

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt about the contents of this document or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 immediately.

If you sell or otherwise transfer or have sold or otherwise transferred all of your Ordinary Shares you should send this document and 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 transmission to the purchaser or transferee. However such documents should not be distributed, forwarded or transmitted into any jurisdiction in which to do so would constitute a breach of the relevant laws of such jurisdiction. If you sell or have sold or otherwise transferred only part of your holding, you should retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

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# DUNELM GROUP PLC

(Incorporated and registered in England and Wales with No. 4708277)

**Notice of 2019 Annual General Meeting including Authority to Make Market Purchases of its Ordinary Shares**

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# PART 1

## LETTER FROM THE CHAIRMAN

### DUNELM GROUP PLC (the “Company”)

(Incorporated and registered in England and Wales with No. 4708277)

#### Directors:

W L Adderley (Deputy Chairman)  
I Bull (Independent Non-Executive Director)  
L E Carr (Chief Financial Officer)  
M E Doherty (Independent Non-Executive Director)  
A Harrison (Chairman)  
W Reeve (Independent Non-Executive Director)  
P Ruis (Independent Non-Executive Director)  
M J Sears (Non-Executive Director)  
P A Vennells (Independent Non-Executive Director)  
N G Wilkinson (Chief Executive Officer)

Registered office:  
Watermead Business Park  
Syston  
Leicester  
Leicestershire  
LE7 1AD

9 October 2019

#### To Shareholders of the Company

#### Dear Shareholder

#### 1. Introduction

The purpose of this letter is to provide you with an explanation of the Resolutions to be proposed at the Annual General Meeting of the Company which will be held at Dunelm's Store Support Centre, Pontylue Way, Watermead Business Park, Syston, Leicestershire, LE7 1AD at 11.30am on 19 November 2019, and to recommend that you vote in favour of them. The Notice of Annual General Meeting is set out at Part 3 of this document, and definitions which apply throughout this document are set out in Part 2.

#### 2. Ordinary business

The ordinary business of the Annual General Meeting comprises Resolutions 1 to 20 inclusive.

##### ***Resolution 1: Report and accounts***

The Directors are required to lay the Directors' Report, the audited annual accounts of the Company and the independent Auditor's Report before Shareholders at the Annual General Meeting. Accordingly, Resolution 1 presents the accounts for the year ended 29 June 2019 and, although not a statutory requirement, proposes the accounts for adoption. A copy of the Annual Report accompanies this document.

##### ***Resolution 2: Final dividend***

Shareholder approval is required for the payment of a final dividend as recommended by the Board. Subject to Shareholder approval this dividend will be paid on 22 November 2019 to Shareholders on the register of members of the Company at the close of business on 1 November 2019.

##### ***Resolutions 3 to 16: Election and Re-election of Directors***

In accordance with the provisions of the UK Corporate Governance Code, all Directors will be retiring and, with the exception of Liz Doherty, will offer themselves for election or re-election at the Annual General Meeting.

In accordance with Listing Rule 9.2.2E R (2), there will be an ordinary resolution and a separate resolution of the Independent Shareholders in respect of the appointment or reappointment of each of the independent Directors of the Company. The Board considers that the following Directors are independent for these purposes: Ian Bull, Andy Harrison, William Reeve, Peter Ruis and Paula Vennells. Although no longer considered by the Board to be an independent Director due to her tenure of over nine years, Marion Sears will also put herself forward for reappointment by Independent Shareholders. No Controlling Shareholder or Associate of a Controlling Shareholder will be eligible to vote in respect of these additional resolutions.

At the date of this document Will Adderley and the other members of the Concert Party are the only Controlling Shareholders, and are precluded from voting on Resolutions 7, 9, 11, 13, 15 and 17.

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Biographies of each of the Directors are contained on pages 48-51 of the Annual Report, which can be found at <https://corporate.dunelm.com>, and a hard copy is available on request from Dawn Durrant at [investorrelations@dunelm.com](mailto:investorrelations@dunelm.com).

The Board believes, following the completion of the annual performance evaluation and appraisal exercise, that the performance of the Directors seeking election or re-election continues to be effective and that these Directors demonstrate commitment to their roles.

