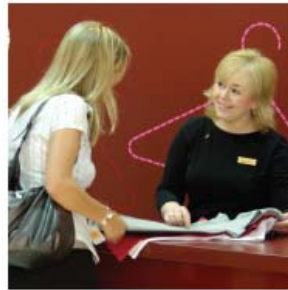


Please Note: This is an exact copy of our internally focused Code of Ethics document. Any links, guides or policies referenced within are held on the Marks & Spencer Network. These will not be accessible outside of Marks & Spencer.

MARKS &
SPENCER



Code of Ethics and Behaviours

October 2010



Message from the Chief Executive

Dear colleague

At Marks & Spencer we are committed to doing the right thing, the right way, for our customers, colleagues, shareholders, suppliers, the environment and our local communities. Our Code of Ethics and Behaviours (the "Code") outlines the standards and behaviours that M&S upholds as a Company and that I expect from you wherever in the world we conduct business, to ensure that the highest standards of honesty and integrity are maintained. The Code sets out in brief, with some explanation, key Company policies and procedures in a single document reminding us, if we are ever in any doubt, of how to behave.

This Code, although not addressing every situation you may face as an employee, does provide a guide to the values, behaviours and ways of working which are core to M&S and which each of us is responsible for upholding as an employee. Please read the Code carefully and refer to it if facing an ethical dilemma at work.

It is essential to create a supportive environment in which you feel able to raise concerns internally without fear of disciplinary action. If you have any concerns or something you come across doesn't feel right, speak up.

Marc Bolland
Chief Executive



Contents

1 Our Responsibilities

- What are our principles/Company values?..... 3
- Who does the Code apply to?..... 3
- How do I comply with the Code? 3
- What are managers expected to do? 4
- Who do I contact if I have a question or concern?..... 4-5

2 Our Behaviours

- Customers 6
- Colleagues 6-7
- Shareholders 7
- Plan A: 7
 - Fair Partnership
 - Environment
 - Health, wellbeing and the community
 - Charity and Community Funding

3 Our Workplace

- Bribery and Corruption..... 8
 - Bribery, Gifts and Entertainment
 - Fraud
- Business continuity 9
- Conflicts of interest 9
- Employee discount 9
- Fire, health and safety 9
- Information governance 9-10
 - Personal Data
 - Confidential Business Information
 - Use of Information Technology ("IT")
- Innovation and intellectual property 10
- Inside information and share dealing 10
- Lobbying and political engagement 10
- Media and investor relations 11
- Smoking 11
- Social networking sites 11

1

Our Responsibilities

What are our principles/Company values?

Our long held **Company Values** of Quality, Value, Service, Innovation and Trust differentiate our products and services. Trust is earned from others as a result of our commitment to these values and the ethical manner in which we behave. We all have a responsibility to protect the Company's reputation in everything we do and say. This includes:

“In the book of life, the answers aren't in the back.”

Charlie Brown

- Complying with the applicable laws and regulations in all countries in which we operate;
- Conducting ourselves in a professional manner with the highest standards of honesty and integrity;
- Following Company policies and procedures;
- Working with our suppliers, third parties and agencies to ensure our high ethical standards are maintained;
- If in doubt, seeking guidance and always doing the right thing.

Under Plan A we have set ourselves the goal of becoming the most sustainable major retailer in the world by 2015. This commits us to reducing our carbon footprint; preventing waste; protecting natural resources; being a fair partner; and promoting health and wellbeing.

Who does the Code apply to?

The Code applies to everyone working for M&S no matter where you are located in the world.

Working at M&S puts you in a position of trust and responsibility to uphold our ethical values when dealing with colleagues, customers, suppliers, shareholders, the environment and our local communities.

How do I comply with the Code?

All M&S employees are required to adhere to the Code and the policies it refers to. We all have a responsibility to protect the Company's reputation in everything we do and say. Ensure that you thoroughly read, understand and act in accordance with the Code and the various policies embedded in it. We want you to understand why this is important and what is expected of all employees.

