages 17 to 20 of this document.

This letter is also being sent to those who have been nominated to receive information rights under section 146 of Act who do not themselves have a right to appoint a proxy or proxies. The attention of such nominated persons is drawn to note 8 to the Notice set out on pages 17 to 20 of this document.

4. Recommendation

Given the interests of the Board in the Resolution, and as required by the Listing Rules:

- (a) the Board has not considered whether the Resolution is in the best interests of the Company. Accordingly, the Board cannot recommend that shareholders vote in favour of the Resolution, but recommends that shareholders vote on the Resolution. However, the Board has been advised by Rothschild, in its capacity as the Company's sponsor, that (i) the waiver of claims against the Directors and Former Directors pursuant to paragraph 1.3 of the Resolution and (ii) the entry into the Directors' Deed of Release are fair and reasonable so far as the shareholders of the Company are concerned; and
- (b) each of the Directors and the Former Directors and their associates are precluded from voting on the Resolution. Therefore, the Directors and the Former Directors have undertaken to abstain, and to take all reasonable steps to ensure that their associates abstain, from voting on the Resolution. As at 9 February 2015 (being the latest practicable date prior to the publication of this document) the Directors and the Former Directors were recorded in the Company's register of members as holding a total of 1,047,593 ordinary shares in the capital of the Company, representing approximately 0.05 per cent of the Company's existing ordinary share capital.

In accordance with current best practice and to ensure voting accurately reflects the views of shareholders, it will be proposed at the General Meeting that voting on the Resolution will be conducted by poll vote rather than by a show of hands and the relevant procedures will be explained at the meeting.

The Board has taken steps to ensure that, in future, the issues referred to in this document do not arise in relation to the payment of dividends or, where applicable, the purchase by the Company of its own shares. We are grateful for shareholders' understanding in respect of the issues set out in this document.

On behalf of the Board, thank you for your continued support of the Company.

Yours sincerely

Andrew Higginson
Chairman

PART II—BUSINESS OF THE GENERAL MEETING

1. The Relevant Distributions

As referred to in note 11.1 to the Company's financial statements for the 52 weeks ended 2 February 2014, the Board has become aware of certain technical issues in respect of the Company's procedures for the payment of dividends and the purchase of its own shares in the financial years commencing 30 January 2012 and 4 February 2013. These issues, which are described in Part I of this document, resulted in the Relevant Distributions being made otherwise than in accordance with the Act.

These issues did not affect all of the dividends paid and share purchases made in the relevant financial years, but did affect:

- the interim dividend paid on 5 November 2012, the final dividend paid on 19 June 2013 and the interim dividend paid on 11 November 2013 (collectively, the "**Dividends**"); and
- the Company's purchases of its own shares during the period 3 July 2012 to 8 March 2013 (the "**Share Buy-backs**"). These Share Buy-backs were undertaken by the Brokers on the Company's behalf and within certain pre-set parameters, pursuant to buy-back programmes put in place in accordance with the Listing Rules and the general authority for the Company to purchase its own shares that had been obtained at the respective annual general meetings of shareholders that preceded the Share Buy-backs.

2. The consequences of Relevant Distributions having been made otherwise than in accordance with the Act

The Company has been advised that, as a consequence of the Relevant Distributions having been made otherwise than in accordance with the Act, it may have claims against past and present shareholders who were recipients of the Dividends and against persons who were directors of the Company at the time of payment of the Dividends and at the time of entry into the buy-back programmes in respect of the Share Buy-backs.

The Board notes, however, that the Company has no intention of bringing any such claims.

The Company has been further advised that the Brokers are entitled to be reinstated on the Company's register of shareholders in respect of the shares that were the subject of the Share Buy-backs provided that, upon such reinstatement, the Brokers account to the Company for the monies originally paid to them for the relevant shares.

The Board further notes that the terms of engagement between the Company and each of the Brokers in relation to the relevant buy-back programmes contain contractual remedies to protect the Brokers from losses arising from the Share Buy-backs. Consequently, there would be no benefit to the Company in pursuing any claims for these monies.

The Board also notes that at the time of the Share Buy-backs, the Brokers were not aware that the relevant shares were purchased by the Company otherwise than in accordance with the Act.

3. Shareholder Resolution

In order to remedy the potential consequences of the Relevant Distributions having been made otherwise than in accordance with the Act, obtain the approval of shareholders for the related party transaction in accordance with the Listing Rules and put all potentially affected parties so far as possible in the position in which they were always intended to be had the Relevant Distributions been made in accordance with the requirements of the Act, the Company is proposing the Resolution, the full text of which is set out in the Notice in Part V of this document.

If passed, the effect of the Resolution, which will be proposed as a special resolution, will be to:

- ratify each of the Dividends and confirm the appropriation of the profits of the Company in each of the relevant financial years for the purposes of the Relevant Distributions;
- release those shareholders who appeared on the register of members on the record date for each of the Dividends from any and all claims which the Company has or may have in respect of the payment of those Dividends, such release to be effected by way of the entry by the Company into the Shareholders' Deed of Release;

- waive any rights of the Company to make claims against past and present directors in respect of the Relevant Distributions, such waiver to be effected by way of the entry by the Company into the Directors' Deed of Release; and
- authorise the Company to re-execute the Share Buy-backs on the terms of the Buy-back Deeds to be entered into between the Company and each of the Brokers, pursuant to which the Company will also waive any claims which it may have against the Brokers in respect of the monies paid by the Company to the Brokers in respect of the relevant shares.

The approach that the Company is proposing by way of the Resolution is consistent with the approach taken by other listed companies that have, similarly, made corporate distributions otherwise than in accordance with the Act.

4. The ratification of the Dividends, the confirmation of the appropriation of the Company's profits and the Shareholders' Deed of Release

The approach that the Company is proposing involves the ratification of each of the Dividends and the confirmation of the appropriation of the profits of the Company in each of the relevant financial years for the purposes of the Relevant Distributions. As a matter of common law, it is necessary for this ratification and confirmation to be approved by shareholders.

The Company has been advised that it is also preferable for shareholders to approve the Company's entry into the Shareholders' Deed of Release, since the release of those past and present shareholders who appeared on the register of members on the record date for each of the Dividends from any and all claims which the Company has or may have in respect of the payment of the Dividends will, insofar as those persons remain shareholders of the Company, comprise a shareholder distribution.

The proposed ratification of the Dividends, the confirmation of the appropriation of the Company's profits in each of the relevant financial years for the purposes of the Relevant Distributions and the entry by the Company into the Shareholders' Deed of Release will not, however, have any effect on the Company's financial position. This is because the Company will not be required to make any further payments to shareholders in respect of the Dividends.

In addition, the Company has not recorded or disclosed the right potentially to make claims against past and present shareholders who were recipients of the Dividends as an asset or a contingent asset in its financial statements. This is because, under the Company's UK GAAP accounting policies, it could only record such a right as an asset when an inflow of economic benefits in favour of the Company as a result of such claim or claims being brought was virtually certain. The value of any economic benefit which the Company may derive from bringing claims against past and present shareholders is uncertain (and, in any case, incapable of reliable estimation) on the basis that it may be possible for past and present shareholders to establish defences to any such claims and there can be no certainty as to the amounts which could be recovered by the Company.