Further information is given below in relation to the independence of the independent Directors named above:

(a) confirmation is given that none of the independent Directors named above has or had any existing or previous relationship, transaction or arrangement with the Company, any of its Directors, any Controlling Shareholder or any other Associate of a Controlling Shareholder;

(b) the independence of Non-Executive Directors is considered on appointment and then reviewed annually by the Chairman as part of the evaluation process. There is also an annual Board review. The Board takes into account the provisions of the UK Corporate Governance Code, as well as policies and guidelines issued by investor representatives such as the Investment Association and the Pensions and Lifetime Savings Association; and

(c) the process for the selection of new Directors is described in the report of the Nominations Committee in the Annual Report. Thereafter the Nominations Committee formally puts forward the names of Directors to be proposed for reappointment at the Annual General Meeting.

***Resolution 18: Directors' Annual Report on Implementation***

Under Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (the "Regulations"), the Directors must prepare an annual report which sets out how the directors' remuneration policy that has been in force during the financial year has been applied during the year, and how the policy will be applied in the coming year. The Directors' Annual Report on Implementation must also be put to Shareholders for approval at the Annual General Meeting, although this vote is advisory. If this vote was not passed, the Company would consult with Shareholders and would be obliged to put the directors' remuneration policy back to Shareholders for approval at the Annual General Meeting of the Company in 2020.

This is the resolution to approve the Directors' Annual Report on Implementation, which is set out on pages 80 to 92 of the Annual Report.

***Resolution 19: Appointment of the auditors***

The Company's auditors must offer themselves for reappointment at each general meeting at which accounts are presented. The Company proposes that PricewaterhouseCoopers LLP, who have been the Company's auditors since January 2014, be appointed by Shareholders as auditors of the Company.

***Resolution 20: Remuneration of the auditors***

This Resolution, which is conditional on the passing of Resolution 19, gives authority to the Directors to agree the auditors' remuneration. In accordance with the UK Corporate Governance Code and the Competition and Markets Authority Order on statutory audit services, the Audit and Risk Committee will agree this on behalf of the Board.

### 3 Special business

The special business to be considered at the Annual General Meeting comprises Resolutions 21 to 25 inclusive.

#### **Resolution 21: Authority to allot Ordinary Shares**

This Resolution gives the Directors authority to allot share capital with a nominal value of up to £673,264 which, as at the Latest Practicable Date, represented approximately one third of the Company's issued Ordinary Share capital of £2,019,792.

This authority will expire at the conclusion of the next annual general meeting of the Company after the passing of this Resolution or, if earlier, on 31 December 2020 unless it is previously renewed, varied or revoked.

The Company held 854,699 Ordinary Shares in treasury as at the Latest Practicable Date.

#### **Resolutions 22 and 23: Authority to issue shares on a non pre-emptive basis**

These Resolutions (which are Special Resolutions) give the Directors authority to allot equity securities of the Company (including any Ordinary Shares held which the Company has purchased and elected to hold as treasury shares) for cash other than on a pre-emptive basis as provided by the CA 2006. Other than in connection with a rights or other pre-emptive issue, the authority contained in these two Resolutions will be limited to issues of Ordinary Shares representing an aggregate nominal value of £201,979, which in turn represents approximately 10 per cent. of the issued Ordinary Shares of the Company as at the Latest Practicable Date.

The Directors intend to adhere to the provisions in the Pre-Emption Group's Statement of Principles, as updated in March 2015, not to allot shares for cash on a non-pre-emptive basis pursuant to the authority in Resolution 22:

(i) in excess of an amount equivalent to 5 per cent. of the total issued Ordinary Share capital of the Company excluding treasury shares; or

(ii) in excess of an amount equal to 7.5 per cent. of the total issued Ordinary Share capital of the Company excluding treasury shares in a rolling three year period without prior consultation with Shareholders; in each case other than in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment.