If you require more information, refer to your **Employee Handbook** and the **People Guide** or speak to your line manager. Failure to comply with the Code and its policies and procedures will result in disciplinary procedures being applied that may result in your dismissal from the Company. In instances of fraud, where financial loss has been incurred, individuals will be prosecuted and the Company will seek to recover losses.

What are managers expected to do?

“No matter how wonderful your corporate governance processes, if you can’t trust your people then you are at risk.”

Sir Derek Higgs

Managers (level E and above) have additional responsibilities under the Code to:

- Ensure the Code is understood by those they manage;
- Provide advice and guidance on interpreting the Code;
- Uphold and promote the requirements of the Code;
- Individually sign their acceptance of the Code each year.

Who do I contact if I have a question or concern?

M&S aims to conduct business with the highest standards of ethics, honesty and integrity, and recognises that you have an important role to play in maintaining this aim. Any employee concerned about any form of malpractice, improper action or wrongdoing by the Company, its employees or other stakeholders are strongly encouraged to report the matter.

We believe it is essential to create an environment in which you feel able to raise any matters of genuine concern internally without fear of disciplinary action being taken against you, that you will be taken seriously and that the matters will be investigated appropriately and as far as practicable be kept confidential.

M&S believes that any employee with knowledge of wrongdoing should not remain silent. We take all matters of malpractice, improper action or wrongdoing very seriously and you are strongly encouraged to raise incidents or behaviours that are not in accordance with the Code, or the policies to which it refers, by following the procedure set out below:

Line Manager

In the first instance, you should consider raising your concerns with your line manager. He/she has a responsibility to listen and respond to any matter that is of concern to you. Concerns can be raised verbally or in writing. Your line manager will determine whether he/she is able to investigate the concern directly, keeping the Group Secretary updated, if appropriate, of progress and its conclusion.

If your line manager is unable to resolve the issue locally, he/she will escalate the concern to the Group Secretary, who will manage your concern in accordance with the Independent Internal Individual process set out below.

Senior Manager

If you feel that you cannot raise your concern with your line manager, for whatever reason, you should contact the senior manager in your business unit or store, who will consider the matter, manage any investigation, keeping the Group Secretary informed, if appropriate, of progress and its conclusion.

If the senior manager in your business unit or store is unable to resolve the issue locally, he/she will escalate the concern to the Group Secretary, who will manage your concern in accordance with the Independent Internal Individual process set out below.

Independent Internal Individual

If you feel you need to raise the issue outside of your immediate working environment, you should contact the Group Secretary on +44 (0) 20 8718 3604 or [email: company.secretary@marks-and-spencer.com](mailto:company.secretary@marks-and-spencer.com). The Group Secretary will record the concern and determine the appropriate approach to take in managing any investigation, including whether to appoint an external independent individual to review the matter, or refer it to the appropriate internal or external body. The Group Secretary will inform the Chief Executive and the Audit Committee Chairman of any serious issues as a matter of urgency.

Confidential Employee Helpline

If you wish to raise a concern using the confidential employee helpline as the nature of the concern is such that you feel it cannot be raised internally, or if you feel that, after reporting the concern internally, the matter still remains unresolved, you can raise the concern via the Company's confidential **Think Again** employee helpline:

From the UK: 08000 150281

From the Republic of Ireland: 1800 411 063

International: +44 (0) 208 718 5562

The Company recognises that there may be some cases where no wrongdoing is found through internal procedures. Protection will be given and no disciplinary action taken if the disclosure is reasonable, made in good faith and the information believed to be true.

For more information and the Company's full policy please refer to the [Whistleblowing Guide](#).

Audit Committee Review

The Audit Committee reviews arrangements by which employees may, in confidence, raise concerns about possible inappropriate activity such as financial misreporting or other matters. The Committee reviews concerns raised through the Whistleblowing policy to make sure that any significant matters receive independent investigation and appropriate follow up action. The Head of Internal Audit and Risk reports any information on allegations and investigation results to the Audit Committee at least once a year.

