YOUR M&S

NOTICE OF ANNUAL GENERAL MEETING 2005

The ICC, Broad Street, Birmingham B1 2EA

Wednesday 13 July 2005 at 2pm

This document is important and requires your immediate attention

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.
If you are in any doubt about its contents or the action you should take, you should consult your stockbroker, solicitor, accountant or other independent adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all your ordinary shares in Marks and Spencer Group plc (the 'Company'), please hand this document (together with the accompanying proxy form) as soon as possible to the stockbroker or other agent through whom you made the sale or transfer for transmission to the purchaser.

Dear Shareholder,

Annual General Meeting ('AGM')

I have pleasure in sending you the Notice of this year's AGM which will be held at The ICC (The International Convention Centre), Broad Street, Birmingham B1 2EA on Wednesday 13 July 2005 at 2pm. The AGM is the Board's opportunity to present the Company's performance and strategy to shareholders and to listen and respond to their questions. If you cannot attend the meeting, we would still like to understand the themes and issues of concern to you, as shareholders. A reply-paid form is included with this booklet for this purpose or, if you prefer, you may send your comments by e-mail to chairman@marks-and-spencer.com, with the heading AGM 2005.

Your Vote Counts

Your vote is important to us – you can:

- register your proxy vote electronically by logging on to our Registrars' website, www.sharevote.co.uk or by using the service offered by CRESTCo for members of CREST; or
- complete and return the enclosed proxy form; or
- attend and vote at the AGM.

Voting

The accompanying proxy form invites you to vote in one of three ways: 'for', 'against' or 'vote withheld'.

At the meeting itself, the votes will be taken by poll rather than on a show of hands. The final result is more democratic as the proxy results are added to the votes of shareholders present who vote all their shares (rather than one vote per person) using Lloyds TSB Registrars' 'VoteNow' system.

The results will be published on our website, together with a resumé of the meeting, and will be released to the London Stock Exchange. In 2004, all resolutions were passed at the meeting on a poll with votes 'for' each resolution ranging from 89.23% to 99.98%.

Explanatory Notes

Resolution 2 – To approve the remuneration report

The remuneration report is summarised on pages 24 to 27 of the Annual Review and set out in full on pages 16 to 25 of the Annual Report. It has been prepared in accordance with the Directors' Remuneration Report Regulations 2002.

Resolutions 4 to 7 – To (re-)elect directors

Biographical details of our directors are given on page 17 of the Annual Review. On the recommendation of the nomination committee, the Board concludes that each non-executive director is independent in character and judgement, makes an effective and valuable contribution to the Board and demonstrates commitment to the role.

Resolution 8 – To appoint a future director

On 17 May 2005, the Company announced that Lord Burns would join the Board as Deputy Chairman with effect from 1 October 2005 and will become Chairman from the AGM in 2006. The Board is pleased to recommend Lord Burns as a director of the Company as he brings with him a wide range of experience from both the private and public sectors. The Board is taking this opportunity to invite shareholders to appoint Lord Burns as a director, albeit that his appointment is effective from a future date. The biographical details of Lord Burns are given on page 17 of the Annual Review.

Resolutions 9 and 10 – To re-appoint the auditors and to authorise the audit committee to determine their remuneration

On the recommendation of the audit committee, the Board proposes that PricewaterhouseCoopers LLP be re-appointed as auditors of the Company. Resolution 10 proposes that the audit committee be authorised to determine the level of the auditors' remuneration.

Resolutions 11 and 12 – To renew the powers of the Board to allot shares and to disapply pre-emption rights

The Companies Act 1985 prevents directors from allotting unissued shares without the authority of shareholders in general meeting. In certain circumstances this could be unduly restrictive. The Company's Articles empower directors to allot unissued shares, but the power is subject to shareholder renewal. Renewal of this power is sought until the conclusion of the 2006 AGM or 12 October 2006, if earlier, subject to the limitations specified in Resolution 11. Resolution 12 disapplies shareholder pre-emption rights over the allotment of certain shares for cash. The proposed limits are as follows:

Resolution 11: Shares, in total, up to a nominal value of £138,222,530 (the 'Section 80 Amount') which represents one-third of the nominal value of the issued share capital as at 10 May 2005.

Resolution 12: Shares for cash, other than to existing shareholders in proportion to their holdings, (a) in conjunction with a rights issue, and (b) up to a nominal value of £20,733,379 (the 'Section 89 Amount'), being 5% of the nominal value of the issued share capital as at 10 May 2005.