In accordance with the Pre-Emption Group's 2016 statement, separate Resolutions are being proposed to (a) disapply pre-emption rights on up to five per cent of the issued share capital (Resolution 22); and (b) disapply pre-emption rights for an additional five per cent for transactions which the Board determines to be an acquisition or other capital investment as defined by the Statement of Principles (Resolution 23).

The Directors consider that it is in the best interests of the Company and its shareholders generally that the Company should have the flexibility conferred by the authorities set out in Resolutions 22 and 23, which comply with corporate governance guidelines. However, the Directors have no present intention of exercising either of these authorities or to issue any unissued Ordinary Shares in the Company, other than in respect of the exercise of Share Options by employees under the Employee Share Schemes. If Resolutions 22 and 23 are passed, both authorities will expire on the earlier of either the conclusion of the Annual General Meeting to be held in 2020 or on 31 December 2020.

#### **Resolution 24: Authority to Make Market Purchases of Ordinary Shares**

This Resolution (which is a Special Resolution) seeks authority for the Company to buy back its own Ordinary Shares in the market as permitted by the CA 2006. The authority, if granted, limits the number of Ordinary Shares that could be purchased to a maximum of 5,000,000 Ordinary Shares, representing approximately 2.5 per cent. of the Company's issued Ordinary Share capital as at the Latest Practicable Date. The Company may either retain any of its own Ordinary Shares which it has purchased as treasury shares with a possible re-issue at a future date, or cancel them. Since the Company started a buyback programme of its Ordinary Shares in 2007, it has not cancelled any of the Ordinary Shares that it has bought. The Company intends to hold any Ordinary Shares that it purchases pursuant to the authority conferred by this Resolution as treasury shares for re-issue to employees exercising Share Options under the Employee Share Schemes, because the Board believes that this gives the Company the ability to cost-effectively fulfill Share Option entitlements, and provides the Company with additional flexibility in the management of its capital base. The Company does not currently intend to re-issue for sale or cancel any Ordinary Shares that it purchases pursuant to the Authority to Make Market Purchases.

The Company's treasury share purchases and transfers out to employees exercising Share Options in past years is set out below:

Financial year	Purchases of Ordinary Shares into treasury	Transfers of Ordinary Shares out to employees
2007-8	1,195,000	243,500
2008-9	127,000	241,365
2009-10	0	737,507
2011-12	0	99,628
2012-13	0	0
2013-14	1,706,154	769,656
2014-15	0	579,340
2015-16	841,359	352,062
2016-17	500,000	195,813
2017-18	0	236,007
2018-19	0	46,993

At the Latest Practicable Date prior to the publication of this document, the Company held 854,699 Ordinary Shares in treasury.

The Company intends on an annual basis to grant Share Options to executive Directors and senior employees pursuant to the LTIP and to employees pursuant to the Dunelm Sharesave Scheme.

The total number of options over Ordinary Shares outstanding as at the Latest Practicable Date was 2,921,389, representing approximately 1.45 per cent. of the issued Ordinary Share capital of the Company at that date (excluding treasury shares). If the authority to buy back shares was utilised in full, the total number of options to subscribe for Ordinary Shares outstanding as at the Latest Practicable Date would, assuming no further Ordinary Shares are issued and no further options granted, represent approximately 1.48 per cent. of the issued share capital of the Company.

**Resolution 25: Notice period for general meetings**

This Resolution relates to the Shareholders' Rights Regulations which increase the notice period for general meetings of traded companies such as Dunelm to 21 days unless certain conditions are met. One of the conditions is that a Shareholder resolution such as Resolution 25, reducing the notice period to 14 clear days, is passed on an annual basis. The shorter notice period would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be in the best interests of Shareholders as a whole.

**4 Action to be taken**

A Form of Proxy for use at the Annual General Meeting is enclosed. Whether or not you intend to be present at the meeting, you are requested to complete, sign and return the Form of Proxy to, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA as soon as possible and in any event so that it is received not later than 11.30 am on 15 November 2019.

Shareholders who hold their Ordinary Shares in CREST may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Equiniti so that it is received not later than 11.30 am on 15 November 2019.

