

# MARKS & SPENCER

Notice of Annual General Meeting 2004

Royal Festival Hall,  
Belvedere Road, London SE1 8XX  
Wednesday 14 July 2004 at 11am



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 professional 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

I have pleasure in sending you the Notice of this year's AGM which will be held at the Royal Festival Hall, Belvedere Road, London SE1 8XX on Wednesday 14 July 2004 at 11am.

Information relating to the meeting is set out in this booklet and accompanying material.

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.

### Your Board

On 31 May 2004 the Board announced that with immediate effect Paul Myners, a current independent non-executive director, is appointed interim Chairman and that two new directors are appointed to the Board: Stuart Rose as Chief Executive and Charles Wilson as Executive Director.

These three directors are among those seeking (re-)election at the AGM.

### Your Vote Counts

There has been renewed focus on shareholder voting in the UK. In recent years our level of proxy votes has increased from 38.6% of the ordinary share capital in 2000 to 51.52% in 2003. We would like to see this trend continue and therefore support initiatives to improve the process to make voting more efficient, effective and transparent.

Your vote is important to us – you can:

- complete and return the enclosed proxy form; or
- register your proxy vote electronically by
  - logging on to our Registrars' website, [www.sharevote.co.uk](http://www.sharevote.co.uk). Full details of the procedure are given on that website;
  - using the service launched by CRESTCo last year, principally to streamline the process for institutional investors. Further details are given in the enclosed proxy form; or
- attend and vote at the AGM.

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 2003 all resolutions were passed at the meeting on a show of hands with proxy votes "for" each resolution ranging from 91.8% to 99.9%.

### Changes to Voting this year

We have reviewed the recommendations of the Review by Paul Myners of the Impediments to Voting UK Shares and introduced the following which represent best practice:

- The accompanying proxy form invites you to vote in one of three ways: "for", "against" and "vote withheld". This

reflects the current policy of the ABI and NAPF whose members would prefer on occasion to withhold their vote (rather than vote against) to evidence their concerns. Please note that a "vote withheld" has no legal effect and will count neither for nor against a resolution.

- 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).
- In the past voting by poll was cumbersome and could lead to the result of the vote being unnecessarily delayed. However, the introduction of electronic voting enables results to be obtained almost at once and so we propose to use Lloyds TSB Registrars' 'VoteNow' system, a summary of which is given on page 5.

### Electronic Communication

If you have access to the internet, please visit 'The Company' section of our website where you can view the Annual Review and the Annual Report, check the current share price and view recent Company press releases. It contains other corporate and customer information and is regularly updated. Our website address is [www.marksandspencer.com](http://www.marksandspencer.com).

### Explanatory Notes

#### Resolution 2 – To approve the remuneration report

The remuneration report is summarised on pages 26 to 27 of the Annual Review and set out in full on pages 16 to 23 of the Annual Report. It has been prepared in accordance with the Directors' Remuneration Report Regulations 2002 which require us to seek shareholder approval each year. The vote is 'advisory' in nature.

#### Resolutions 4 to 9 – To (re-)elect directors

Biographical details of all directors as at 24 May 2004 are given on page 18 of the Annual Review. These include dates of appointment, ages, career histories, current directorships and other significant appointments. Further information on directors seeking appointment for the first time is given below:

Maurice Helfgott, age 36, was appointed Executive Director for Food in November 2003. He joined Marks & Spencer in 1988 and built a strong commercial track record in Clothing, Operations and International before heading Ventures and then Corporate Strategy. He was director of Menswear from June 2001 until his appointment to the Board. He holds an MBA, with high distinction, from Harvard Business School.

Mark McKeon, age 45, was appointed Executive Director for Retail, International and Outlets in April 2004. He began his career with Waitrose before joining Next becoming Retail Sales Director, and Episode becoming European Managing Director. He was previously with Starbucks as President of Europe, Middle East and Africa. Mark has a wealth of experience in fashion retailing and will bring a new dimension to our store operations.