There are no current plans to allot shares except in connection with employee share schemes.

Resolution 13 – To authorise the Company to purchase its own shares

With the authority of shareholders in general meeting, the Company is empowered by its Articles to purchase its own shares subject to the provisions of the Companies Act 1985. The directors believe it is prudent to seek general authority from shareholders to be able to act if circumstances arose in which they considered such purchases to be desirable. This power will only be exercised if and when, in the light of market conditions prevailing at that time, the directors believe that such purchases would increase earnings per share and would be for the benefit of shareholders generally. This resolution specifies the maximum number which may be acquired (approximately 10% of the Company's issued share capital) and minimum and maximum prices at which they may be bought. As at 10 May 2005, there were options outstanding over approximately 82 million ordinary shares, representing 4.9% of the Company's issued ordinary share capital. If the authority given by Resolution 13 were to be fully used, these would then represent 5.5% of the Company's ordinary share capital in issue at that date.

Under the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003, which came into force on 1 December 2003, the Company is allowed to hold its own shares in treasury following a buy-back as an alternative to cancelling them. Shares held in treasury may be subsequently sold for cash, but all rights attaching to them, including voting rights and the right to receive dividends, are suspended while they are held in treasury.

Resolution 14 – To amend the Articles of Association in relation to the indemnification of directors

The Companies (Audit, Investigations and Community Enterprise) Act 2004 ("C(AICE)A") came into force on 6 April 2005. C(AICE)A inserts sections 309A and 309B into the Companies Act 1985. These provisions broadly allow a company to indemnify its directors against liability to third parties arising in connection with any negligence, default, breach of duty or breach of trust by the directors in relation to the company. Such an indemnity may not, however, protect a director against liability incurred by the director to the company or any associated company. Neither may the company provide an indemnity against any liability incurred by a director in defending criminal proceedings in which he is convicted, nor against any liability to pay a fine imposed in criminal proceedings or by a regulatory authority. C(AICE)A also inserts a new section 337A into the Companies Act 1985. This allows a company to fund its directors' defence costs as they are incurred in both civil and criminal cases, through the granting of a loan to a director. The loan must be repaid by any director who is not exonerated (though the costs incurred in civil cases involving third parties could be paid by the company under the indemnity discussed above). Previously, companies have only been able to fund a director's defence costs once final judgement in the director's favour has been reached.

Directors are increasingly being added as defendants in legal actions against companies and litigation is often very lengthy and expensive. The Board believes that the provision of appropriate indemnities and the funding of directors' defence costs as they are incurred, as permitted by the new legislation, are reasonable protection for the directors, and are important to ensure that the Company continues to attract and retain the highest calibre of directors.

The Board therefore proposes that the Company's Articles of Association be amended to reflect the new statutory provisions. The proposed resolution is a special resolution to amend Articles 87 and 156 of the Articles of Association of the Company accordingly.

Resolutions 15 and 16 – To introduce a new Long Term Incentive Plan and a new Executive Share Option Plan

The remuneration committee has recently undertaken a comprehensive review of the Company's executive incentive arrangements with the intention of putting in place effective incentives to focus executives on driving the Company's recovery, while also taking into account investor views and market practice. How this review affects the remuneration of the Company's executive directors is described in the remuneration report beginning on page 16 of the Company's Annual Report.

One key proposal of the review was that the Company should introduce a new Performance Share Plan as the Company's primary long-term incentive arrangement. It is currently intended that the highest levels of executives (approximately 100 individuals) would receive awards under the Performance Share Plan. The initial awards would be over shares worth 200% of base salary for executives at the highest level (currently 5 individuals), with lower award levels for less senior executives.

Vesting of the initial awards will be based on earnings per share (EPS) growth targets measured over three financial years. These are described in the appendix to this notice. The committee considers that the targets are demanding in the context of the Company's circumstances and take into account the prospects of recovery. The committee considers that EPS is the most appropriate measure of performance, particularly at this stage of the Company's development. This is because it is the key measure of management performance taking account of growth in sales, cost reductions and margin improvements, all of which are necessary to drive the Company's recovery and increase shareholder value.