Completion and return of the Form of Proxy or the transmission of a CREST Proxy Instruction will not preclude Shareholders from attending and voting in person at the Annual General Meeting, should they so wish.

**5 Recommendations**

**In the opinion of the Board, each of the Resolutions to be proposed at the Annual General Meeting is in the best interests of the Company and Shareholders as a whole.**

**Accordingly the Board recommends that Shareholders vote in favour of the Resolutions at the Annual General Meeting, as the Directors intend to do in respect of their own beneficial holdings of Ordinary Shares, which amount to 45.0 per cent. of the issued Ordinary Shares.**

Yours sincerely



**Andy Harrison**  
Chairman

## PART 2

### DEFINITIONS

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

<b>“2014 LTIP”</b>	The Dunelm Group 2014 Long Term Incentive Plan approved by shareholders at the Annual General Meeting on 11 November 2014, and then amended following shareholder approval at the Annual General Meetings on 24 November 2015 and 21 November 2017
<b>“Annual General Meeting” or “AGM”</b>	the annual general meeting of the Company to be held at Dunelm’s Store Support Centre, Pontylue Way, Watermead Business Park, Syston, Leicestershire, LE7 1AD at 11.30am on 19 November 2019, notice of which is set out at the end of this document
<b>“Annual Report”</b>	the annual report and accounts of the Company for the year ended 29 June 2019, a copy of which accompanies this document
<b>“Associate”</b>	in relation to a Controlling Shareholder has the meaning set out in the Listing Rules
<b>“Articles”</b>	the articles of association of the Company adopted on 24 November 2015 that are in force at the date of this document
<b>“Board” or “Directors”</b>	the board of directors of the Company
<b>“Business Day”</b>	any date on which banks are generally open in England and Wales for the transaction of normal banking business other than a Saturday, Sunday or public holiday
<b>“CA 2006”</b>	the Companies Act 2006, as amended
<b>“Company” or “Dunelm”</b>	Dunelm Group plc
<b>“Concert Party”</b>	W L Adderley, W Adderley, J Adderley, N Adderley, The Stoneygate Trust (formerly named the Leicester Foundation), the Paddocks Trust and WA Capital Limited
<b>“Controlling Shareholder”</b>	has the meaning set out in the Listing Rules
<b>“CREST”</b>	the system for the paperless settlement of trades in securities operated by Euroclear in accordance with the CREST Regulations
<b>“CREST Manual”</b>	the current version of the CREST Manual which at the date of this document is available on <a href="http://www.euroclear.co.uk/CREST">www.euroclear.co.uk/CREST</a>
<b>“Crest Proxy Instruction”</b>	has the meaning in the CREST Manual
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended)
<b>“Director”</b>	a director of the Company
<b>“Directors’ Annual Report on Implementation”</b>	the Directors’ Annual Report on Implementation set out on pages 80 to 92 of the Annual Report;
<b>“Disclosure and Transparency Rules”</b>	the disclosure rules and transparency rules made by the FCA in exercise of its functions as competent authority pursuant to Part VI of FSMA
<b>“Dunelm Group Company Share Option Scheme”</b>	the Dunelm Group Company Share Option Scheme, under the 2003 or 2013 rules as the case may be
<b>“Dunelm Group 2014 Sharesave Plan”</b>	the Dunelm Group 2014 Sharesave Plan
<b>“Dunelm Sharesave Scheme”</b>	the Dunelm Group Savings Related Share Option Plan 2005, and / or the Dunelm Group 2014 Sharesave Plan as the case may be
<b>“Employee Share Schemes”</b>	the LTIP, the Dunelm Sharesave Scheme, and the Dunelm Group Company Share Option Scheme
<b>“Equiniti”</b>	a trading name of Equiniti Limited
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited, the operator of CREST