2

Our Behaviours

"I am always ready to learn, although I do not always like being taught."

Winston Churchill

Customers

M&S values the loyalty and confidence of our customers above all else. We will not compromise the safety of our customers and will always strive to live up to and offer the highest possible standards of Quality, Value, Service, Innovation and Trust. We will always try to make sure our labelling, advertising and other forms of communication are clear, honest and accurate and we will always work to respect cultural and ethical beliefs.

We welcome customer feedback and try wherever possible to act on it to continually improve the service we offer. We make sure any complaints are handled fairly and professionally within appropriate timescales. Information that we hold about our customers will be handled properly and responsibly. It is our responsibility to protect our customers' personal data.

Colleagues

All M&S colleagues work hard with the common aim of serving our customers. We are committed to an active [Equal Opportunities Policy](#), from recruitment and selection, through training and development, appraisal and promotion, right up to retirement. We treat everyone equally regardless of age, gender, gender reassignment, colour, ethnic or national origin, disability, hours of work, nationality, religion or belief, marital or civil partner status, disfigurement, political opinions or sexual orientation.

We treat all colleagues with dignity and respect and expect colleagues to treat each other and our customers in the same way. We all have a responsibility not to indirectly support unfair behaviour by ignoring what is happening around us. It is Company policy to promote an environment free from discrimination, harassment, and victimisation where everyone will receive equal treatment. All decisions relating to employment practices will be objective, free from bias, and based solely on work criteria and individual merit. In every set of circumstances we aim to find the 'best fit' between personal requirements and business needs.

As a company, M&S is committed to provide clear, honest and accurate communication directly to colleagues. Through the [Business Involvement Groups](#) (BIG), the Company's network of elected employee representatives, the Company informs, involves and consults with colleagues as set out in the BIG constitution. You have the chance to voice your opinions and ideas, get answers and have your views represented when the business considers changes that affect you. The BIG network enables all employees to have an opportunity to positively influence the business we work in.

We care about your wellbeing and provide [Occupational Health Services](#) to all employees accessible via your line manager or the People Guide and a 24 hour confidential employee 'Live Well Work Well' helpline on 07659 145671. We will not compromise the health and safety of our employees. We will offer ongoing training and development to enhance your career opportunities within the Company or elsewhere.

The Company recognises the importance of respecting your privacy and the need for appropriate safeguards in relation to the collection, storage and processing of personal data. We expect that all information held about employees will be dealt with properly and responsibly. It is everyone's responsibility to handle information properly.

You must never knowingly provide false information to the Company or about the Company to anyone else. You must never use the Company's name or resources for personal gain or insider knowledge to profit from buying or selling Company shares. The work and ideas that are created whilst working for the Company are owned by M&S. More information on behaviours towards customers and colleagues is given in [Conduct & You](#) for Head Office and Stores.

Shareholders

M&S is owned by the individuals and organisations that invest in our shares. We are focused on building a sustainable business for the long term, generating shareholder value through consistent, profitable growth. We keep honest and accurate records of our performance, and are committed to high standards of governance and transparent reporting. As an integral part of planning and review we have an ongoing process in place for identifying, evaluating and managing the significant risks to achieving business goals. A detailed report on governance is set out for shareholders in our annual report which is available on the corporate website at marksandspencer.com/thecompany.

Plan A

Plan A is our sustainability plan. Under [Plan A](#) we have set ourselves the goal to become the most sustainable major retailer in the world by 2015. We believe this is the right thing for us to do and that it is also right for our future commercial success.

“We have a strong track record on social, environmental and ethical issues. Plan A will continue to be at the heart of how M&S does business.” *HWDB Report 2010*

Fair Partnership

M&S sources products from around the world, respecting third party rights and design integrity to provide our customers with the best quality products. Through our supply chains we have an influence over a million workers worldwide. We are committed to being a fair partner that improves the lives and communities of those who work for and with us.