The incentive review undertaken by the remuneration committee also proposed that the Company should adopt a new executive share option plan (the 'Option Plan') to replace the existing plan which expires in 2005. Although the remuneration committee does not currently intend to use the Option Plan on a regular annual basis, it wishes to have the flexibility to make grants from time to time on an exceptional basis, including upon recruitment if it considers it appropriate to do so in the future. The normal annual individual limit applying to grants will be 250% of base salary, rising to 400% on recruitment. These are the same limits as in the existing executive option scheme. The economic value of any option grants made to an individual in a year will be taken into account in calculating the scope to make awards under the Performance Share Plan to that individual in the same year and vice versa. The performance condition applying to the options will be EPS growth measured over three financial years and the condition which would apply to any options granted in this financial year is described in the appendix to this notice.

The Committee may set different EPS targets for awards or options made in future years. Assuming that the Company's EPS grows substantially in 2005/06, this is likely to be necessary for awards or options made in 2006/07. However, the Committee must regard any new targets as at least as challenging in the circumstances as those that apply to the initial awards or options.

If the Performance Share Plan and the Option Plan are approved by shareholders then no further awards would be made under the Company's existing Share Matching Plan.

The principal terms of the Performance Share Plan and the Option Plan are set out in the appendix to this notice.

Recommendation

Your directors believe that the proposals described in this booklet are in the best interests of the Company and its shareholders as a whole and recommend you to give them your support by voting in favour of the resolutions, as they intend to in respect of their own beneficial holdings with the exception of Resolutions 14, 15 and 16.

Yours sincerely

Graham Oakley, Group Secretary
9 June 2005

NOTICE OF MEETING

Marks and Spencer Group plc

Notice is hereby given that the fourth Annual General Meeting of Marks and Spencer Group plc will be held at The ICC (The International Convention Centre), Broad Street, Birmingham B1 2EA on Wednesday 13 July 2005 at 2pm for the following purposes:

Ordinary Business

1 To receive the report of the directors and the financial statements for the 52 weeks ended 2 April 2005, together with the report of the auditors.

2 To approve the remuneration report.

3 To declare a final dividend on the ordinary shares.

To elect the following directors who were appointed by the Board since the last Annual General Meeting:

4 Ian Dyson

5 Anthony Habgood

6 Steven Holliday

To re-elect the following director who is retiring by rotation:

7 Jack Keenan

To appoint the following director with effect from 1 October 2005:

8 Lord Burns

9 To resolve as an ordinary resolution:
That PricewaterhouseCoopers LLP be, and are hereby, re-appointed auditors of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.

10 To resolve as an ordinary resolution:
That the audit committee determine the remuneration of the auditors on behalf of the Board.

Special Business

Directors' authority to allot shares

11 To resolve as an ordinary resolution:
That the authority conferred on the directors by Article 14(B)(i) of the Company's Articles of Association be renewed for the period ending on the conclusion of the Annual General Meeting in 2006 or on 12 October 2006, whichever shall be the earlier, in respect of relevant securities up to an aggregate nominal amount (the Section 80 Amount) of £138,222,530.

Disapplication of pre-emption rights

12 To resolve as a special resolution:
That the authority conferred on the directors by Article 14(B)(ii) of the Company's Articles of Association be renewed for the period ending on the conclusion of the Annual General Meeting in 2006 or on 12 October 2006, whichever shall be the earlier, in respect of equity securities issued wholly for cash (a) in connection with a rights issue, and (b) otherwise than in connection with a rights issue up to an aggregate nominal amount (the Section 89 Amount) of £20,733,379.

Company's authority to purchase its own shares

13 To resolve as a special resolution:
That the Company be generally and unconditionally authorised to make market purchases (as defined in Section 163 of the Companies Act 1985) of its ordinary 25p shares provided that:

(a) the Company does not purchase under this authority more than 165 million ordinary shares;

(b) the Company does not pay less than 25p for each ordinary share;

(c) the Company does not pay for each ordinary share more than 105% of the average of the middle market price of the ordinary shares according to the Daily Official List of the London Stock Exchange for the five business days immediately preceding the date on which the Company agrees to buy the ordinary shares concerned;

(d) this authority shall continue in force until the conclusion of the Annual General Meeting in 2006 or 12 October 2006, whichever shall be the earlier; and

(e) the Company may agree before the authority terminates under (d) above to purchase ordinary shares where the purchase will or may be executed after the authority terminates (either wholly or in part). The Company may complete such a purchase even though the authority has terminated.