<b>“Form of Proxy”</b>	the form enclosed with this document for use by Shareholders in connection with the Annual General Meeting
<b>“FCA”</b>	the Financial Conduct Authority
<b>“FSMA”</b>	the Financial Services and Markets Act 2000
<b>“Group”</b>	the Company and its subsidiary undertakings
<b>“Independent Shareholders”</b>	Shareholders other than a Controlling Shareholder and its or their Associates
<b>“Latest Practicable Date”</b>	7 October 2019, being the latest practicable date prior to publication of this document
<b>“Listing Rules”</b>	the listing rules made by the FCA in exercise of its functions as competent authority pursuant to Part VI of FSMA
<b>“London Stock Exchange”</b>	London Stock Exchange plc or its successor
<b>“LTIP”</b>	the 2014 LTIP or the Dunelm Group Long Term Incentive Plan 2006 as the case may be, as amended
<b>“Official List”</b>	the official list maintained by the UK Listing Authority for the purposes of Part VI of FSMA
<b>“Ordinary Shares”</b>	ordinary shares of 1 pence each in the capital of the Company
<b>“Registrars” or “Equiniti”</b>	the registrars of the Company
<b>“Resolution” or “Resolutions”</b>	the resolutions set out in the notice of Annual General Meeting at Part 3 of this document
<b>“Shareholder(s)” or “Ordinary Shareholder(s)”</b>	(a) holder(s) of Ordinary Shares
<b>“Shareholders’ Rights Regulations”</b>	the Companies (Shareholders’ Rights) Regulations 2009
<b>“Share Options”</b>	options to subscribe for Ordinary Shares pursuant to an award made under the Employee Share Schemes
<b>“subsidiary undertaking”</b>	shall, unless otherwise stated, be construed in accordance with the CA 2006 (but for these purposes ignoring paragraph 19(1)(b) of Part 1 of Schedule 6A to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008)
<b>“UK Corporate Governance Code”</b>	the 2016 version of the corporate governance code which sets out standards of good practice for UK listed companies published by the Financial Reporting Council
<b>“UK Listing Authority” or “UKLA”</b>	the FCA acting in its capacity as the competent authority for listing under Part VI of FSMA and in the exercise of its functions in respect of admission to the Official List
<b>“United Kingdom” or “UK”</b>	the United Kingdom of Great Britain and Northern Ireland

All times referred to are London times unless otherwise stated.

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# PART 3

## NOTICE OF ANNUAL GENERAL MEETING

### DUNELM GROUP PLC (the “Company”)

(Incorporated and registered in England and Wales with No. 4708277)

#### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 2019 Annual General Meeting of the Company will be held at Dunelm’s Store Support Centre, Pontylue Way, Watermead Business Park, Syston, Leicestershire, LE7 1AD at 11.30 am on 19 November 2019, for the purpose of considering and, if thought fit, passing the following resolutions, which, in the case of resolutions, 22, 23, 24 and 25, will be proposed as special resolutions and, in the case of the other resolutions, will be proposed as ordinary resolutions.

Resolutions 7, 9, 11, 13, 15 and 17 will be voted on only by Independent Shareholders as required by the Listing Rules.