In addition, under UK GAAP, a contingent asset is required to be disclosed only when an inflow of economic benefits in favour of the Company is probable. The directors of the Company have concluded that any inflow of economic benefits as a result of such claims is less than probable.

Accordingly, the Company's entry into the Shareholders' Deed of Release will not result in any decrease in the Company's net assets or the level of its distributable reserves.

5. The Directors' Deed of Release

Under the Company's articles of association, it is necessary for shareholders to approve the Company's waiver of any rights of the Company to make claims against past and present directors in respect of the Relevant Distributions, since the Board would itself have a potential conflict of interest in approving such a waiver. This is because the members of the Board are named as beneficiaries of the waiver.

In addition, the entry by the Company into the Directors' Deed of Release and consequential waiver of any rights of the Company to make claims against past and present directors in respect of the Relevant Distributions, constitutes a related party transaction (as defined in the Listing Rules) as each of the Directors is a related party for the purposes of the Listing Rules. As a result, the Resolution must be approved by the Company's shareholders who are not interested related parties. Accordingly, each of the Directors and their associates are precluded from voting on the Resolution and the Directors have

undertaken to abstain, and to take all reasonable steps to ensure that their associates abstain, from voting on the Resolution.

The entry by the Company into the Directors' Deed of Release will not have any effect on the Company's financial position because, as with the position in relation to the Dividends and potential claims against past and present shareholders, the Company has not recorded or disclosed its right potentially to make claims against past and present directors in respect of the Relevant Distributions as an asset or contingent asset of the Company.

Again, this is because, under the Company's UK GAAP accounting policies, it could only record such a right as an asset when an inflow of economic benefits in favour of the Company as a result of such claim or claims being brought was virtually certain. The value of any economic benefit which the Company may derive from bringing claims against past and present directors is uncertain (and, in any case, incapable of reliable estimation) on the basis that past and present directors would be entitled to seek the court's relief against such claims and there can be no certainty as to the amounts which could be recovered by the Company.

In addition, under UK GAAP, a contingent asset is required to be disclosed only when an inflow of economic benefits in favour of the Company is probable. The directors of the Company have concluded that any inflow of economic benefits as a result of such claims is less than probable.

Therefore, the Company's entry into the Directors' Deed of Release does not involve the disposition of any asset or contingent asset by the Company in favour of past or present directors.

The entry by the Company into the Directors' Deed of Release constitutes a related party transaction (as defined in the Listing Rules). Therefore, the Resolution will also seek the specific approval of the Company's shareholders of the entry into the Directors' Deed of Release as a related party transaction, in accordance with the requirements of the Listing Rules.

6. The Buy-back Deeds

The Company's entry into the Buy-back Deeds requires shareholder authorisation under section 694 of the Act. For the purposes of the Act, the Buy-back Deeds are 'off-market' purchase contracts, where the relevant shares will be purchased otherwise than on a recognised investment exchange. The authority to make off-market purchases pursuant to the Buy-back Deeds (which is specific to the matters referred to in this document) will expire at the conclusion of the next annual general meeting of the Company, or on 30 June 2015, whichever is sooner. The shares purchased pursuant to the Buy-back Deeds will be cancelled by the Company.

The purpose of the entry into the Buy-back Deeds is to effect the lawful transfer of the ordinary shares that are the subject of the Share Buy-backs, in accordance with the Act, thereby transferring legal and equitable title in the shares to the Company. The terms of the Buy-back Deeds provide that on entry into the agreements, the name of the relevant Broker will be reinstated onto the Company's register of members, evidencing the Broker's legal title over those shares that were repurchased by the Company otherwise than in accordance with the Act. Immediately following this reinstatement, the Company will then purchase these shares from each Broker for an aggregate consideration of £1 payable to each Broker.

Pursuant to the Buy-back Deeds, the Company will also waive any rights or claims which it has or may have against the Brokers in respect of the Share Buy-backs and the monies paid by the Company to the Brokers in respect of the relevant shares. In addition, the Brokers will acknowledge that their reinstatement in the Company's register of members in respect of the relevant shares will satisfy the Company's obligation to restore legal title in the relevant shares to them.

The Brokers will also waive any rights or claims they have or may have to dividends due in respect of the shares, any rights or claims they have or may have to the current value of the shares and any other rights, claims, interests or benefits which may have arisen in respect of the shares prior to the date of the Buy-Back Deeds (subject to the general protections afforded to each of the Brokers under the terms of engagement between the Company and each Broker, respectively, as referred to above).

The entry by the Company into the Buy-back Deeds will result in the Company's distributable reserves being reduced by £2. Otherwise, it will have no effect on the Company's financial position.

7. The tax position of UK shareholders

The Company has drawn the attention of HM Revenue & Customs (“**HMRC**”) to the circumstances surrounding the payment of the Dividends and to the steps that are now proposed to rectify the position. HMRC has confirmed that the tax position of UK shareholders is not affected by any irregularity in the original dividends. Therefore, the passing of the Resolution should have no effect on the UK tax position of such persons.

If any non-UK resident shareholder has any doubts about his/her tax position, they should consult with an independent professional adviser.

8. Other information

Having undertaken the Share Buy-backs otherwise than in accordance with the Act, those shares that were the subject of the Share Buy-backs currently remain in issue. As such, the share capital of the Company as at 9 February 2015 (being the latest practicable date prior to the publication of this document) comprises 2,470,927,462 ordinary shares of 10 pence each.

For information, as at 9 February 2015 (being the latest practicable date prior to the publication of this document), options to subscribe for shares in respect of a maximum 81,758,007 ordinary shares of 10 pence each in the Company were outstanding which, if exercised would represent approximately 3.31 per cent of the Company’s issued ordinary share capital at the relevant date.

Immediately following entry into the Buy-back Deeds, all of the shares purchased by the Company pursuant to terms of the Buy-back Deeds will be cancelled. Assuming no further shares are issued or repurchased between the date of this document and the date on which such cancellations occur, the share capital of the Company will comprise 2,335,084,014 ordinary shares of 10 pence each. In such case, the options to subscribe for shares, being 81,758,007 ordinary shares as at 9 February 2015 (see above), would, if exercised, represent approximately 3.50 per cent of the Company’s issued ordinary share capital at the relevant date.

Copies of the final forms of the Shareholders’ Deed of Release, the Directors’ Deed of Release and the Buy-back Deeds are available on the Company’s website www.morrisons.co.uk/corporate/investors/generalmeetings or in hard copy during normal business hours on any weekday (except for Saturdays, Sundays and public holidays) at the registered office of the Company and at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA up to the time of the General Meeting. Copies will also be available at the place of the General Meeting until the conclusion of the General Meeting.