Indemnification of Directors

14 To resolve as a special resolution:
That the Articles of Association of the Company be amended:

(a) by the insertion of the following sentence at the end of Article 87:
"The Company may also fund a director's expenditure on defending proceedings as provided in the Statutes."; and

(b) by the deletion of the existing Article 156 and the insertion of the following article to appear as Article 156:
"Subject to the provisions of the Statutes, the Company may indemnify any director of the Company or of any associated company against any liability and may purchase and maintain for any director of the Company or of any associated company any insurance against any liability."

Share Schemes

15 To resolve as an ordinary resolution:

That the Marks and Spencer Group Performance Share Plan 2005 (the 'Plan'), the principal terms of which are summarised in the appendix to this notice and the rules of which are produced to the meeting and signed by the Chairman for the purposes of identification, is approved and the directors are authorised to:

(a) make such modifications to the Plan as they may consider appropriate to take account of the requirements of the UK Listing Authority and best practice and to adopt the Plan as so modified and to do all such acts and things as they may consider appropriate to implement the Plan; and

(b) establish further plans for the benefit of employees outside the UK, based on the Plan but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such plans are treated as counting against the limits on individual and overall participation contained in the Plan.

16 To resolve as an ordinary resolution:

That the Marks and Spencer Group Executive Share Option Plan 2005 (the 'Option Plan') the principal terms of which are summarised in the appendix to this notice and the rules of which are produced to the meeting and signed by the Chairman for the purposes of identification, is approved and the directors are authorised to:

(a) make such modifications to the Option Plan as they may consider appropriate to take account of the requirements of the Inland Revenue, the UK Listing Authority and best practice and to adopt the Option Plan as so modified and to do all such acts and things as they may consider appropriate to implement the Option Plan; and

(b) establish further plans for the benefit of employees outside the UK, based on the Option Plan, but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such plans are treated as counting against the limits on individual and overall participation contained in the Option Plan.

To transact any other business considered appropriate to be dealt with at an Annual General Meeting.

By order of the Board

Graham Oakley, Group Secretary
9 June 2005, London

Registered office
Waterside House
35 North Wharf Road,
London W2 1NW
Registered in England and Wales No. 4256886

Notes:

1 Anthony Habgood, Steven Holliday and Jack Keenan are members of the remuneration committee.

2 Details of the directors seeking (re-)election and appointment are given on page 17 of the Annual Review, including membership of the principal committees. The unexpired terms of their service contracts are as follows: Ian Dyson – 12 months; and Anthony Habgood, Steven Holliday, Jack Keenan and Lord Burns (on appointment) – three months.

3 Every member entitled to attend and vote at the AGM may appoint a proxy to attend and to vote instead of that member. A proxy need not be a member of the Company.

4 The time by which a person must be entered on the Company's register of members in order to attend or vote at the meeting is 6pm on Monday 11 July 2005.

5 The following documents are available for inspection at an agreed time (please ring 020 8718 2867) during normal business hours on any weekday, except Saturdays and public holidays, at the Company's registered office at Waterside House, 35 North Wharf Road, London W2 1NW. They will also be available for inspection at The ICC from 1pm on 13 July 2005 until the conclusion of the AGM:

(i) the register of directors' interests;

(ii) copies of the service contracts between the Company and its directors; and

(iii) the Articles of Association.

6 A copy of the draft rules of the Marks and Spencer Performance Share Plan 2005 and the Marks and Spencer Executive Share Option Plan 2005 will be available for inspection at the offices of New Bridge Street Consultants LLP at 20 Little Britain, London EC1A 7DH at an agreed time (please ring 020 7282 3030) during normal business hours on any weekday, except Saturdays and public holidays, from the date of this notice up to and including the date of the AGM and at The ICC from at least 15 minutes prior to the meeting until its conclusion.

7 Please see the letter from the Group Secretary dated 9 June 2005 for further information.

APPENDIX

Summary of the principal terms of the Marks and Spencer Group Performance Share Plan 2005 (the 'Performance Share Plan') and the Marks and Spencer Group Executive Share Option Plan 2005 (the 'Option Plan')

This appendix describes the principal terms specific to each of the Performance Share Plan and the Option Plan and then summarises the terms common to both plans.

Summary of the principal terms of the Performance Share Plan

Operation

The operation of the Performance Share Plan will be supervised by the remuneration committee of the board of directors of the Company (the 'Committee').

