

MARKS AND SPENCER GROUP PLC TAX GOVERNANCE STATEMENT

Our approach is to manage our global tax affairs in a manner that is in keeping with our longstanding values and aligned to our shareholders' interests. We take our responsibility to pay our fair share of tax seriously, and our approach therefore ensures:

- a) that tax matters are proactively managed by having a clear internal governance framework, robust business controls and processes, and maintenance of an open and regular dialogue with the tax authorities;
- b) that we fully comply with the law so that tax returns and payments are made on time and proper disclosure is made to the tax authorities; and
- c) that any tax planning is based on commercial business activity.

The Chief Finance Officer is responsible for management of the tax affairs of the Group. She has authority to approve any matter where the amount of tax is less than £5m. Beyond this amount, approval must be obtained from the Executive Board and where the amount of tax exceeds £15m additional approval must be sought from the full Board of the Company.

Professional opinions are required from reputable independent external advisers on any matters where the amount of tax involved is significant and the tax treatment uncertain.

The Audit Committee receives an annual report on the management of the Company's tax affairs, with any major issues arising in the intervening period brought to their attention separately.