PART III—ADDITIONAL INFORMATION

1. The Company

The Company was incorporated and registered in England and Wales on 22 January 1940 with registered number 358949 as a private company limited by shares under the name WM Morrison (Provisions) Limited. On 12 November 1981, the Company re-registered as a public company limited by shares under the name Wm Morrison Supermarkets PLC.

The Company's registered office is Hilmore House, Gain Lane, Bradford, West Yorkshire BD3 7DL (tel. +44(0)845 611 5000).

The principal legislation under which the Company operates is the laws of England and Wales.

2. Directors' and Former Directors' interests

The interests of the Directors and Former Directors who are related parties in the Ordinary Shares as at 9 February 2015 (being the latest practicable date prior to the date of this document) are as follows:

2.1 Directors' and Former Directors' shareholdings:

<u>Name</u>	<u>Number of Ordinary Shares</u>	<u>Percentage of voting rights⁽¹⁾</u>
Andrew Higginson	266,209	0.01
Dalton Philips	337,919	0.01
Trevor Strain	39,341	0.00
Philip Cox CBE	25,000	0.00
Richard Gillingwater CBE	19,695	0.00
Penny Hughes CBE	9,848	0.00
Johanna Waterous CBE	20,216	0.00
Sir Ian Gibson CBE	127,750	0.01
Richard Pennycook	201,615	0.01
Nigel Robertson	Nil	0.00

(1) On the basis that the total number of voting rights as at 9 February 2015 (being the latest practicable date prior to the publication of this document) is 2,335,084,014.

2.2 Directors' and Former Directors' interests under the LTIP:

<u>Name</u>	<u>Date of award</u>	<u>Market price at date of award</u>	<u>Date from which exercisable</u>	<u>Number of Ordinary Shares under award</u>	<u>Exercise price</u>
Dalton Philips	13.04.2012	2.91	13.04.2015	802,878	Nil
	22.04.2013	2.80	22.04.2016	834,523	Nil
	20.06.2014	1.91	20.06.2017	1,001,728	Nil
Trevor Strain	13.04.2012	2.91	13.04.2015	71,443	Nil
	22.04.2013	2.80	22.04.2016	411,281	Nil
	20.06.2014	1.91	20.06.2017	576,995	Nil
Nigel Robertson	22.04.2013	2.80	22.04.2016	203,498	Nil
	22.04.2014	2.02	22.04.2017	288,021	Nil

Note: Awards are made annually subject to performance measures set by the remuneration committee which are aligned with business strategy and the Morrisons Group's stated key performance indicators. Achievement of each element is assessed independently. Awards will normally vest three years after the award is made. Dividend equivalents accrue over the performance period and are paid at the time of vesting on the number of shares that vest. Nigel Robertson's interests under the LTIP were awarded when he had ceased to be a director.

2.3 Directors' and Former Directors' interests under the DSBP:

<u>Name</u>	<u>Date from which exercisable</u>	<u>Number of Ordinary Shares under award</u>	<u>Exercise price</u>
Dalton Philips	27.03.2015	237,592	Nil
Trevor Strain	26.03.2017	50,180	Nil
Nigel Robertson	26.03.2017	13,242	Nil

Note: awards under the DSBP are not subject to further performance conditions. Nigel Robertson's interests under the DSBP were awarded on 26 March 2014 when he had ceased to be a director.

2.4 Directors' and Former Directors' interests under the Company's sharesave scheme:

<u>Name</u>	<u>Date from which exercisable</u>	<u>Number of Ordinary Shares under award</u>	<u>Exercise price</u>
Dalton Philips	01.07.2017	5,487	1.64
Trevor Strain	01.07.2017	5,487	1.64
Nigel Robertson	01.07.2017	5,487	1.64

Note: options under the Company's sharesave scheme are not subject to performance conditions as they are made under a UK HMRC tax approved scheme. Nigel Robertson's interests under the sharesave scheme were awarded on 1 July 2014 when he had ceased to be a director.

3. Service agreements

3.1 General terms

<u>Name</u>	<u>Position</u>	<u>Effective date of service agreement</u>	<u>Annual salary</u>
Dalton Philips	Chief Executive Officer	26 January 2010	£850,000
Trevor Strain	Chief Financial Officer	12 December 2012	£489,600

The annual salaries of the Executive Directors for the last full financial year are set out in the table above. The salaries will be reviewed each year.

The Executive Directors are expected to devote the whole of their time, attention and abilities to the performance of their duties during their agreed working hours and in return the Executive Directors will receive the following benefits under the terms of their service agreements:

- Entitlements to a discretionary annual bonus;
- Entitlements to participate in the Company's incentive arrangements;
- Entitlements to a car allowance of £24,000 per annum plus fuel costs for business miles and reasonable private mileage;
- Entitlements to participate in a private medical cover scheme and entitlement to participate in a life assurance scheme;
- 25 days' annual leave per annum (plus public holidays);
- In the event of sickness absence, entitlement to receive full salary and contractual benefits for up to 90 days in any 12 month period in the case of Mr Philips and the continuation of full salary and contractual benefits in accordance with the Company's senior manager sick pay scheme in the case of Mr Strain;
- Reasonable expenses incurred by the Executive Directors in the course of their duties will be reimbursed by the Company;
- Entitlement to an allowance of £1,000 per annum towards the cost of independent financial advice; and
- In respect of pension, entitlement to a retirement benefits allowance of 25% of salary in the case of Mr Philips and 24% of salary in the case of Mr Strain.

3.2 Termination provisions

The service agreements of the Executive Directors can be terminated by either party giving the other not less than 12 months' written notice. Each of the Executive Directors may be put on garden leave during this time and their employer can elect to terminate their employment by making a payment in lieu of notice ("PILON"). In the case of Mr Philips such PILON shall be equivalent to salary for the notice period and he shall also receive a payment in respect of pension or the retirement benefits allowance and either the continuation of his contractual benefits during the notice period or a payment equivalent to the cost of such benefits. In the case of Mr Strain, such PILON shall be equivalent to salary only. Such payments may be made in instalments at the Company's discretion.

The employment of each Executive Director will be terminable on notice but with immediate effect in certain circumstances, including where such Executive Director is guilty of a breach of the rules or regulations issued by any regulatory body relevant to the Morrisons Group, is guilty of gross misconduct, commits any serious breach of any of the provisions of his service agreement, is declared bankrupt, is convicted of a criminal offence (excluding certain road traffic offences), is guilty of fraud or dishonesty which may bring him or the Morrisons Group into disrepute or abuses alcohol or drugs in such a manner as to affect the Executive Director's ability to perform his duties under the service agreement.

The Executive Directors' service agreements also contain post-termination restrictions including: (i) a restriction not to compete with the Morrisons Group; (ii) a restriction on soliciting customers or suppliers of the Morrisons Group; (iii) a restriction on being concerned with the supply of services or products to any client or customer; (iv) a restriction on being concerned with the receipt of goods or services from any supplier; (v) a restriction on soliciting or engaging key employees of the Morrisons Group; and (vi) a restriction preventing the Executive Directors from holding themselves out as connected with the Morrisons Group at any time following termination. Each of the restrictions at (i) to (v) apply for a period of 12 months which is offset by any time spent on garden leave.

