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If you have sold or otherwise transferred all your shares in HomeServe plc ("the Company") you should send this document and the accompanying form of proxy 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.



HomeServe

**ANNUAL
GENERAL MEETING
TO BE HELD ON 31 JULY 2009**

Notice of the Annual General Meeting to be held on 31 July 2009 is set out at the end of this circular.

Forms of proxy for use at this meeting should be completed and returned as soon as possible and to be valid must arrive no later than 10.00am on 29 July 2009.

HomeServe plc
(Registered in England Number 2648297)

Registered Office:
Cable Drive
Walsall
WS2 7BN

12 June 2009

Dear Shareholder

This document contains details of the matters which will be considered at the Annual General Meeting of the Company to be held on 31 July 2009.

ANNUAL REPORT AND DIVIDEND

Resolutions 1, 2 and 3 deal with the approval of the Report and Accounts, the Remuneration Report and the declaration of the final dividend of 25p per ordinary share.

DIRECTORS

Resolutions 4 to 6 deal with the Directors offering themselves for election and re-election. Biographical details about these Directors are included as Appendix 1. As Chairman, I confirm on behalf of the Board that each Director standing for election or re-election continues to make a valuable contribution to the Board's deliberations and continues to demonstrate commitment. The Board supports and recommends the proposed appointments.

AUDITORS

Resolution 7 deals with the reappointment of Deloitte LLP as auditors.

ALLOTMENT OF SHARES AND PRE-EMPTION RIGHTS

Resolutions 8 and 9 are seeking authority to renew the Directors' general authority to allot shares up to a maximum nominal amount ("the Section 80 Amount") and the Directors' authority to issue shares for cash without applying the statutory pre-emption rights up to a maximum nominal amount ("the Section 89 Amount"). These authorities will lapse on the date of the Annual General Meeting of the Company to be held in 2010 or on 30 October 2010 whichever is the earlier.

The Section 80 Amount is equivalent to 22,733,913 ordinary shares representing 35% of the Company's issued ordinary share capital as at 19 May 2009 and is made up of an amount equal to 33% of the nominal amount of the issued ordinary share capital at that date plus an amount to take account of shares reserved for issue under employee share schemes approved by shareholders. The Directors have no present intention of allotting any of the unissued and uncommitted share capital.

The Section 89 Amount represents 5% of the Company's issued ordinary share capital as at 19 May 2009 equivalent to 3,267,702 ordinary shares. The Directors confirm their intention, in line with Institutional Investment Committee guidelines, that no more than 7.5% of the issued ordinary share capital will be allotted for cash on a non pre-emptive basis during any three year period. In addition, in certain circumstances, the Directors will have authority to allot shares for cash otherwise than pro rata to shareholders in connection with rights issues and open offers.

AUTHORITY TO PURCHASE OWN SHARES

Resolution 10 is seeking approval to renew the authority contained in the Articles of Association to purchase the Company's own ordinary shares. The Board has no current intention that the Company should make purchases of its own shares if the renewal becomes effective, but would like to be able to act quickly if circumstances arise in which such a purchase would be desirable. Purchases will only be made on the London Stock Exchange and only in circumstances where the Board believes that they are in the best interests of the shareholders generally. Furthermore, purchases will only be made if the Board believes that they would result in an increase in earnings per share.

The proposed authority will be limited by the terms of the special resolution to the purchase of 6,535,405 ordinary shares representing 10% of the Company's issued ordinary share capital as at 19 May 2009. The minimum price per ordinary share payable by the Company (exclusive of expenses) will be 12½p. The maximum to be paid will be the higher of (i) an amount not more than 5% above the average of the middle market quotations for ordinary shares of the Company as derived from The London Stock Exchange Daily Official List for the five business days immediately preceding the date of each purchase and (ii) the price stipulated by Article 5(1) of the Buy Back and Stabilisation Regulation (EC No. 2273/2003). The maximum number of shares and the permitted price range are stated in order to comply with statutory and Stock Exchange requirements and should not be taken as representative of the number of shares (if any) which may be purchased or of the terms of such a purchase. The authority will lapse on the date of the Annual General Meeting of the Company in 2010 or on 30 October 2010, whichever is the earlier. However, in order to maintain the Board's flexibility of action, it is envisaged that the authority will continue to be renewed at future Annual General Meetings.

The notice of the Annual General Meeting is set out at the end of this document.

The Directors consider that all the resolutions to be put to the meeting are in the best interests of the Company and its shareholders as a whole. The Directors will be voting in favour of them and unanimously recommend that you do so as well.

Yours faithfully

Brian Whitty
Chairman

Appendix 1

Directors' Biographical Details

Details in respect of the Directors offering themselves for election and re-election are as follows:

Mark Morris (49) FCA

Appointed to the Board in February 2009 as a Non-Executive Director and Chairman of the Audit Committee. Previously in audit, business advisory and corporate finance with Price Waterhouse before joining Sytner Group plc as finance director, later becoming managing director. Currently senior non-executive director of LSL Property Services plc and a former non-executive director of Christian Salvesen plc and Maxima Holdings plc.

Jon Florsheim (49)

Appointed to the Board and as Chief Executive of UK Membership in March 2007. Previously chief marketing officer and managing director, Customer Group of British Sky Broadcasting. Prior to joining BSkyB in 1994, he was marketing director of Dixons Stores Group (now DSG International plc) and had marketing posts with Tesco.

J M Barry Gibson (57)

Appointed to the Board in April 2004 and appointed as Senior Non-Executive Director in February 2009. Currently senior non-executive director of William Hill plc. Previously group retailing director at BAA plc, group chief executive of Littlewoods plc and non-executive director of Somerfield plc and National Express plc.