Stuart Rose, age 55, was appointed Chief Executive on 31 May 2004. He started his retail career at Marks & Spencer in 1972. In 1989 he joined the Burton Group, becoming Chief Executive of the Multiples Division in 1994. He joined Argos plc in 1997 as Chief Executive to defend the takeover bid from GUS. He then became Chief Executive of Booker plc and during his two years the Group was refocused, refinanced and eventually merged with Iceland plc in May 2000. He joined Arcadia Group plc as Chief Executive in November 2000 and left in December 2002 following its acquisition by Philip Green/Taveta Investments. He is a non-executive director of NSB Retail Systems plc, Land Securities plc, Laserthor, and Chairman of the British Fashion Council.

Charles Wilson, age 38, was appointed Executive Director on 31 May 2004. He started his career in 1986 at Proctor and Gamble. From 1987 to 1991 he was a consultant with OC&C Strategy Consultants, prior to his appointment as Director of Abberton Associates in 1991. In 1998 he was appointed as Executive Director of Booker plc. In 2000 he was appointed to the Iceland Group plc as Managing Director of Booker Cash and Carry. From 2001 to 2003 he was Executive Director of Arcadia Group plc, responsible for strategy, property, supply chain and systems.

#### **Resolution 10 – To re-elect a director who retires, aged 70**

Under the Company's Articles, any director who is aged 70 or more is required to retire and be considered for re-election at the next AGM. Brian Baldock who is our Senior Independent Director, will be 70 in June 2004. The Board has asked Brian to continue in office as part of our successional arrangements. He will therefore, retire and seek re-election at the forthcoming AGM.

It is currently anticipated that up to three new non-executive directors will be joining the Board in the next 12 months. The first such appointment will re-establish the balance between executive and non-executive directors. Subsequent appointments will lead to first Brian Baldock and then Dame Stella Rimington retiring from the Board, both having served in excess of six years as non-executive directors. This recruitment plan has been agreed by the Board, on the recommendation of the nomination committee, to manage the orderly succession of non-executive directors without compromising Board or committee effectiveness.

#### **Resolution 11 – To re-appoint the auditors**

On the recommendation of the audit committee, the Board proposes that PricewaterhouseCoopers LLP be re-appointed as auditors of the Company.

#### **Resolutions 12 and 13 – To renew powers of the Board to allot shares**

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 2005 AGM or 13 October 2005, if earlier, subject to the limitations specified in Resolution 12. Resolution 13 disappplies shareholder pre-emption rights over the allotment of certain shares for cash. The proposed limits are as follows:

**Resolution 12:** Shares in total, up to a nominal value of £188,790,912 (the 'Section 80 Amount') which represents one-third of the nominal value of the issued share capital

as at 11 May 2004 (being a date not more than one month prior to the date of this notice).

**Resolution 13:** Shares for cash, other than to existing shareholders in proportion to their holdings, up to a nominal value of £28,318,636 (the 'Section 89 Amount') being 5% of the nominal value of the issued share capital as at 11 May 2004 (being a date not more than one month prior to the date of this notice).

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

#### **Resolution 14 – 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 of shares 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 11 May 2004, there were options outstanding over approximately 115 million ordinary shares, representing 5.1% of the Company's issued ordinary share capital. If the authority given by Resolution 14 were to be fully used, these would then represent 5.6% 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.

#### **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 do themselves in respect of their own beneficial holdings.

#### **Change of Venue next year**

The Royal Festival Hall will not be available in 2005 and 2006 due to the refurbishment of the South Bank. The Board has taken this opportunity to move the AGM next year to the Birmingham International Convention Centre. This is a modern venue with good conference facilities in a rejuvenated City Centre at the heart of the UK. More information will be given in next year's Notice of Meeting.