3.3 Incentive arrangements

The table below sets out the treatment of outstanding elements of remuneration that would normally apply for Executive Directors upon termination of their employment.

<u>Circumstances of termination</u>	<u>Salary and contractual benefits</u>	<u>Annual bonus plan awards</u>	<u>Unvested DSBP awards</u>	<u>Unvested LTIP awards</u>
Resignation or gross misconduct	Paid to date of termination	No bonus paid for year of termination	Award lapses on cessation of employment	Award lapses on cessation of employment
Injury, disability or death/retirement, redundancy or ill health (with agreement of the Company)	Paid to date of termination	Eligible to be considered for a bonus payment which would be calculated on a time pro-rata basis (subject to satisfaction of performance targets) for period of service completed in the relevant financial year	Award vests on the date of cessation of employment	Awards may vest on a time pro-rata basis (subject to satisfaction of performance targets) on the normal vesting date. Malus will continue to apply to unvested awards
Negotiated termination at the discretion of the Remuneration Committee	Paid to date of termination	Eligible to be considered for a bonus payment which would be calculated on a time pro-rata basis (subject to satisfaction of performance targets) for period of service completed in the relevant financial year	Award vests on the date of cessation of employment	Awards may vest on a time pro-rata basis (subject to satisfaction of performance targets) on the normal vesting date. Malus will continue to apply to unvested awards

Under the annual bonus plan and LTIP rules, the Company's remuneration committee has certain discretions in relation to termination of employment as to:

- whether a bonus payment is made;
- whether a participant retains or forfeits an unvested LTIP or DSBP award;
- the level of payment or vesting; and
- the timing of any such payment or vesting.

In exercising its discretion, the remuneration committee will take into account factors such as personal performance and conduct, overall Company performance and the specific circumstances of departure including, but not limited to, whether termination is by mutual agreement.

In the event of a compromise or settlement, the remuneration committee may make payments it considers reasonable in settlement of potential legal claims. It may include in such payments reasonable reimbursement of legal fees in connection with such agreements.

The reimbursement of repatriation costs or fees for professional or outplacement advice may also be included in the termination package, as deemed reasonable by the Committee, as may the continuation of benefits for a limited period.

The Non-Executive Directors do not have service agreements, although they each have letters of appointment reflecting their responsibilities and commitments. The Non-Executive Directors' appointments can be terminated with one month's notice, except for the Chairman, whose appointment can be terminated with three months' notice. On termination, the Non-Executive Directors are only entitled to such fees and expenses as have accrued to the date of termination. The Company may make a payment in lieu of the notice period. The letters of appointment provide that the Company may terminate the Non-Executive Directors' appointments with immediate effect in certain circumstances including material breach of obligations, dishonesty, serious misconduct and bankruptcy.

None of the Former Directors are party to any agreement with the Company.

4. Major shareholders

In so far as is known to the Company, as at 9 February 2015 (being the latest practicable date prior to the publication of this document), the following persons were interested, directly or indirectly, in three per cent or more of the voting rights attaching to the Ordinary Shares:

<u>Name</u>	<u>Number of Ordinary Shares</u>	<u>Percentage of voting rights⁽¹⁾</u>
Amerprise Financial Inc	116,763,649	5.00%
Andrea Shelley	92,869,309	3.98%
BlackRock Inc	122,022,032	5.23%
Brandes Investment Partners, LP	117,121,738	5.02%
Eleanor Kernighan	92,182,396	3.95%
First Eagle Investment Management, LLC	114,296,273	4.90%
Invesco Limited	111,082,524	4.76%
Schroders plc	119,757,406	5.13%
Silchester International Investors LLP	117,553,329	5.03%
Zurich Financial Services	81,286,130	3.48%

(1) On the basis that the total number of voting rights as at 9 February 2015 (being the latest practicable date prior to the publication of this document) is 2,335,084,014.

5. Related party transactions

Save as set out in the Company's interim results for the 26 week period ended 3 August 2014 and the Company's annual report and financial statements for the (i) 52 week period ended 2 February 2014; (ii) 53 week period ended 3 February 2013; and (iii) 52 week period ended 29 January 2012, the Company has not entered into any related party transactions with any of the Directors or Former Directors.

6. Material contracts

There are no material contracts to which the Company or any member of the Morrisons Group is a party, which contain information that shareholders of the Company would reasonably require to make a properly informed assessment of how to vote.

7. Significant change

There has been no significant change in the financial or trading position of the Morrisons Group since 3 August 2014, the date to which the last interim financial information for the Morrisons Group was prepared.

8. Consent

Rothschild has given and has not withdrawn its written consent to the inclusion in this document of the references to its name in the form and context in which they are given.

9. Documents on display

Copies of the following documents will be available for inspection at the Company's registered office at Hilmore House, Gain Lane, Bradford, West Yorkshire BD3 7DL and at the London office of the Company's legal advisers, Ashurst LLP, at Broadwalk House, 5 Appold Street, London EC2A 2HA during

normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) from the date of this document up to and including the date of the General Meeting:

- (a) the Company's articles of association;
- (b) the Shareholders' Deed of Release;
- (c) the Directors' Deed of Release;
- (d) the Buy-back Deeds; and
- (e) the written consent referred to in paragraph 8 of this Part III.

PART IV—DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

“**Act**” means the Companies Act 2006;

“**Board**” or “**Directors**” means the board of directors of the Company;

“**Brokers**” means, together, Jefferies and Merrill Lynch;

“**Buy-back Deeds**” means the new buy-back deeds to be entered into by the Company and the Brokers as further described in paragraph 6 of Part II of this document;

“**Company**” means Wm Morrison Supermarkets PLC;

“**Directors’ Deed of Release**” means a deed of release by which the Company waives any rights to make claims against past and present directors in respect of the Relevant Distributions;

“**Dividends**” has the meaning given in paragraph 1 of Part II of this document;

“**DSBP**” means the Company’s deferred share bonus plan;

“**Executive Directors**” means the executive directors of the Company, being Dalton Philips and Trevor Strain;

“**FCA Handbook**” means the FCA’s Handbook of Rules and Guidance;

“**Financial Conduct Authority**” or “**FCA**” means the Financial Conduct Authority of the United Kingdom;

“**Former Directors**” means Richard Pennycook, Nigel Robertson and Sir Ian Gibson;

“**FSMA**” means the Financial Services and Markets Act 2000, as amended;

“**HMRC**” means Her Majesty’s Revenue & Customs;

“**Jefferies**” means Jefferies International Limited;

“**Listing Rules**” means the listing rules made by the FCA under Part VI of the FSMA (as set out in the FCA Handbook), as amended;

“**LTIP**” means the Company’s Long term incentive plan adopted in 2007;

“**Merrill Lynch**” means Merrill Lynch International;

“**Morrisons Group**” means Wm Morrison Supermarkets PLC and each of its subsidiaries and subsidiary undertakings;

“**Non-Executive Directors**” means the non-executive directors of the Company, being Andrew Higginson, Philip Cox CBE, Richard Gillingwater CBE, Penny Hughes CBE and Johanna Waterous CBE;

“**Notice**” means the Notice of General Meeting, set out in Part V of this document;

“**Ordinary Shares**” means ordinary shares of 10 pence each in the capital of the Company;

“**Relevant Distributions**” means the Company’s payment of dividends and purchase of its own shares in the financial years ended 3 February 2013 and 2 February 2014;

“**Resolution**” means the resolution to be proposed at the General Meeting, the full text of which is set out in the notice of General Meeting set out in Part V of this document;

“**Rothschild**” means N M Rothschild & Sons Limited;

“**Share Buy-backs**” has the meaning given in paragraph 1 of Part II of this document;

“**Shareholders’ Deed of Release**” means a deed of release in favour of all shareholders who appeared on the register of members on the record date for each of the Dividends from any and all claims which the Company has or may have in respect of the payment of those Dividends; and

“**UK GAAP**” means generally accepted accounting principles in the United Kingdom.