#### Ordinary business

1. That the Company’s annual accounts for the financial year ended 29 June 2019 together with the Directors’ Report and the Auditors’ Report on those accounts be received and adopted.
2. To declare a final ordinary dividend on the Ordinary Shares of 20.5p per share in respect of the year ended 29 June 2019.
3. That Will Adderley, who is retiring as a Director of the Company, and being eligible, is offering himself for re-election, be reappointed as an Executive Director of the Company.
4. That Nick Wilkinson, who is retiring as a Director of the Company, and being eligible, is offering himself for re-election, be appointed as an Executive Director of the Company.
5. That Laura Carr, who is retiring as a Director of the Company, and being eligible, is offering herself for re-election, be reappointed as an Executive Director of the Company.
6. That Andy Harrison, who is retiring as a Director of the Company, and being eligible, is offering himself for re-election, be reappointed as a Non-Executive Director of the Company.
7. That Andy Harrison, who is retiring as a Director of the Company, and being eligible, is offering himself for re-election, be reappointed as a Non-Executive Director of the Company (Independent Shareholder vote).
8. That Marion Sears, who is retiring as a Director of the Company, and being eligible, is offering herself for re-election, be reappointed as a Non-Executive Director of the Company.
9. That Marion Sears, who is retiring as a Director of the Company, and being eligible, is offering herself for re-election, be reappointed as a Non- Executive Director of the Company (Independent Shareholder vote).
10. That William Reeve, who is retiring as a Director of the Company, and being eligible, is offering himself for re-election, be reappointed as a Non-Executive Director of the Company.
11. That William Reeve, who is retiring as a Director of the Company, and being eligible, is offering himself for re-election, be reappointed as a Non- Executive Director of the Company (Independent Shareholder vote).
12. That Peter Ruis, who is retiring as a Director of the Company, and being eligible, is offering himself for re-election, be reappointed as a Non-Executive Director of the Company.
13. That Peter Ruis, who is retiring as a Director of the Company, and being eligible, is offering himself for re-election, be reappointed as a Non-Executive Director of the Company (Independent Shareholder vote).
14. That Ian Bull, who is retiring as a Director of the Company, and being eligible, is offering himself for election, be appointed as a Non-Executive Director of the Company.
15. That Ian Bull, who is retiring as a Director of the Company, and being eligible, is offering himself for election, be appointed as a Non-Executive Director of the Company (Independent Shareholder vote).
16. That Paula Vennells, who is retiring as a Director of the Company, and being eligible, is offering herself for election, be appointed as a Non-Executive Director of the Company.
17. That Paula Vennells, who is retiring as a Director of the Company, and being eligible, is offering herself for election, be appointed as a Non-Executive Director of the Company (Independent Shareholder vote).

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18. That the Directors' Annual Report on Implementation for the year ended 29 June 2019 be approved.
  19. That PricewaterhouseCoopers LLP be appointed as auditors to the Company.
  20. That, subject to the passing of Resolution 19, the Directors be authorised to determine the auditors' remuneration.

#### **Special business**

21. That in accordance with section 551 of the Companies Act 2006, the Directors be authorised to allot Ordinary Shares in the Company or grant rights to subscribe for Ordinary Shares or to convert any securities into Ordinary Shares in the Company up to a maximum nominal amount of £673,264 to such persons and on such terms as the Directors may determine provided that this authority shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution, or, if earlier on 31 December 2020 unless previously renewed, varied or revoked although the Directors may exercise this authority after this date in respect of an offer or agreement made while this authority was in force.
22. That subject to the passing of Resolution 21 above, and in accordance with section 570 of the Companies Act 2006, the Directors be given power to allot equity securities for cash or by way of a sale of treasury shares pursuant to the previous resolution as if section 561(1) of the Companies Act 2006 does not apply to the allotment provided that:
  - (a) the powers under this resolution shall be limited to the allotment of equity securities:
    - (i) where securities have been offered to holders of Ordinary Shares in proportion (as nearly as may be) to their existing holdings of Ordinary Shares subject to any exclusions or other arrangements that the Directors consider necessary or expedient to deal with fractional entitlements and legal or practical problems under the law of, or the requirements of any recognised regulatory body or stock exchange in any territory; and
    - (ii) otherwise than pursuant to paragraph (a)(i) above, having a nominal amount not exceeding in aggregate £100,990;
  - (b) this authority shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or, if earlier, on 31 December 2020 although the Directors may exercise this authority after this date in respect of an offer or agreement made while this authority was in force; and
  - (c) all previous unutilised authorities under section 570 of the Companies Act 2006 shall cease to have effect (save to the extent that the same are exercisable pursuant to section 570(4) of the Companies Act 2006 by reason of any offer or agreement made prior to the date of this resolution which would or might require equity securities to be allotted on or after that date).
23. That subject to the passing of Resolution 21 above, and in accordance with section 570 of the Companies Act 2006, the Directors be authorised in addition to any authority granted under Resolution 22 above to allot equity securities for cash or by way of sale of treasury shares as if section 561 of the Companies Act 2006 does not apply to the allotment or sale, provided that such authority to be:
  - (a)
    - (i) limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £100,990; and
    - (ii) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board of the Company determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice;
  - (b) this authority shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or, if earlier, on 31 December 2020 although the Directors may exercise this authority after this date in respect of an offer or agreement made while this authority was in force; and
  - (c) Save for any authority granted pursuant to Resolution 22 above, all previous unutilised authorities under section 570 of the Companies Act 2006 shall cease to have effect (save to the extent that the same are exercisable pursuant to section 570(4) of the Companies Act 2006 by reason of any offer or agreement made prior to the date of this resolution which would or might require equity securities to be allotted on or after that date).