Eligibility

Any employee (including an executive director) of the Company and any of its subsidiaries will be eligible to participate in the Performance Share Plan at the discretion of the Committee, provided they are not within 12 months of their normal retirement date.

Grant of awards

The Committee may grant an award in one of three forms: (i) conditional allocations, where a participant will receive free ordinary shares in the Company ('Shares') on the vesting of his award; (ii) nil (or nominal) cost options, where a participant can decide when to exercise his award during a period of 12 months after it has vested; or (iii) forfeitable Shares, where a participant will have certain shareholder benefits prior to the vesting of his award but will receive complete ownership of free Shares on the vesting of his award. The Committee may also decide to grant cash-based awards of an equivalent value to share-based awards or to satisfy share-based awards in cash (either in whole or part), although it does not currently intend to do so.

The Committee intends to grant the initial awards within six weeks of the approval of the Performance Share Plan by shareholders. The Committee may then normally grant awards within six weeks following the Company's announcement of its results for any period. The Committee may also grant awards when there are exceptional circumstances which the Committee considers justifies the granting of awards.

Individual limit

An individual may not receive awards in any financial year over Shares having a market value in excess of 200% of his annual base salary other than in the case of a recruitment where the limit is 300% of annual base salary.

Vesting of awards

Awards will normally vest following the third anniversary of grant once the Committee has determined the extent to which the applicable performance conditions (see below) have been satisfied and provided the participant is still employed in the Company's group.

Leaving employment

An award will lapse if a participant leaves the employment of the Company's group for any reason before the first anniversary of grant. As a general rule, an award will also lapse upon a participant leaving employment between the first anniversary of grant and vesting. However, if a participant leaves employment during this period because of his death, disability, normal retirement or early retirement with the agreement of his employer, redundancy, the sale of his employing company or business out of the Company's group or any other reason at the discretion of the Committee, then his award will normally vest when he leaves. The extent to which an award will vest in these circumstances will depend upon the extent to which the performance condition has, in the opinion of the Committee, been satisfied up to the date of leaving. Alternatively, the Committee can decide that an award held by such a leaver will vest on the normal vesting date to the extent that the performance condition has been satisfied up to that time. Whether a leaver's award vests on cessation or at the normal time for vesting, it will be pro-rated to reflect the period of time between its grant and the time of leaving employment, although the Committee can decide not to pro-rate an award if it regards it as inappropriate to do so in the particular circumstances.

Performance condition

The vesting of awards will depend on the Company's adjusted earnings per share ('EPS') performance over a fixed three-year performance period starting on the first day of the financial year in which the awards are granted.

The extent to which awards will vest will depend on the extent to which the Company's average annual adjusted EPS growth exceeds inflation ('RPI') over the three-year performance period on the following basis:

Average annual adjusted EPS growth of the Company over the three year performance period	Percentage of award vesting
Less than RPI + 8%	0%
RPI + 8%	20%
RPI + 15% or more	100%
Between RPI + 8% and RPI + 15%	Between 20% and 100% on a straight-line basis

The adjusted EPS growth will be determined by comparing the Company's adjusted EPS for the financial year prior to the grant of awards with its adjusted EPS for the third financial year after that. Adjusted EPS will be calculated on the same basis as stated in the Company's annual report and accounts except in the case of the 2004/05 figure which has been calculated on a 'pro forma' basis. This 'pro forma' basis assumes that the corporate events which happened during 2004/05, such as the sale of the financial services business and the return of capital to shareholders, occurred at the start of the year rather than in the middle of the year. Both the 'pro forma' adjusted EPS figure and the standard adjusted EPS figure are disclosed in the Annual Report.

The Committee may vary the performance condition applying to existing awards to take account of events that the Committee considers to be exceptional, such as changes to accounting standards, provided the Committee considers the varied condition is fair and reasonable and that the condition remains as challenging as the original condition would have been but for the event in question.

The Committee may set different EPS targets for awards made in future financial years. However, the Committee must consider that any new targets are at least as challenging in the circumstances as those to be applied to the awards made in this financial year.

Participants' rights

Awards structured as conditional allocations and options will not confer any shareholder rights on participants until those awards have vested and the participants have received their shares. Holders of awards structured as forfeitable shares will have shareholder rights although they will be required to waive their right to receive dividends.

