

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should consult your stockbroker, solicitor, accountant or other professional adviser.

If you have sold or otherwise transferred all of your shares in Marks and Spencer Group plc (the 'Company'), please pass this document together with the accompanying Proxy form as soon as possible to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.



Notice of Annual General Meeting 2009
Royal Festival Hall, Southbank Centre, London SE1 8XX
Wednesday 8 July 2009 at 2pm

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 Royal Festival Hall, Southbank Centre, London SE1 8XX on Wednesday 8 July 2009 at 2pm.

Requisitioned resolution

Under the authority of the Local Authority Pension Fund Forum ('LAPFF'), a group of 102 shareholders (City of Bradford Metropolitan District Council with 3,082,653 shares, Pensions and Investment Research Consultants with one share and 100 newly-formed companies holding one share each) has requisitioned circulation of a resolution under section 338 of the Companies Act 2006 (Resolution 16).

LAPFF recommends that the Board brings forward the appointment of an independent Chairman from July 2011 to July 2010. If the resolution is passed, we believe it will constrain the Board in its ability to manage succession to the positions of Chairman and Chief Executive. It does this by imposing an unnecessarily short timescale in which to achieve orderly succession and requiring a specific order of appointment which may not be in the best interests of the Company. The Board prefers to retain the flexibility it explained to shareholders last year to give the best possible opportunities for strong appointments to these senior roles through a planned transition. The Board, therefore, opposes the resolution and recommends that shareholders vote AGAINST it for the following reasons:

- The requisitionists have stated that they 'continue to have confidence in Sir Stuart's leadership' yet seek to destabilise this by requiring him to relinquish his role as Chairman by July 2010. They urge this without consideration as to whether this would prompt his departure from the Board entirely, also forcing early appointment of a new CEO.
- The requisitionists' good faith is not in any doubt as the Board will seek separation of the roles of Chairman and Chief Executive as soon as reasonably practicable and potentially within the timescale proposed. However, the requisitionists are misguided because bringing that deadline forward by one year introduces an unnecessary and significant risk not worth taking, given the importance of the decisions to be made.

- The Board has explained its temporary departure from the Combined Code on Corporate Governance by appointing Sir Stuart Rose to the dual role of Chairman and Chief Executive to facilitate succession and has publicly committed that by July 2011 the Board would revert to a separate Chairman and CEO.
- Special measures and safeguards were put in place on Sir Stuart Rose's appointment as Executive Chairman to balance any concerns that too much power was concentrated in one individual. These included appointment of a Deputy Chairman and a further independent non-executive director as well as widened roles for executive directors to give them space and opportunities to develop. If he were to revert to his previous role as Chief Executive, this objective would be curtailed.
- These measures are working in practice and do not suggest that accelerated change is required – such change would upset continuity and force a focus on deadlines rather than quality.
- Strong governance continues to be at the forefront of the Board's plans and practices and is demonstrated throughout the business as set out in our Governance section in the Annual Report.

The resolution and supporting statement supplied by the requisitionists, together with expanded arguments from the Board as to why shareholders should vote against the resolution, are set out later in this Notice of Meeting.

What you should do now:

The Proxy form for all 16 resolutions is enclosed. The Board recommends that you vote FOR resolutions 1-15 and AGAINST Resolution 16 for the reasons set out in detail in Appendix 3 of this Notice of Meeting.

Your vote counts

Your vote is important to us – you can:

- register your Proxy vote electronically by logging on to our Registrars' website, sharevote.co.uk, or by using the service offered by Euroclear UK & Ireland Limited 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' for each of the resolutions. The 'vote withheld' option is provided to enable you to abstain on any particular resolution. However, it should be noted that a 'vote withheld' is not a vote in law and is not counted in the calculation of the votes 'for' and '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) using the 'Votenow' system.

The results will be published on our website, marksandspencer.com/thecompany, together with a resumé of the meeting, and will be released to the London Stock Exchange. In 2008, all resolutions were passed at the meeting on a poll with votes 'for' each resolution ranging from 87.2% to 99.9%.