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of HomeServe plc will be held at JP Morgan Cazenove Ltd, 20 Moorgate, London, EC2R 6DA on Friday 31 July 2009 at 10.00am for the following purposes:

1. To receive and adopt the audited Accounts for the year ended 31 March 2009 and the Reports of the Directors and the Auditors therein.
2. To approve the Remuneration Report for the year ended 31 March 2009.
3. To declare the final dividend of 25p per ordinary share.
4. To elect Mr Morris as a Director (having been appointed since the last AGM).
5. To re-elect Mr Florsheim as a Director (retiring by rotation).
6. To re-elect Mr Gibson as a Director (retiring by rotation).
7. To reappoint Deloitte LLP as auditors of the Company and to authorise the Directors to fix their remuneration.
8. To consider, and if thought fit, pass the following Ordinary Resolution:

"That in accordance with the Articles of Association, the Directors' authority to allot relevant securities pursuant to Section 80 of the Companies Act 1985 up to an aggregate nominal value of £2,841,739 be renewed for the period ending on the date of the Annual General Meeting of the Company to be held in 2010 or, if earlier, on 30 October 2010, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired."

9. Subject to the passing of Resolution 10, to consider, and if thought fit, pass the following Special Resolution:

"That in accordance with the Articles of Association, the Directors' power to allot equity securities wholly for cash as if Section 89(1) of the Companies Act 1985 did not apply to any such allotment provided that (save in connection with a rights issue or otherwise under an employee share scheme) this power shall be limited to an aggregate nominal value of £408,462 be renewed for the period ending on the date of the Annual General Meeting of the Company to be held in 2010, or if earlier, on 30 October 2010 save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired."

10. To consider, and if thought fit, pass the following Special Resolution:

“That the Company be generally and unconditionally authorised to make market purchases (within the meaning of Section 163(3) of the Companies Act 1985) of ordinary shares of 12½p each of the Company provided that:

- (i) the maximum number of ordinary shares hereby authorised to be acquired is 6,535,405;
- (ii) the minimum price which may be paid for any such share is 12½p;
- (iii) the maximum price which may be paid for any such share is the higher of (i) an amount equal to 105% of the average of the middle market quotations for an ordinary share in the Company as derived from The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such share is contracted to be purchased and (ii) the price stipulated by Article 5(1) of the Buy-Back and Stabilisation Regulation (EC No. 2273/2003);
- (iv) the authority hereby conferred shall expire on the date of the Annual General Meeting of the Company to be held in 2010 or, if earlier, on 30 October 2010;
- (v) the Company may make a contract to purchase its ordinary shares under the authority hereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority, and may purchase its ordinary shares in pursuance of any such contract.”

By Order of the Board
Anna Maughan
Company Secretary

Cable Drive
Walsall
WS2 7BN

12 June 2009

Notes

1. Copies of all service contracts and letters of appointment of Directors with the Company or its subsidiaries, which are available throughout the year for inspection during business hours at the Registered Office of the Company, will on the day of the meeting be available for inspection at JP Morgan Cazenove Ltd, 20 Moorgate, London, EC2R 6DA from 9.45am until the conclusion of the meeting.
2. This document is important and requires your immediate attention. If you are in doubt about the action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser, duly authorised under the Financial Services and Markets Act 2000.
3. Only holders of ordinary shares or their proxies are entitled to attend or vote at the meeting.
4. To be entitled to attend and vote at the meeting (and for the purposes of the determination by the Company of the number of votes that may be cast); members must be entered on the Company's Register of Members by 6.00pm on 29 July 2009.
5. A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend, speak and, on a poll, vote instead of him. A proxy need not be a Member of the Company but must attend the meeting to represent you.
6. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member.
7. To be valid the instrument appointing a proxy and the Power of Attorney (if any) under which it is signed must be received by Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY not less than 48 hours before the time of the meeting. A Member who returns a completed proxy form is not precluded, if subsequently he so wishes, from attending the meeting instead of his proxy and voting in person.
8. A member may also lodge their proxy form electronically via the internet at www.eproxyappointment.com. Full details of the procedures are given on that website and your Control Number, Shareholder Reference Number (SRN) and PIN can be found on your Proxy Form.
9. Shareholders who are CREST members with shares held in uncertificated form who wish to appoint a proxy or proxies are encouraged to use the CREST electronic proxy appointment service by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited'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 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 3RA50) by the latest time for receipt of proxy appointments specified in paragraph 14 above. 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.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited 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 that his 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 connection with this, CREST members and, where applicable, their CREST sponsors or voting service provider(s) 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)(a) of the Uncertificated Securities Regulations 2001.

10. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
11. As at 19 May 2009 the Company's issued share capital consists of 65,354,058 ordinary shares carrying one vote each. Therefore the total voting rights in the Company as at 19 May 2009 are 65,354,058.
12. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of representation letter if the Chairman is being appointed as described in (i) above.

13. Except as provided above, members who have general queries about the Meeting should use the following means of communication (no other methods of communication will be accepted):
- calling Computershare Investor Services PLC on 0870 707 1053; or
 - contacting Computershare Investor Services PLC via their website at www.computershare.com/contactus; or
 - contacting the Company at Cable Drive, Walsall, WS2 7BN.

You may not use any electronic address provided either in this notice of Annual General Meeting or any related documents (including the Chairman's letter and proxy form) to communicate with the Company for any purposes other than those expressly stated.