PART V—NOTICE OF GENERAL MEETING

WM MORRISON SUPERMARKETS PLC

Notice is hereby given that a General Meeting of Wm Morrison Supermarkets PLC will be held at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA on 6 March 2015 at 2 p.m. to consider and, if thought fit, pass the following resolution as a special resolution (requiring a 75 per cent majority). Voting on this resolution will be by way of poll.

SPECIAL BUSINESS

1. THAT:

1.1 in relation to certain dividends paid by the Company in the financial years ended 3 February 2013 and 2 February 2014:

- (a) the Company hereby ratifies and confirms:
- (i) the payment of 3.49 pence per ordinary share of 10 pence each in the capital of the Company (an “**ordinary share**”) by way of the interim dividend paid on 5 November 2012 and the appropriation, for the purposes of the preparation of the Company’s audited financial statements for the financial year ended 3 February 2013, of the distributable profits of the Company to the payment of such interim dividend and the resulting entry for the distributable profits of the Company in such financial statements;
 - (ii) the payment of 8.31 pence per ordinary share by way of the final dividend paid on 19 June 2013 and the appropriation, for the purposes of the preparation of the Company’s audited financial statements for the financial year ended 2 February 2014, of the distributable profits of the Company to the payment of such final dividend and the resulting entry for the distributable profits of the Company in such financial statements; and
 - (iii) the payment of 3.84 pence per ordinary share by way of the interim dividend paid on 11 November 2013 and the appropriation, for the purposes of the preparation of the Company’s audited financial statements for the financial year ended 2 February 2014, of the distributable profits of the Company to the payment of such interim dividend and the resulting entry for the distributable profits of the Company in such financial statements,
- (the dividends referred to in sub-paragraphs (a)(i) to (iii) (inclusive) above being the “**Dividends**” and each being a “**Dividend**”);
- (b) any and all claims which the Company has or may have in respect of the payment of the Dividends against its shareholders who appeared on the register of shareholders on the relevant record date for each Dividend be waived, and that a deed of release in favour of such shareholders be entered into by the Company in the form produced to the General Meeting and initialled by the Chairman for the purposes of identification; and
- (c) any distribution involved in the giving of any such release in relation to the Dividends be made out of the distributable profits of the Company appropriated to each Dividend by reference to a record date identical to the record date for such Dividend;

1.2 in relation to the Company’s purchases of its ordinary shares during the period 3 July 2012 to 8 March 2013 (the “**Share Buy-backs**”):

- (a) the Company hereby ratifies and confirms the making of payments in relation to such purchases and the entry in the audited accounts of the Company for the relevant financial year in which such purchases were made whereby distributable profits of the Company were appropriated to such payments;
- (b) the Company hereby ratifies and confirms the transfer of the amount equivalent to the nominal value of the ordinary shares purportedly purchased pursuant to the Share Buy-backs from the Company’s share capital to the capital redemption reserve;
- (c) the Company be and is hereby authorised for the purposes of section 694 of the Companies Act 2006 (the “**Act**”) to make off-market purchases (within the meaning of section 693(2) of the Act) of, in aggregate, 134,843,448 ordinary shares in accordance with the terms of the proposed buy-back deeds to be entered into between the Company and each of Jefferies International

Limited (“**Jefferies**”) and Merrill Lynch International (“**Merrill Lynch**” and together with Jefferies, the “**Brokers**”), in such form as produced to the General Meeting and initialled by the Chairman for the purposes of identification, for the consideration of £1 payable by the Company to each of the Brokers (the “**Buy-back Deeds**”), such authority to expire at the conclusion of the next annual general meeting of the Company or, if earlier, on 30 June 2015 (unless renewed, varied or revoked by the Company prior to or on that date);

- (d) any and all claims which the Company has or may have in respect of payments made for the Share Buy-backs (including any related applicable interest) against each of the Brokers be waived in accordance with the Buy-back Deeds; and
- (e) any distribution involved in the giving of any such release to the Brokers pursuant to the terms of the Buy-back Deeds in relation to the Share Buy-backs be made out of the distributable profits of the Company appropriated to each Share Buy-back by reference to a payment date identical to the payment date for such Share Buy-back; and

1.3 any and all claims which the Company has or may have against its directors (whether past or present) arising out of or in connection with:

- (a) the payment of the Dividends; and
- (b) the Share Buy-backs,

be waived and that a deed of release in favour of such persons be entered into by the Company in the form produced to the General Meeting and initialled by the Chairman for the purposes of identification.

BY ORDER OF THE BOARD

Mark Amsden

COMPANY SECRETARY

10 February 2015

Registered Office: Hilmore House, Gain Lane, Bradford, West Yorkshire BD3 7DL

Registered in England and Wales No. 358949

NOTES:

1. Members are entitled to appoint a proxy/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, please contact Capita Asset Services for (an) additional proxy form(s) or you may photocopy the form enclosed with this document. 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.
2. To be valid, the form of proxy must be completed and lodged with Capita Asset Services not later than 2 p.m. on 4 March 2015. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies, will take precedence. 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.capitashareportal.com where full instructions are given. This address is given only for the filing of proxies for the 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.
3. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic appointment service may do so for the General Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual (available via www.euroclear.com/CREST). CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (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 Asset Services, (ID RA10) by the latest time for receipt of proxy appointments specified in the notice of General Meeting (note 1 above). 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 Asset Services) 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.

4. The Company specifies that in order to have the right to attend and vote at the General Meeting (and also for the purpose of determining how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the Company at 6.00 p.m. on 4 March 2015 or, in the event of any adjournment, at 6.00 p.m. on the date which is two days before the day of the

adjourned meeting. Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

5. Members wishing to attend the General Meeting in person should sign their attendance card and hand it in on arrival. The registration desk will open at 1 p.m.
6. Any member attending the General 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 for 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 good order of the meeting that the question be answered.
7. 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.
8. 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.
9. The total issued share capital of the Company as at 9 February 2015 (being the last practicable day prior to the publication of this Notice) was 2,335,084,014 ordinary shares of 10 pence each carrying one vote each. On 9 February 2015 the Company held no shares in treasury.