Whatever the structure of the share award, participants will be entitled to receive a payment (in cash and/or shares) on or shortly after the vesting of their awards of an amount equivalent to the dividends that would have been paid on the vested shares between the time when the awards were granted and the time when they vest.

Summary of the principal terms of the Option Plan

Operation

The operation of the Option Plan will be supervised by the Committee. It is intended that both Inland Revenue approved and unapproved options may be granted under the Option Plan so that UK participants may be able to take advantage of the beneficial tax treatment applying to Inland Revenue approved options.

Eligibility

Any employee (including an executive director) of the Company and any of its subsidiaries will be eligible to participate in the Option Plan at the discretion of the Committee, provided they are not within 12 months of their normal retirement date. Executive directors will only be eligible to receive approved options if they work for at least 25 hours a week.

Grant of options

It is not currently intended to grant options on a regular annual basis. However, the Committee may grant options within six weeks following the Company's announcement of its results for any period. It may also grant options when there are exceptional circumstances which the Committee considers justifies the granting of options. In addition, the Committee may grant options in the six weeks following approval of the Option Plan by shareholders and, in the case of Inland Revenue approved options, within six weeks of the approval of the Option Plan by the Inland Revenue.

Inland Revenue unapproved options may be granted in the form of share appreciation rights where participants are entitled to receive Shares and/or cash equal to the gain in the options at the time of exercise.

Individual limit

An individual may not receive options in any financial year over Shares having a market value in excess of 250% of his annual base salary other than in the case of recruitment where the limit is 400% of annual base salary.

Exercise price

The price payable for Shares on the exercise of an Option will not be less than the market value of the Shares on the business day before the date of grant or, if the Committee so decides, the average market value over a period of up to five business days before the date of grant. If the option is intended to be satisfied with new issue Shares then the option price cannot be less than the nominal value of a Share.

Exercise and lapse of options

Options will normally be exercisable between three and 10 years following the date of grant to the extent that the performance conditions (see below) have been satisfied and provided the participant is still employed in the Company's group. Options will lapse 10 years following their grant or earlier to the extent that they do not become exercisable.

The Committee may decide to satisfy unapproved options in cash instead of Shares but does not currently intend to do so.

Leaving employment

An option will lapse if a participant leaves the employment of the Company's group for any reason before the first anniversary of grant. As a general rule, an option will also lapse upon a participant leaving employment on or after the first anniversary of grant. However, if a participant leaves employment on or after the first anniversary because of his death, disability, normal retirement or early retirement with the agreement of his employer, redundancy, the sale of his employing company or business out of the Company's group or any other reason at the discretion of the Committee, then his option will become exercisable on leaving for a limited period to the extent that the performance condition has, in the opinion of the Committee, been satisfied up to the date of leaving. Alternatively, the Committee can decide that an option held by such a leaver will become exercisable for a limited period following the end of the period over which performance is normally measured. Whether a leaver's option becomes exercisable on leaving or at the end of the normal performance period, it will be pro-rated to reflect the period of time between its grant and the time of leaving employment, although the Committee can decide not to pro-rate an option if it regards it as inappropriate to do so in the particular circumstances.

Performance condition

The extent to which options will become exercisable will depend on the extent to which the Company's average annual adjusted EPS growth exceeds inflation ('RPI') over a fixed three-year performance period on the following basis:

Average annual adjusted EPS growth of the Company over the three-year performance period	Percentage of option exercisable
Less than RPI + 8%	0%
RPI + 8%	20%
RPI + 15% or more	100%
Between RPI + 8% and RPI + 15%	Between 20% and 100% on a straight-line basis

The adjusted EPS growth will be determined by comparing the Company's adjusted EPS in the financial year prior to the grant of options with its adjusted EPS for the third financial year after that. Adjusted EPS will be calculated on the same basis as described above for awards made under the Performance Share Plan.

The Committee may vary the performance condition applying to existing options to take account of events that the Committee considers to be exceptional, such as changes to accounting standards, provided the Committee considers the varied condition is fair and reasonable and that the condition remains as challenging as the original condition would have been but for the event in question.

The Committee may set different EPS targets for options made in future financial years. However, the Committee must consider that any new targets are at least as challenging in the circumstances as those to be applied to any options granted in this financial year.

Principal terms common to the Performance Share Plan and the Option Plan (together the 'Plans')

General

No awards or options may be granted under the Plans more than 10 years after the approval of the Plans by shareholders.

Awards and options granted under the Plans are not transferable, except on death. Awards and options are not pensionable.