Yours sincerely



**Graham Oakley**, Group Secretary  
10 June 2004

# Notice of Meeting

## Marks and Spencer Group plc

Notice is hereby given that the third Annual General Meeting of Marks and Spencer Group plc will be held at the Royal Festival Hall, Belvedere Road, London SE1 8XX on Wednesday 14 July 2004 at 11am for the following purposes:

### Ordinary Business

**1** To receive the report of the directors and the financial statements for the 53 weeks ended 3 April 2004, 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** Maurice Helfgott

**5** Mark McKeon

**6** Stuart Rose

**7** Charles Wilson

To re-elect the following directors who are retiring by rotation:

**8** Kevin Lomax

**9** Paul Myners

To re-elect the following director who retires, aged 70, and seeks re-election:

**10** Brian Baldock

**11** 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 and that their remuneration be determined by the directors.

### Special Business

#### Directors' authority to allot shares

**12** To resolve as an ordinary resolution:

That the authority conferred on the directors by Article 14(B) of the Company's Articles of Association be renewed for the period ending on the conclusion of the Annual General Meeting in 2005 or on 13 October 2005, whichever shall be the earlier, and for such period to allot relevant securities up to an aggregate nominal amount (the Section 80 amount) of £188,790,912.

#### Disapplication of pre-emption rights

**13** To resolve as a special resolution:

That the authority conferred on the directors by Article 14(B) of the Company's Articles of Association be renewed for the period ending on the conclusion of the Annual General

Meeting in 2005 or on 13 October 2005, whichever shall be earlier, and for such period to allot equity securities wholly for cash in connection with a rights issue, and otherwise than in connection with a rights issue, up to an aggregate nominal amount (the Section 89 amount) of £28,318,636.

#### Company's authority to purchase its own shares

**14** 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 226 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 2005 or 13 October 2005, 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.

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  
10 June 2004

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

## Notes:

- 1 Details of the directors seeking (re-)election, including committee membership, are given on page 18 of the Annual Review and on pages 1 and 2 of this booklet. The unexpired terms of their service contracts are as follows: Maurice Helfgott, Mark McKeon, Stuart Rose and Charles Wilson – 12 months; and Brian Baldock, Kevin Lomax and Paul Myners – 3 months.
- 2 Brian Baldock is a member of the remuneration committee.
- 3 In accordance with the Company's Articles, Brian Baldock is retiring as he will be 70 in June 2004, and is seeking re-election.
- 4 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.
- 5 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 12 July 2004.
- 6 The following documents are available for inspection at an agreed time (please ring 020 7268 2867 to arrange) 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 Royal Festival Hall from 10am on 14 July 2004 until the conclusion of the AGM:
  - The register of directors' interests;
  - Copies of the service contracts between the Company and its directors.
- 7 A statement giving particulars of directors' relevant transactions, drawn up to comply with Section 343 of the Companies Act 1985, will be available for inspection from 29 June 2004 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. It will also be available for inspection at the Royal Festival Hall from 10am on 14 July 2004 until the conclusion of the AGM.
- 8 Please see the letter from the Group Secretary dated 10 June 2004 for further information.

## VoteNow

As explained on page 2, the Company has decided to move to voting on a poll at the Meeting using Lloyds TSB Registrars' 'VoteNow' electronic voting system. This system will ensure that the voting process is conducted almost as speedily as the traditional voting on a show of hands. 'VoteNow' has significantly reduced the manual input required by the Registrars when handling a traditional paper-based poll vote. Marks & Spencer has been assured by Lloyds TSB Registrars, that the 'VoteNow' service has been the subject of considerable testing to ensure it meets the necessary IT and audit requirements to collect and compute the number of votes received on a resolution.

The following notes summarise the key points for shareholders attending the AGM and how they can make best use of the 'VoteNow' system:

- At the registration desks you will be given a smartcard with a unique barcode. This barcode will enable the Registrars to link the vote you give via your electronic handset (which will be provided to you before the Meeting starts) with your individual shareholding and consequently with the number of votes that you have at the Meeting. This is different from the 'show of hands' method where each shareholder voting in that way casts a single vote regardless of the number of shares held.
- When instructed by the Chairman you should press the button on your handset corresponding with the way you wish to vote.
- When voting you will see a message on your handset confirming that your vote 'for' or 'against' or 'vote withheld' has been received. If you make a mistake you may simply press the correct button – your original vote will be cancelled and superseded by the correct vote. You may do this at any time until the Chairman declares the vote on the resolution is closed. You should note that a 'vote withheld' has no legal effect and will count neither for nor against a resolution.
- A few moments after the Chairman has declared the vote on the resolution closed, a provisional summary of the poll vote will be displayed in the auditorium showing the total and percentage numbers of shares voted ('for' 'against' and 'vote withheld') on the poll for that resolution. In order that the Registrars may make a final audit check at the end of the Meeting, these numbers are necessarily provisional. However, it is likely that these numbers will be strongly indicative of the result of the shareholders' voting. The final summary of the votes cast in respect of each resolution will be calculated at the end of the Meeting and will be released to the London Stock Exchange and published on the Company's website ([www.marksandspencer.com](http://www.marksandspencer.com)) as soon as practicable after the Meeting.