Website

Our new corporate website was launched last autumn and is the principal means of communicating with shareholders. There is a wealth of information online including:

- a copy of our full Annual Report;
- latest M&S news, press releases and investor presentations;
- a detailed account of our approach to corporate governance at M&S from the boardroom to the shopfloor.

Explanatory notes

Resolution 2 – Approval of the Remuneration report

The Remuneration report is set out on pages 62 to 71 of the Annual Report. It has been prepared in accordance with the Directors' Remuneration Report Regulations 2002.

Resolution 4 – To re-elect Sir Stuart Rose

The Board determined that Sir Stuart Rose will retire and seek annual re-election while he is Executive Chairman, following its decision to combine the role of Chairman and Chief Executive until July 2011.

Resolutions 5 to 8 – (Re-)election of directors

Biographical details of our directors are given in the accompanying report. The Board concludes that each non-executive director is independent in character and judgement and following a process of formal evaluation confirms that each makes an effective and valuable contribution to the Board and demonstrates commitment to the role (including making sufficient time available for Board and committee meetings and other duties as required). The corporate governance section of the Annual Report contains details on the role of the Board and its committees.

As required by the Company's Articles of Association (the 'Articles'), Jeremy Darroch, Sir David Michels and Louise Patten are retiring and seeking re-election as directors. Jan du Plessis is seeking election to the Board as a non-executive director following his appointment to the Board on 1 November 2008.

Resolutions 9 and 10 – Re-appointment of the auditors and authority for 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.

Resolution 11 – Renewal of the powers of the Board to allot shares

Paragraph (A) of this resolution would give the directors the authority to allot ordinary shares of the Company up to an aggregate nominal amount equal to £131,511,272 (representing 526,045,087 ordinary shares of 25p each – the 'Section 80 Amount'). This amount represents approximately one third of the Company's issued share capital as at 5 May 2009, the latest practicable date before the publication of this Notice of Meeting.

In line with recent guidance issued by the Association of British Insurers ('ABI'), paragraph (B) of Resolution 11 would give the directors authority to allot ordinary shares in connection with a rights issue in favour of ordinary shareholders up to an aggregate nominal amount equal to £263,022,544 (representing 1,052,090,174 ordinary shares), as reduced by the nominal amount of any shares issued under paragraph (A) of this resolution. This amount (before any reduction) represents approximately two thirds of the issued ordinary share capital of the Company as at 5 May 2009, the latest practicable date before the publication of this Notice of Meeting.

The authorities sought under paragraphs (A) and (B) of this resolution will expire on the date of the AGM in 2010 or 27 September 2010, whichever is sooner (unless otherwise varied, revoked or renewed).

The directors have no present intention to exercise either of the authorities sought under this resolution, except, under paragraph (A), to satisfy options under the Company's share option schemes. As at the date of this Notice of Meeting, no shares are held by the Company in treasury.

Resolution 12 – Disapplication of pre-emption rights in certain circumstances

The directors are also seeking authority to disapply shareholder pre-emption rights so that shares may be allotted for cash, other than by way of a rights issue. Resolution 12 seeks authority to allot shares for cash other than by way of a rights issue up to an aggregate nominal amount of £19,726,691 (representing 78,906,763 ordinary shares – the ‘Section 89 Amount’). This aggregate nominal amount represents approximately 5% of the Company’s issued share capital as at 5 May 2009, being the latest practicable date before the publication of this Notice of Meeting, and corresponds with the guidance level indicated by the ABI and the National Association of Pension Funds.

The directors have no current intention to allot shares except in connection with employee share schemes. The Company has issued 32,001,073 ordinary shares in the past three years, on a non-pre-emptive basis, which represents 2.03% of issued share capital. This is in line with best practice guidelines, which state that companies do not issue more than 7.5% of issued share capital on a non-pre-emptive basis over a rolling three year period. The authority will expire on the date of the AGM in 2010 or 27 September 2010 whichever is sooner (unless otherwise varied, revoked or renewed).