No payment will be required for the grant of an award or an option under the Plans.

Overall dilution limits for the Plans

The Company currently intends to use Shares purchased in the market for the Performance Share Plan. However, the Plans may operate over new issue Shares, treasury Shares or Shares purchased in the market.

In any 10-year period the Company may not issue (or have the possibility to issue) more than:

(a) 10% of the issued ordinary share capital of the Company under the Plans and any other employee share plan adopted by the Company; and

(b) 5% of the issued ordinary share capital of the Company under the Plans and any other executive share plan adopted by the Company.

Shares issued under employee share plans adopted by Marks and Spencer plc during the relevant 10-year period will also count towards these limits. Treasury Shares will count as new issue Shares for the purposes of these limits unless institutional investor bodies decide that they need not count.

Corporate events

In the event of a takeover, scheme of arrangement or winding up of the Company (not being an internal corporate reorganisation) awards or options under the Plans will vest to the extent that the relevant performance condition has, in the opinion of the Committee, been satisfied at that time. The awards under the Performance Share Plan will then be pro-rated to reflect the reduced period of time between the grant of the awards and the time of vesting, although the Committee can decide not to pro-rate awards if it regards it as inappropriate to do so in the particular circumstances. If options granted under the Option Plan vest as a result of the relevant corporate event then they will be exercisable for a limited period after vesting.

In the event of an internal corporate reorganisation, awards and options under the Plans will be replaced by equivalent new awards or options over shares in a new holding company unless the Committee decides that the awards or options should vest on the basis which would apply in the case of a takeover described above.

If a demerger, special dividend or other similar event is proposed which, in the opinion of the Committee, would affect the market price of Shares subject to outstanding awards and options under the Plans to a material extent, then the Committee may determine that such awards and options will vest to the extent that the performance conditions have, in the opinion of the Committee, been satisfied at that time. The awards under the Performance Share Plan will then be pro-rated to reflect the reduced period of time between the time of grant of the awards and the time of vesting, although the Committee can decide not to pro-rate awards if it regards it as inappropriate to do so in the particular circumstances.

Variation of share capital

In the event of any variation in the share capital of the Company, payment of a special dividend, or any other event that would affect the market price of the Shares to a material extent, the Committee may make such adjustments as it considers appropriate to the number of Shares subject to an award under the Performance Share Plan or to unapproved options under the Option Plan and/or to the price payable on the exercise of options. Similar adjustments may be made to approved options but only in the case of a variation of share capital and subject to the prior approval of the Inland Revenue.

Rights attaching to Shares

Shares allotted under the Plans will rank equally with all other Shares then in issue, but will not qualify for dividends or other rights for which the record date is earlier than the date of allotment of the Shares.

Alterations to the Plans

The Committee may amend the Plans provided that the prior approval of shareholders is obtained for any amendments to the advantage of participants in respect of eligibility, the limits on participation, the overall limits on the issue of Shares or the transfer of treasury Shares, the basis for determining a participant's entitlement to, and the terms of, Shares or cash provided under the Plans and the adjustment of awards or options. In the case of approved options under the Option Plan, the prior approval of the Inland Revenue will be required for any amendment to the key features of the Option Plan.

The requirement to obtain the prior approval of shareholders will not, however, apply to any minor alteration made to benefit the administration of the Plans, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Company's group.

Extension of the Plans overseas

The shareholder resolutions to approve the Plans will give the directors of the Company the power to modify the Plans to take account of local tax, exchange control and securities laws in any overseas jurisdictions into which awards or options may be granted (although the Committee does not currently envisage doing so).

THE VENUE

Venue
The ICC (The International Convention Centre), Broad Street, Birmingham B1 2EA.

Date
Wednesday 13 July 2005.

Time
The meeting will start at 2pm and registration will be available from 12.15pm. Please try to arrive by 1.45pm to allow time for registration and security clearance.

Admission
Please bring with you the attendance card which is attached to your proxy form. This will help us to register your attendance without any delay and enable you to access The NIA (The National Indoor Arena) South Lower Car Park should you be arriving by car.

Refreshments
Refreshments will be available before and after the meeting.

Further queries
If you have a query about the AGM or the contents of this document, please call Marks & Spencer Group Secretariat on 020 8718 2867.