This will be explained clearly to shareholders at the AGM.

## Notice of Meeting

### Venue

Royal Festival Hall, Belvedere Road, London SE1 8XX – please refer to the map on this page.

### Date

Wednesday 14 July 2004.

### Time

The meeting will start at 11am and registration will be available from 9.30am. Please try to arrive by 10.30am to allow time for registration and security clearance.

### Admission

Please bring your Attendance Card with you which is attached to the Proxy Form. This will help us to register your attendance without any delay.

### Refreshments

Light 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 7268 3838.

### 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 Royal Festival Hall is easily accessible for wheelchair users. If you would like further information concerning special needs' facilities at the venue, the Royal Festival Hall can be contacted direct on 020 7921 0926 (10am – 6pm Monday to Friday).

### Security

For the safety and comfort of those attending the meeting we are introducing **new security measures** this year. For example, large bags, cameras, recording equipment and other such items will not be allowed into the hall.

### Transport

We recommend shareholders use public transport to attend the meeting – the following stations are all within walking distance of the Royal Festival Hall:

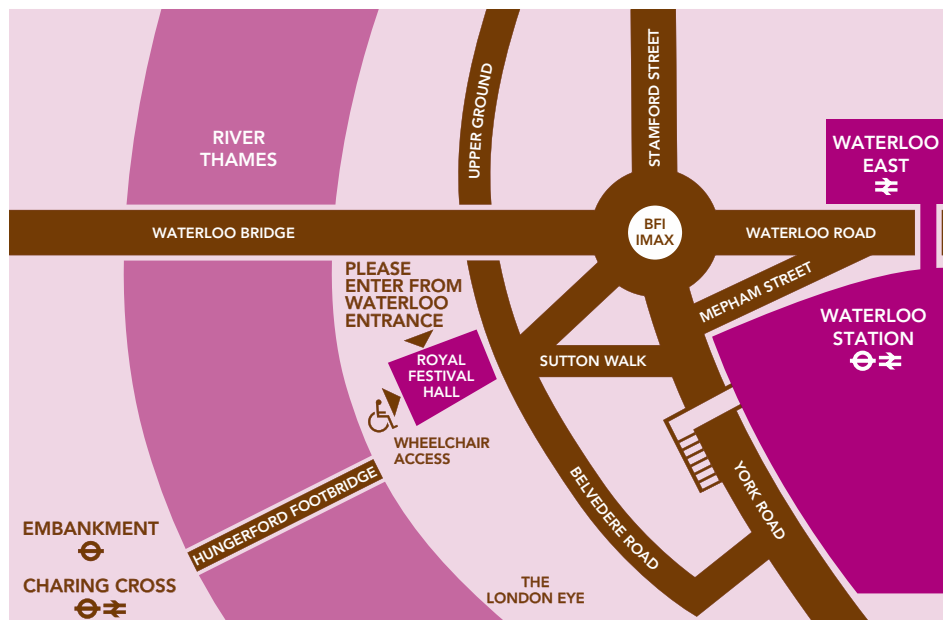
#### Nearest main-line stations

Waterloo, Waterloo East, Charing Cross

#### Nearest underground stations

Waterloo – Northern, Bakerloo, Jubilee lines

Embankment – District, Circle, Bakerloo, Northern lines



# Annual General Meeting 2004

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 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.

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.

### Topic for AGM

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Graham Oakley  
Group Secretary  
Marks and Spencer Group plc  
Waterside House  
35 North Wharf Road  
London  
W2 1NW

FIRST FOLD

SECOND FOLD

DETACH HERE 