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24. That the Company be generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 to make market purchases (within the meaning of section 693 of the Companies Act 2006) of Ordinary Shares provided that:

- (a) the maximum aggregate number of Ordinary Shares authorised to be purchased is 5,000,000 (being approximately 2.5 per cent. of the issued ordinary share capital (excluding treasury shares) at the Latest Practicable Date;
- (b) the maximum price (not including expenses) which may be paid for each Ordinary Share is an amount equal to the higher of (i) 105 per cent. of the average of the middle market quotations for an Ordinary Share, as derived from the London Stock Exchange Daily Official List, for the five business days immediately before the day on which the purchase is made; and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out (being the price stipulated by Article 5(1) of the Buy-Back and Stabilisation Regulation 2003); and
- (c) the minimum price (not including expenses) which may be paid for each Ordinary Share is 1p per share.

This authority shall, unless previously varied, revoked or renewed, expire at the conclusion of the next annual general meeting of the Company or, if earlier, on 31 December 2020, except in relation to a purchase of Ordinary Shares the contract for which was concluded before such time and which will or may be executed wholly or partly after such time.

25. That a general meeting of the Company other than an annual general meeting may be called on not less than 14 days' notice.

Dated: 9 October 2019

Registered Office:  
Watermead Business Park  
Syston  
Leicester  
Leicestershire  
LE7 1AD

By order of the Board

**D Durrant**  
Company Secretary

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**Notes:**

1. Voting on the resolutions will be conducted on a show of hands.
2. A form of proxy is enclosed for use by shareholders and, if appropriate, must be deposited with the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, not less than 48 hours (excluding non-working days) before the time of the Annual General Meeting. Appointment of a proxy does not preclude a shareholder from attending the Annual General Meeting and voting in person.
3. A member entitled to attend, speak and vote at the Annual General Meeting may appoint one or more proxies (who need not be a member of the Company) to attend and to speak and to vote on his or her behalf whether by show of hands or on a poll. A member can appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him. To appoint more than one proxy, please contact the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. In order to be valid an appointment of proxy (together with any authority under which it is executed or a copy of the authority certified notari ally) must be returned by one of the following methods: or
  - in hard copy form by post, by courier or by hand (during normal business hours) to the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA; or
  - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below;and in each case must be received by the Company not less than 48 hours (excluding non-working days) before the time of the Annual General Meeting.
4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment thereof by using the procedures described in the CREST Manual available at [www.euroclear.com](http://www.euroclear.com). 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.
5. In order for a proxy appointment, or instruction, made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("**EUI**") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time(s) for receipt of proxy appointments specified in the notice of Annual General Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. 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. CREST members and where applicable, their CREST sponsors or voting service providers should note that EUI 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 therefore 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 that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their 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.
6. The "vote withheld" option is to enable shareholders to abstain on any particular resolution. This is not a vote in law and will not be counted in the votes "for" or "against" any resolution.
7. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communication from the Company in accordance with section 146 of the Companies Act 2006 ("**nominated persons**"). Nominated persons may have a right under an agreement with the registered shareholder who holds shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