Copies of the final forms of the Shareholders' Deed of Release, the Directors' Deed of Release and the Buy-back Deeds are available on the Company's website www.morrison.co.uk/corporate/investors/generalmeetings or in hard copy during normal business hours on any weekday (except for Saturdays, Sundays and public holidays) at the registered office of the Company and at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA up to the time of the General Meeting. Copies will also be available at the place of the General Meeting until the conclusion of the General Meeting.

10. The Chairman will propose that voting on the resolution at the General Meeting will be conducted by poll vote rather than by a show of hands, ensuring that every vote is recognised and giving a more accurate reflection of the views of members. The relevant procedures will be explained at the meeting.
11. The contents of this Notice, 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.morrison.co.uk/corporate/investors/generalmeetings.
12. Shareholders are advised that unless otherwise specified, the telephone numbers, website and email addresses set out in this Notice or proxy forms are not to be used for the purpose of serving information or documents on the Company, including the service of documents or information relating to proceedings at the Company's General Meeting.



Agreed Form

Deed Poll (Shareholders)

2015

THIS DEED POLL is entered into on

2015

BY WM MORRISON SUPERMARKETS PLC whose registered office is at Hilmore House, Gain Lane, Bradford, West Yorkshire BD3 7DL (company number 00358949) (the "**Company**") in favour of **THE RECIPIENT SHAREHOLDERS**

NOW THIS DEED WITNESSES AS FOLLOWS:

RELEASE OF RECIPIENT SHAREHOLDERS

The Company hereby unconditionally and irrevocably releases each of the Recipient Shareholders from any and all liability they may have to the Company and all claims and demands the Company may have against each of them in connection with receipt by them of all or part of the Dividends, in each case arising pursuant to section 847 of the Companies Act 2006.

IN THIS DEED:

"**Dividends**" means the final dividends and interim dividends paid to the Recipient Shareholders by the Company on the relevant payment date as follows:

- (a) an interim dividend of 3.49 pence per ordinary share paid on 5 November 2012;
 - (b) a final dividend of 8.31 pence per ordinary share declared on 13 June 2013 and paid on 19 June 2013; and
 - (c) an interim dividend of 3.84 pence per ordinary share paid on 11 November 2013,
- and each a "**Dividend**".

"**Recipient Shareholders**" means the ordinary shareholders of the Company on the register of members on the relevant record date for each Dividend.

IN WITNESS whereof this deed has been duly executed on the date first above written.

Executed and delivered by the Company as a deed poll on the date stated at the beginning of this deed.

Executed as a deed by)
WM MORRISON SUPERMARKETS PLC)
acting by :)
)

Signature of director

Signature of witness

Name of witness

Address of witness

.....

.....

Occupation of witness



Agreed Form

Deed Poll (Directors)

2015

THIS DEED POLL is entered into on

2015

BY WM MORRISON SUPERMARKETS PLC whose registered office is at Hilmore House, Gain Lane, Bradford, West Yorkshire BD3 7DL (company number 00358949) (the "**Company**") in favour of the current and certain former directors of the Company, whose names are set out in the schedule hereto (the "**Directors**").

NOW THIS DEED WITNESSES AS FOLLOWS:

RELEASE OF DIRECTORS

The Company hereby unconditionally and irrevocably releases each of the Directors from any and all liability they may have to the Company and all claims and demands the Company may have against each of them in connection with the making of all or part of:

- 1.1 the Dividends or, where relevant, their receipt thereof as shareholders of the Company arising pursuant to section 847 of the Companies Act 2006; and
- 1.2 the Share Purchases.

IN THIS DEED:

"**Dividends**" means the final dividends and interim dividends paid by the Company to its shareholders on the relevant payment date as follows:

- (a) an interim dividend of 3.49 pence per ordinary share paid on 5 November 2012;
- (b) a final dividend of 8.31 pence per ordinary share declared on 13 June 2013 and paid on 19 June 2013; and
- (c) an interim dividend of 3.84 pence per ordinary share paid on 11 November 2013.

"**Share Purchases**" means the purchase by the Company of:

- (a) 88,358,000 ordinary shares of 10 pence from Jefferies International Limited in the financial years commencing 30 January 2012 and 4 February 2013; and
- (b) 46,485,448 ordinary shares of 10 pence each from Merrill Lynch International in the financial year commencing 4 February 2013.

IN WITNESS whereof this deed has been duly executed on the date first above written.

SCHEDULE 1

Directors

Current Directors

Andrew Higginson
Dalton Philips
Philip Cox
Penny Hughes
Johanna Waterous
Trevor Strain
Richard Gillingwater

Former Directors

Sir Ian Gibson
Richard Pennycook
Nigel Robertson

Executed and delivered by the Company as a deed poll on the date stated at the beginning of this deed.

Executed as a deed by)
WM MORRISON SUPERMARKETS PLC)
acting by :)
)

Signature of director

Signature of witness

Name of witness

Address of witness

.....

.....

Occupation of witness



Agreed Form

Off-market buyback deed

Wm Morrison Supermarkets PLC

and

Merrill Lynch International

for the purchase by Wm Morrison Supermarkets
PLC of its own shares

2015

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THIS DEED is made on

2015

BETWEEN:

- (1) **WM MORRISON SUPERMARKETS PLC**, a company incorporated in England and Wales (No. 00358949) whose registered office is at Hilmore House, Gain Lane, Bradford, West Yorkshire BD3 7DL (the "**Company**"); and
- (2) **MERRILL LYNCH INTERNATIONAL**, a company incorporated in England and Wales (No. 02312079) whose registered office is at 2 King Edward Street, London EC1A 1HQ (the "**Seller**").

RECITALS

- (A) The Company entered into a share buy-back agreement with the Seller dated 1 April 2011, pursuant to which (i) the Seller agreed to purchase a number of ordinary shares of £0.10 each of the Company (the "**Shares**") and (ii) the Company agreed to subsequently purchase those Shares from the Seller (the "**Share Buy-back Agreement**").
- (B) In the financial years commencing 30 January 2012 and 4 February 2013, a total of 46,485,448 Shares were purchased pursuant to the Share Buy-back Agreement by the Seller and then subsequently sold to the Company for consideration.
- (C) All of the Shares were then purportedly cancelled by the Company and, for accounting purposes, an amount equal to the nominal value of the Shares was transferred from the share capital to the capital redemption reserve in the accounts for the relevant financial year.
- (D) However, the relevant provisions of the Companies Act 2006 (the "**Act**") were not followed when the Company sought to acquire Shares from the Seller at the relevant times in the financial years commencing 30 January 2012 and 4 February 2013, and, having acted in contravention of the Act:
 - (a) legal and equitable title in the Shares has not passed to the Company;
 - (b) the Company's register of members was incorrectly updated at the time of the purported share purchases to remove the Seller as registered holder of the Shares; and
 - (c) the appropriate reduction of share capital of the Company, which would otherwise follow from a lawful cancellation of the Shares, has not occurred.
- (E) As a result, the Seller has an equitable right to have its name reinstated in the Company's register of members, thereby evidencing its legal title over the Shares. Meanwhile, the Seller is holding on trust for the Company the consideration paid by the Company to the Seller in respect of the Shares (the "**Original Purchase Price**").
- (F) The purpose of entry into this Deed is to effect the lawful transfer of the Shares to the Company, in accordance with the Act, thereby transferring legal and equitable title in the Shares from the Seller to the Company and waiving any claims which the Seller and the Company may have against the other in respect of the Shares.
- (G) Pursuant to the terms and conditions of this Deed, it is proposed that:
 - (a) the Seller shall be reinstated onto the Company's register of members;
 - (b) immediately following this reinstatement, the Company will purchase the Shares, which the Seller has agreed to sell to the Company, for the consideration of £1; and