We work in partnership with all our suppliers to ensure that they comply at all times with the high standards and commitments set out in our [Global Sourcing Principles](#), in addition to requiring all suppliers to work towards achieving the adoption of the recognised international standards contained in the Ethical Trading Initiative (ETI) Base Code, as set out in the [M&S Global Supplier Workbook](#). We are also committed to complying with the UK Groceries Supply Code of Practice (GSCOP) Order, dealing with our suppliers fairly and lawfully.

Environment

M&S is committed to:

- Reducing the carbon footprint of our operations, supply chain and products;
- Protecting natural resources such as forests, water resources, the marine environment; and
- Preventing waste and when this is not possible reusing and recycling all that we can.

We include environmental considerations in our decisions and specifications. We publicly report on our environmental performance every year in our How We Do Business report (HWDB) which is available on our website at marksandspencer.com/howwedobusiness.

Health, wellbeing and the community

We are committed to promoting healthy lifestyles and wellbeing for our customers and employees via product innovation, the provision of information and encouraging active lifestyles.

M&S also works with and supports a range of external partners to actively make a difference in local communities. We are committed to helping fight illness, tackle poverty and protect the environment in the communities where our customers and employees live as well as on an international scale where appropriate.

Charity and Community Funding

M&S commits at least one percent of pre-tax profits to initiatives that benefit the community. These donations will be given according to Company policy and will not be used to gain improper influence. More information about our charitable donations can be found on our website at marksandspencer.com/howwedobusiness.

The Company offers a Charity Volunteer Day, where employees are able to volunteer to work for a charity of their choice for a day in their local community. All employees wishing to take advantage of this scheme must follow [The Charity Volunteer Day Policy](#).

“Did you ever stop to think and forget to start again?”

Winnie the Pooh

This section sets out the Company’s key policies and procedures. The Employee Handbook refers to general policies and procedures that you must follow – a copy is available on the People Guide (on the intranet) and on store notice boards. Detailed policies and guidelines are contained in the M&S Standards and Performance section of the People Guide. Your line manager will be able to give further guidance on any other specific policy or procedure relevant to your work area.

Bribery and Corruption

We do not give or accept improper payments or gifts in order to conduct business anywhere in the world. We agree the terms of supplier payments at the start of business and pay in accordance with our contractual obligations.

You should not get involved in any business transactions that could result in personal benefit. You should not use your position as an M&S employee to get discounts from contractors/suppliers unless they are corporate agreed discounts notified and made available to all employees, or do personal business, unless expressly authorised by management.

Bribery, Gifts and Entertainment

You may not offer, give or receive bribes, any payments including facilitation payments, gratuities or gifts, directly or through a supplier, third party or agent, in order to obtain, retain or conduct business in any jurisdiction in which we operate. Do not allow suppliers to pay travel or accommodation expenses for you. Refuse entertainment unless the supplier is present and it is in the bounds of accepted business hospitality. Always seek guidance and approval before accepting or giving a gift or entertainment.

Fraud

Fraud is deemed gross misconduct. Disciplinary procedures will be rigorously applied to any instances of fraud which will result in dismissal.

The Company’s [Group Fraud Policy](#) defines Fraud as the deliberate action by any person, or deliberately allowing an action to be taken, to create, falsify, destroy, deface, or conceal any account, balance, record or document, or impersonate, deceive, or misuse their position with the intention of:

- Obtaining money, assets, services, information or any other benefit which would otherwise be denied;
- Distorting personal or business performance;
- Causing a loss to the Company or another party (eg supplier, third party contractor, customer or employee);
- Prejudicing the Company’s rights, competitive position or business reputation, or those of another party (as above); and/or
- Attempting or assisting in any of the above.

You must follow Company procedures when dealing with the Company’s property, goods and cash. When dealing with financial transactions you must also follow Company policies, including [Invoice Authorisation Controls](#), [Non-Merchandise Contracts Approval Process](#) and [Policy for the Approval of Commitment and Expenditure](#).