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8. Representatives of Shareholders that are corporations will have to produce evidence of their proper appointment when attending the Annual General Meeting. Please contact our Registrar if you need any further guidance on this.
  9. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, in order to be able to attend and vote at the Annual General Meeting or any adjourned meeting (and also for the purpose of calculating how many votes a person may cast), a person must have his/her name entered on the register of members of the Company by 6.30 pm on 15 November 2019 (or 6.30 pm on the date two business days before any 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, speak or vote at the Annual General Meeting.
  10. The issued share capital of the Company as at the Latest Practicable Date was 202,833,931 Ordinary Shares. The Company held 854,699 Ordinary Shares in treasury and is not permitted to exercise voting rights in respect of those Ordinary Shares. Therefore, the total number of voting rights in the Company as at the Latest Practicable Date was 201,979,232, each Ordinary Share carrying one vote.
  11. Please note that the Company takes all reasonable precautions to ensure no viruses are present in any electronic communication it sends out but the Company cannot accept responsibility for loss or damage arising from the opening or use of any email or attachments from the Company and recommends that the members subject all messages to virus checking procedures prior to use. Any electronic communication received by the Company, including the lodgment of an electronic proxy form, that is found to contain any virus will not be accepted.
  12. Information regarding the Annual General Meeting, including the information required by section 311A of the Companies Act 2006, is available from <https://corporate.dunelm.com>.
  13. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions. Any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you have appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. 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.
  14. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any authority under which the revocation notice is executed or a copy of the authority certified notarially) must be included with the revocation notice.

The revocation notice must be received by Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA no less than 48 hours (excluding non-working days) before the time of the Annual General Meeting.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then your proxy appointment will remain valid.
  15. Pursuant to section 319A of the Companies Act 2006, the Company must cause to be answered at the Annual General Meeting any question relating to the business being dealt with at the Annual General Meeting which is put by a member attending the meeting, except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered or if to do so would involve the disclosure of confidential information.
  16. Shareholders who have general queries about the Annual General Meeting should contact Dawn Durrant at [investorrelations@dunelm.com](mailto:investorrelations@dunelm.com). No other methods of communication will be accepted. You may not use any other electronic address provided either:
    - 16.1 in this notice of Annual General Meeting; or
    - 16.2 any related documents (including the form of proxy),to communicate with the Company for any purposes other than those expressly stated.

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17. Copies of the Executive Directors' service agreements with the Company and the Non-Executive Directors' terms of appointment will be available for inspection during normal business hours on each business day at the registered office of the Company from the date of this notice until the date of the Annual General Meeting and also at the place of the Annual General Meeting for 15 minutes prior to and during the Annual General Meeting.
  18. As soon as practicable following the Annual General Meeting, the results of the voting at the Annual General Meeting and the numbers of proxy votes cast for and against and the number of votes actively withheld in respect of each of the resolutions will be announced via a Regulatory Information Service and also be available from <https://corporate.dunelm.com>.
  19. Pursuant to Chapter 5 of Part 16 of the Companies Act 2006 (sections 527 to 531), where requested by either:
    - 19.1 a member or members having a right to vote at the Annual General Meeting and holding at least 5 per cent. of total voting rights of the Company; or
    - 19.2 at least 100 members having a right to vote at the Annual General Meeting and holding, on average, at least £100 of paid up share capital,the Company must publish on its website a statement setting out any matter that such members propose to raise at the Annual General Meeting relating to 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.
  20. Where the Company is required to publish such a statement on its website:
    - 20.1 it may not require the members making the request to pay any expenses incurred by the Company in complying with the request;
    - 20.2 it must forward the statement of the Company's auditors no later than the time the statement is made available on the Company's website; and
    - 20.3 the statement may be dealt with as part of the business of the Annual General Meeting.
  21. A member wishing to request publication of such a statement on the Company's website must send the request to the Company using one of the following methods:
    - 21.1 in hard copy form to Dawn Durrant, Company Secretary, at the Company's registered office;
    - 21.2 by email to [investorrelations@dunelm.com](mailto:investorrelations@dunelm.com) and be confirmed in writing to the registered office address.
  22. Whichever form of communication is chosen, the request must:
    - 22.1 either set out the statement in full or, if supporting a statement sent by another member, clearly identify the statement which is being supported; and
    - 22.2 be received by the Company at least one week before the Annual General Meeting.
  23. This document includes forward-looking statements concerning the Group. Forward-looking statements are based on current expectations and projections about future events. These forward-looking statements are subject to risks, uncertainties and assumptions about the Group. The Group undertakes no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise save to the extent required in accordance with the Company's continuing obligations under the Listing Rules, the Disclosure and Transparency Rules and applicable laws and regulations.