- (c) both the Seller and the Company shall agree a mutual waiver of rights, whereby the Seller agrees to waive any claim it may have against the Company in respect of the Shares and the Company agrees to waive any right to repayment of the Original Purchase Price (and any related applicable interest) by the Seller to the Company.

THE PARTIES AGREE AS FOLLOWS:

1. SALE AND PURCHASE OF THE SHARES

- 1.1 On execution of this Deed, the Company shall reinstate the Seller on the Company's register of members as legal owner of the Shares.
- 1.2 Immediately following the reinstatement of the Seller on the Company's register of members pursuant to clause 1.1, the Seller shall immediately sell and the Company shall immediately purchase the Shares.
- 1.3 The consideration for the purchase of the Shares shall be the sum of £1 in cash, to be paid by the Company to the Seller on completion of the sale and purchase of the Shares.

2. WAIVER OF RIGHTS

- 2.1 In consideration of the Seller's entry into this Deed, the Company hereby unconditionally and irrevocably waives any rights or claims it may have against the Seller in respect of the repayment of the Original Purchase Price (and any related applicable interest) by the Seller to the Company.
- 2.2 The Seller acknowledges that the reinstatement of the Seller onto the Company's register of members will satisfy the Company's obligation to restore legal title in the Shares to the Seller and the Seller hereby unconditionally and irrevocably waives any rights or claims it may have to dividends due in respect of the Shares, any rights or claims it may have to the current value of the Shares and/or any other rights, claims, interests, benefits or otherwise which may have accrued solely in respect of the Shares prior to the date of this Deed.
- 2.3 Save as specifically waived by the Seller herein, nothing in this Deed shall constitute a waiver of any right or claim that the Seller may have against the Company under the Share Buy-back Agreement or the indemnity in its favour contained within the Seller's Standard Terms and Conditions of Business as agreed to by the Company under the Share Buy-back Agreement (the "**Seller's Standard T&Cs**"). For the avoidance of doubt, it is acknowledged by the Company that the indemnity contained within the Seller's Standard T&Cs shall apply to any losses suffered by the Seller arising out of the matters contemplated by this Deed.

3. COMPANY'S WARRANTIES

The Company warrants and represents to the Seller that as at the date of this Deed:

- (a) it has full power to enter into and perform and has obtained all corporate authorisations and all other applicable governmental, statutory, regulatory or other consents, approvals, licences, waivers or exemptions required to empower it to enter into and to perform its obligations under this Deed;
- (b) it has sufficient distributable reserves to lawfully fulfil its obligations under this Deed, including to purchase the Shares;
- (c) the purchase of the Shares is justified by reference to relevant accounts within the meaning of section 836 of the Act; and

(d) the terms of this Deed have been authorised by a special resolution of the shareholders of the Company in accordance with section 694 of the Act on or about the date hereof and prior to entry into this Deed.

4. **TIME OF ESSENCE**

Save as otherwise expressly provided, time is of the essence to every obligation of this Deed and any Deed amending or substituting its terms.

5. **FURTHER ASSURANCE**

Following the date of this Deed, the Seller and the Company shall, from time to time forthwith upon the reasonable request of the other party (and, at all times, at the Company's expense), do or procure the doing of all such reasonable acts or execute or procure the execution of all such documents as may be reasonably necessary in order to give effect to the terms of this Deed.

6. **COSTS**

The parties agree that the Company will be responsible for, and will promptly pay upon request of the Seller, all reasonable costs and expenses incurred (including legal expenses) by the Seller in connection with matters that are the subject of this Deed.

7. **ENTIRE AGREEMENT**

Without prejudice to clause 2.3, the parties agree that this Deed constitutes the entire agreement between them and supercedes all previous agreements, understandings and arrangements between them, whether in writing or oral, in respect of its subject matter.

8. **COUNTERPARTS**

This Deed may be executed in any number of counterparts which together shall constitute one agreement. Any party may enter into this Deed by executing a counterpart and this Deed shall not take effect until it has been executed by all parties.

9. **GOVERNING LAW AND JURISDICTION**

This Deed, and any dispute, controversy, proceedings or claim of whatever nature arising out of or in any way relating to this Deed or its formation (including any non-contractual disputes or claims) shall be governed by and construed in accordance with English law and the parties irrevocably agree that the courts of England shall have exclusive jurisdiction to hear and decide any suit, action or proceedings and settle any disputes that arise out of or in any way related to this Deed and for these purposes, the parties hereby submit to the exclusive jurisdiction of the English courts.

10. **EXCLUSION OF THIRD PARTY RIGHTS**

No term in this Deed shall be enforceable by any person other than the parties to this Deed and the operation of the Contracts (Rights of Third Parties) Act 1999 is hereby excluded.

IN WITNESS whereof this Deed has been executed the date first above written.

Executed and delivered as a deed by)
WM MORRISON SUPERMARKETS PLC)
acting by :)
)

Signature of director

Signature of witness

Name of witness

Address of witness

.....

.....

Occupation of witness

Executed and delivered as a deed by)
an authorised representative of **MERRILL**)
LYNCH INTERNATIONAL:)
)

Signature of the authorised representative

Signature of witness

Name of witness

Address of witness

.....

.....

Occupation of witness



Agreed Form

Off-market buyback deed

Wm Morrison Supermarkets PLC

and

Jefferies International Limited

for the purchase by Wm Morrison Supermarkets
PLC of its own shares

2015

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THIS DEED is made on

2015

BETWEEN:

- (1) **WM MORRISON SUPERMARKETS PLC**, a company incorporated in England and Wales (No. 00358949) whose registered office is at Hilmore House, Gain Lane, Bradford, West Yorkshire BD3 7DL (the "**Company**"); and
- (2) **JEFFERIES INTERNATIONAL LIMITED**, a company incorporated in England and Wales (No. 01978621) whose registered office is at Vintners Place, 68 Upper Thames Street, London EC4V 3BJ (the "**Seller**").