When travelling and claiming expenses you must follow the [Business Travel and Expenses Policy](#).

Business Continuity

The Company's [Business Continuity Policy](#) aims to ensure that we are fully prepared and equipped to continue business in the event of a crisis or disaster at any M&S location at any time. Each Business Area has a Business Recovery Plan which sets out the processes to be followed locally to recover and restart business after a crisis or disaster affecting stores and offices', systems and business processes. You have responsibilities and your line manager will advise you of these following a major incident.

Conflicts of Interest

You should not put yourself in a position where you are involved in an activity for personal gain, to you or your family, which conflicts with the Company's interests. Conflicts of interest can take many forms including, but not limited to:

- Engaging in any activity that competes with M&S;
- Taking personal advantage of an opportunity that belongs to M&S;
- Engaging in a business relationship on behalf of M&S where you or a family member has an interest in the other party, unless previously advised to, and agreed by, management.

Employee Discount

Goods that are bought with discount (other than gifts) are for the use of the employee and their immediate family or partner living at the same address. You are responsible for the use of your M&S Employee Discount Card and must make sure you and your nominated user comply with the [Employee Discount - Conditions of Use](#).

Fire, Health and Safety

Together we have a responsibility to maintain a healthy and secure workplace. The Company has a responsibility under legislation to protect the health, safety and welfare of all colleagues, customers and contractors on our premises. You have a responsibility to comply with safety rules and procedures and take reasonable care of your own health and safety and the health and safety of others who may be affected by your actions or omissions eg customers, colleagues, visitors and suppliers. Each of us has a responsibility for safety in the workplace, refer to the Company Statement [Health & Safety at Work](#) available on Health & Safety notice boards.

Managers have a responsibility to make sure employees are aware of Health & Safety regulations and the need to report all accidents and dangerous occurrences to the appropriate person or department. You should never turn up for work under the influence of drink or drugs.

Information Governance

Information Governance is our system for handling and controlling information, including personal data, confidential materials, and other important information. We are committed to good Information Governance which involves compliance with all applicable legal and regulatory obligations, keeping data secure and ensuring that we are able to access and use information for legitimate business purposes.

Personal Data

We are committed to ensuring that all personal information kept on employees, customers and suppliers is treated in accordance with our legal obligations, kept secure and, where appropriate, confidential. The Data Protection Act 1998 gives individuals certain rights over the information held on them by companies, as set out in the [Data Protection Principles](#), available in the Employee Handbook. As an employee it is your responsibility to ensure that all personal

information is handled in compliance with data protection laws and the applicable M&S policies. This applies to all information, held on computer or in hard copy files, from which a person could be identifiable. Beware of people trying to obtain information to which they are not entitled. Do not access personal data about people without appropriate authorisation, only use it for legitimate legal or business purposes and only hold the information as long as is necessary to carry out the business or legal task.

Confidential Business Information

Information about future marketing or promotional activity, eg brand launches, promotions, sales, or “discount days” should never be disclosed in advance of being announced. Our communications are scheduled to give customers time to plan a shopping trip, without compromising our sales before the promotion starts, or giving our competitors an opportunity to damage our business. If information gets into the wrong hands it could affect our competitive advantage, cause financial loss, damage our reputation, or breach legal/regulatory requirements. Protect Company information by following the [Information Security Procedures](#).

Use of Information Technology (“IT”)

The use of the Company’s IT facilities are subject to the Company’s IT policies and procedures which are aimed at protecting IT equipment, systems, networks and information including smart phones and other hand held devices. Using IT equipment inappropriately can result in the security of these systems being vulnerable. You will find detailed guidance on the use of IT equipment, email and the internet in the [Computer User Agreement](#) which is presented to you each time you log on to your computer. Failure to follow and adhere to this Agreement and other related policies including **the guidance for users of small mobile computing devices (smart phones and PDAs)** may result in disciplinary action up to and including dismissal. Deliberate or serious breaches may lead to criminal prosecution. Reduce the risk of theft, particularly of portable equipment, damage and unauthorised access to computer systems by following Company procedures above and care about such equipment as though it was your own.