Shareholders with special needs
There is an assisted hearing system available throughout the auditorium and handsets will be available from the cloakroom. A sign language interpreter will also be in attendance. The ICC is easily accessible for wheelchair users. If you would like further information concerning special needs' facilities at the venue, The ICC can be contacted direct on 0121 644 7178 (8.45am – 5pm Monday to Friday).

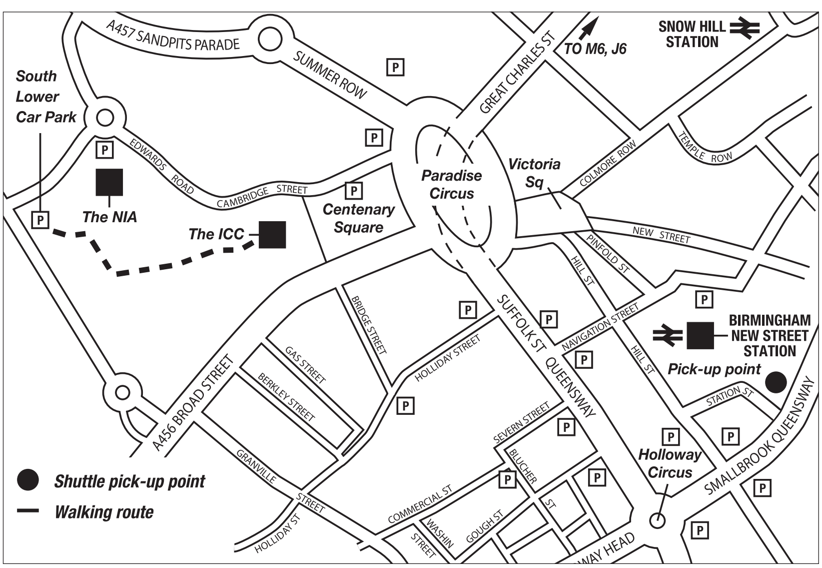
Getting to the venue
The ICC is easily accessible by:

Bus The following buses stop outside The ICC on Broad Street: 9, 10, 19, 21, 22, 23, 29 and 127.

Rail A direct service from London Euston to Birmingham New Street runs two services per hour taking approximately 1 hour 40 minutes. We will run shuttle buses from Birmingham New Street Station to The ICC. Please exit the station via the ticket barriers at the main exit by Burger King and then cross the car park to TK Maxx where the buses will be waiting from midday to 1.45pm. Return buses will run post meeting. Alternatively, The ICC is a 15 minute walk from Birmingham New Street Station.

Car Birmingham is at the hub of a comprehensive motorway network that connects you to every corner of the country via the M5, M6, M40 and M42. Free parking for shareholders is available at The NIA South Lower Car Park situated to the rear of The NIA on a first come first served basis. Please bring your attendance card with you for access.

For shareholders unable to attend this year's AGM, we are providing an audio phone-in and a webcast. The audio phone-in service will be available as soon as the meeting commences at 2pm and will provide a live feed broadcast during the AGM. Questions cannot be asked live using this service, but you are invited to complete and return in advance the shareholder topics page at the end of this booklet or send an e-mail to chairman@marks-and-spencer.com, with the heading AGM 2005. To listen live to the AGM, please call +44 (0) 7162 0180 and quote 'Marks & Spencer AGM'. Calls will be charged at national rate.The live webcast will be available from 2pm on 13 July 2005, please log on to: http://www2.marksandspencer.com/thecompany/index.shtml



SHAREHOLDER TOPICS

We would like to understand the themes and issues of concern to our shareholders. If you have a particular topic which you would like to be considered at the AGM, please let us know by returning this form with brief details.

We ask that any topics which you raise on this form are related to the business as a whole and of interest to the shareholders generally. We will include the most frequently raised topics at the meeting and take questions from the floor.

If you have an individual concern or customer query, for example availability of a particular product, any of our stores will be happy to help you or, alternatively, please call Customer Services on 0845 302 1234.

Members of senior management will be available to meet shareholders at the AGM and representatives from Customer Services and Lloyds TSB Registrars will also be there to respond to individual queries.

To find out more about your Company, please go to www.marksandspencer.com/thecompany where you can catch up on the latest news in the press release section, read the latest annual report and review, as well as watch webcast videos of the AGM and our financial results presentations.

Topic for AGM

If you would prefer to send your comments electronically, please e-mail chairman@marks-and-spencer.com, with the heading AGM 2005.

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