RECITALS

- (A) The Company entered into a share buy-back agreement with the Seller dated 7 September 2011 (originally between the Company and the Royal Bank of Scotland N.V. (London Branch) and novated to the Seller), pursuant to which (i) the Seller agreed to purchase a number of ordinary shares of £0.10 each of the Company (the "**Shares**") and (ii) the Company agreed to subsequently purchase those Shares from the Seller (the "**Share Buy-back Agreement**").
- (B) In the financial years commencing 30 January 2012 and 4 February 2013, a total of 88,358,000 Shares were purchased pursuant to the Share Buy-back Agreement by the Seller and then subsequently sold to the Company for consideration.
- (C) All of the Shares were then purportedly cancelled by the Company and, for accounting purposes, an amount equal to the nominal value of the Shares was transferred from the share capital to the capital redemption reserve in the accounts for the relevant financial year.
- (D) However, the relevant provisions of the Companies Act 2006 (the "**Act**") were not followed when the Company sought to acquire Shares from the Seller at the relevant times in the financial years commencing 30 January 2012 and 4 February 2013, and, having acted in contravention of the Act:
 - (a) legal and equitable title in the Shares has not passed to the Company;
 - (b) the Company's register of members was incorrectly updated at the time of the purported share purchases to remove the Seller as registered holder of the Shares; and
 - (c) the appropriate reduction of share capital of the Company, which would otherwise follow from a lawful cancellation of the Shares, has not occurred.
- (E) As a result, the Seller has an equitable right to have its name reinstated in the Company's register of members, thereby evidencing its legal title over the Shares. Meanwhile, the Seller is holding on trust for the Company the consideration paid by the Company to the Seller in respect of the Shares (the "**Original Purchase Price**").
- (F) The purpose of entry into this Deed is to effect the lawful transfer of the Shares to the Company, in accordance with the Act, thereby transferring legal and equitable title in the Shares from the Seller to the Company and waiving any claims which the Seller and the Company may have against the other in respect of the Shares.
- (G) Pursuant to the terms and conditions of this Deed, it is proposed that:
 - (a) the Seller shall be reinstated onto the Company's register of members;

- (b) immediately following this reinstatement, the Company will purchase the Shares, which the Seller has agreed to sell to the Company, for the consideration of £1; and
- (c) both the Seller and the Company shall agree a mutual waiver of rights, whereby the Seller agrees to waive any claim it may have against the Company in respect of the Shares and the Company agrees to waive any right to repayment of the Original Purchase Price (and any related applicable interest) by the Seller to the Company.

THE PARTIES AGREE AS FOLLOWS:

1. SALE AND PURCHASE OF THE SHARES

- 1.1 On execution of this Deed, the Company shall reinstate the Seller on the Company's register of members as legal owner of the Shares.
- 1.2 Immediately following the reinstatement of the Seller on the Company's register of members pursuant to clause 1.1, the Seller shall immediately sell and the Company shall immediately purchase the Shares.
- 1.3 The consideration for the purchase of the Shares shall be the sum of £1 in cash, to be paid by the Company to the Seller on completion of the sale and purchase of the Shares.

2. WAIVER OF RIGHTS

- 2.1 In consideration of the Seller's entry into this Deed, the Company hereby unconditionally and irrevocably waives any rights or claims it may have against the Seller in respect of the repayment of the Original Purchase Price (and any related applicable interest) by the Seller to the Company.
- 2.2 The Seller acknowledges that the reinstatement of the Seller onto the Company's register of members will satisfy the Company's obligation to restore legal title in the Shares to the Seller and the Seller hereby unconditionally and irrevocably waives any rights or claims it may have to dividends due in respect of the Shares, any rights or claims it may have to the current value of the Shares and/or any other rights, claims, interests, benefits or otherwise which may have accrued solely in respect of the Shares prior to the date of this Deed.
- 2.3 Save as specifically waived by the Seller herein, nothing in this Deed shall constitute a waiver of any right or claim that the Seller may have against the Company under the Share Buy-back Agreement or the indemnity in its favour contained within the Share Buy-back Agreement. For the avoidance of doubt, it is acknowledged by the Company that the indemnity contained within the Share Buy-back Agreement shall apply to any losses suffered by the Seller arising out of the matters contemplated by this Deed.

3. COMPANY'S WARRANTIES

The Company warrants and represents to the Seller that as at the date of this Deed:

- (a) it has full power to enter into and perform and has obtained all corporate authorisations and all other applicable governmental, statutory, regulatory or other consents, approvals, licences, waivers or exemptions required to empower it to enter into and to perform its obligations under this Deed;
- (b) it has sufficient distributable reserves to lawfully fulfil its obligations under this Deed, including to purchase the Shares;

(c) the purchase of the Shares is justified by reference to relevant accounts within the meaning of section 836 of the Act; and

(d) the terms of this Deed have been authorised by a special resolution of the shareholders of the Company in accordance with section 694 of the Act on or about the date hereof and prior to entry into this Deed.

4. **TIME OF ESSENCE**

Save as otherwise expressly provided, time is of the essence to every obligation of this Deed and any Deed amending or substituting its terms.

5. **FURTHER ASSURANCE**

Following the date of this Deed, the Seller and the Company shall, from time to time forthwith upon the reasonable request of the other party (and, at all times, at the Company's expense), do or procure the doing of all such reasonable acts or execute or procure the execution of all such documents as may be reasonably necessary in order to give effect to the terms of this Deed.

6. **COSTS**

The parties agree that the Company will be responsible for, and will promptly pay upon request of the Seller, all reasonable costs and expenses incurred (including legal expenses) by the Seller in connection with matters that are the subject of this Deed.

7. **ENTIRE AGREEMENT**

Without prejudice to clause 2.3, the parties agree that this Deed constitutes the entire agreement between them and supercedes all previous agreements, understandings and arrangements between them, whether in writing or oral, in respect of its subject matter.

8. **COUNTERPARTS**

This Deed may be executed in any number of counterparts which together shall constitute one agreement. Any party may enter into this Deed by executing a counterpart and this Deed shall not take effect until it has been executed by all parties.

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This Deed, and any dispute, controversy, proceedings or claim of whatever nature arising out of or in any way relating to this Deed or its formation (including any non-contractual disputes or claims) shall be governed by and construed in accordance with English law and the parties irrevocably agree that the courts of England shall have exclusive jurisdiction to hear and decide any suit, action or proceedings and settle any disputes that arise out of or in any way related to this Deed and for these purposes, the parties hereby submit to the exclusive jurisdiction of the English courts.

10. **EXCLUSION OF THIRD PARTY RIGHTS**

No term in this Deed shall be enforceable by any person other than the parties to this Deed and the operation of the Contracts (Rights of Third Parties) Act 1999 is hereby excluded.

IN WITNESS whereof this Deed has been executed the date first above written.

Executed and delivered as a deed by)
WM MORRISON SUPERMARKETS PLC)
acting by :)
)

Signature of director

Signature of witness

Name of witness

Address of witness

.....

.....

Occupation of witness

Executed and delivered as a deed by)
an authorised representative of)
JEFFERIES INTERNATIONAL)
LIMITED:)

Signature of the authorised representative

Signature of witness

Name of witness

Address of witness

.....

.....

Occupation of witness