Innovation and Intellectual Property

As a term of your employment with M&S, the Company owns any inventions, discoveries, improvements, brands and designs you make during the course of your employment and all related intellectual property rights. The Company will be entitled to the exclusive use of these rights, as far as the law permits and you will have no right to use them for your own purposes unless otherwise agreed in writing. Copyright and similar rights in work created during your employment will also be owned by the Company and you agree to waive any moral rights you may have. It is also a term of your employment that you do everything necessary, during or after your employment, to enable the Company - at its request and expense - to obtain patents, design, copyright, trade mark and similar protection in any part of the world.

Inside Information and Share Dealing

Companies listed on the London Stock Exchange are required to comply with the UKLA’s Listing Rules and Disclosure and Transparency Rules. These Rules require employees who have access, through their roles, to unpublished and confidential information which is potentially share price sensitive (‘inside information’) to comply with the Company’s [Share Dealing Code](#). Colleagues who are covered by the Share Dealing Code will be notified and added to the Company’s Restricted Dealing List. Whether you are covered by the Share Dealing Code or not, it is a criminal offence for anyone to deal in a company's shares if they are in possession of unpublished price sensitive information about that company.

Lobbying and Political Engagement

M&S participates in the democratic political process in a consistent and transparent manner. We lobby for effective legislation and regulation directly and through key trade associations. Where our views differ significantly from our trade associations on issues that are important to us we will make these known. We do not give donations to political parties or incur EU political expenditure. Colleagues requesting paid time off to participate in public duties, for example to carry out duties for a local authority or participate in local or national politics, must follow the Company’s [Public Duties and Political Donations Policy](#).

Media and Investor Relations

The amount of press attention that M&S receives reflects the enormous public interest in our Company. It also presents an opportunity for us to work with and through the media to communicate with our customers and stakeholders. It is important that we work in a co-ordinated way, with one voice, to get positive coverage on our stores, products, people, and the contributions we make in our communities.

Handling the media in the right way requires sensitivity and skill if the media is to run balanced stories on the Company. Do not engage with the media unless trained and authorised to do so. We have an experienced Media Team who are responsible for providing support in any media dealings. To make sure we manage our media relationships professionally, to help make the most of these relationships, and to protect you and the Company, you must follow the [Media Policy and Guidelines \(Head Office and Retail\)](#).

The key principle central to these Guidelines is that if the call/contact in any way concerns Company figures, issues, or announcements, then the journalist's details should be passed immediately to the Corporate Media Team. The Company's shares are publicly listed on the London Stock Exchange. We must comply with FSA Rules and in particular, the principle to "communicate information to holders and potential holders of its listed equity securities in such a way to avoid the creation of a false market in such listed equity securities". The [Investor Relations Policies and Guidelines](#) set out the role of Investor Relations and our responsibilities in making sure the Company maintains this principle.

Smoking

All M&S buildings are smoke free. This means that smoking is not allowed anywhere on Company premises, including our goods vehicles, in-store vans, pool cars or in company cars. To protect the image and reputation of the Company, smoking is not allowed in areas visible to customers/visitors entering or leaving any M&S building. You should comply with the [Smoke Free Policy](#).

Social Networking Sites

The Company recognises that its employees may use blogs or social networking sites in their personal time, both in and outside of work. These sites can be a useful and a fun way to keep in touch with friends and colleagues. You should be aware that information posted on these sites is public and may be viewed by colleagues, customers or the press. You have general obligations to act in the best interests of the Company, and not breach Company confidentiality or the relationship of trust and confidence that exists between you and the Company. This would include posting inappropriate comments on blogs and social networking sites, for example about customers and colleagues. You are encouraged to consider carefully what you post and follow the [Social Networking Sites Policy](#).