Resolution 13 – Authorisation for 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 5 May 2009, the latest practicable date before the publication of this Notice of Meeting, there were options outstanding over approximately 66.5 million ordinary shares, representing 4.21% of the Company’s issued ordinary share capital. If the authority given by Resolution 13 were to be fully used, these would then represent 4.68% of the Company’s ordinary share capital in issue at that date.

Under the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 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. It is the Company’s present intention to cancel any shares it buys back rather than hold them in treasury.

Resolution 14 – Notice of general meetings

This resolution is required to reflect the proposed implementation in August 2009 of the EU Shareholder Rights Directive (the ‘Directive’). The regulation implementing this Directive will increase the notice period for general meetings of the Company to 21 days. The Company is currently able to call general meetings (other than an Annual General Meeting) on 14 clear days’ notice and would like to preserve this ability. In order to be able to do so after August 2009, shareholder approval is required to authorise the calling of meetings on 14 days’ notice. Resolution 14 seeks such approval. The approval will be effective until the Company’s next Annual General Meeting, when it is intended that a similar resolution will be proposed. The Company will also need to meet the requirements for electronic voting under the Directive before it can call a general meeting on 14 days’ notice after August 2009.

Resolution 15 – Irish All-Employee Sharesave Plan

The Company has operated an All-Employee Sharesave Plan in the UK for over 20 years and it is very popular, with over 26,000 employees currently participating in it. The directors would like to extend the benefits of the Sharesave Plan to employees based in the Republic of Ireland. Accordingly, shareholder approval is being sought to introduce a Republic of Ireland Sharesave Plan. The Republic of Ireland Sharesave Plan will be substantially the same as the existing UK Sharesave Plan and it is intended that it will be operated on the same basis as the UK Sharesave Plan. The principal terms of the proposed Republic of Ireland Sharesave Plan are summarised in Appendix 1 to this Notice of Meeting and the rules will be available at the AGM, signed by the Chairman for the purposes of identification.

Resolution 16 – Requisitioned resolution from LAPFF

This resolution has been requisitioned under the authority of the Local Authority Pension Fund Forum as permitted by the Companies Act 2006 and will be proposed as a special resolution. The resolution is set out on page 8, the LAPFF supporting statement in Appendix 2 and the Company's response in Appendix 3 to this Notice of Meeting.

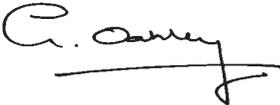
Recommendation

The Board believes that:

- resolutions 1-15 are in the best interests of the Company and recommend you give them your support by voting in favour of them;
- resolution 16 is not in the best interests of the Company for the reasons set out in Appendix 3 and recommends you vote against it;

as they intend to in respect of their own beneficial shareholdings.

Yours sincerely



Graham Oakley, Group Secretary
4 June 2009

Notice of meeting

Marks and Spencer Group plc

Notice is hereby given that the eighth Annual General Meeting of Marks and Spencer Group plc will be held at the Royal Festival Hall, Southbank Centre, London SE1 8XX on Wednesday 8 July 2009 at 2pm (the 'AGM') for the purposes set out below:

Resolutions 1 to 11 and 15 will be proposed as ordinary resolutions and Resolutions 12 to 14 and 16 will be proposed as special resolutions.

- 1 To receive the report of the directors and the financial statements for the 52 weeks ended 28 March 2009, together with the report of the auditors.
- 2 To approve the Remuneration report.
- 3 To declare a final dividend of 9.5p per ordinary share.
- 4 To re-elect Sir Stuart Rose, who is seeking annual re-election as previously announced by the Company.

To elect the following director who was appointed by the Board since the last Annual General Meeting:

- 5 Jan du Plessis

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

- 6 Jeremy Darroch
- 7 Sir David Michels
- 8 Louise Patten
- 9 To resolve 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 that the Audit Committee determine the remuneration of the auditors on behalf of the Board.

Directors' authority to allot shares

- 11 To resolve that the directors be and are hereby authorised generally and unconditionally to exercise all the powers of the Company to allot relevant securities (as defined in section 80 of the Companies Act 1985):
 - (A) up to a nominal amount of £131,511,272;
 - (B) comprising equity securities (as defined in section 94 of the Companies Act 1985) up to a nominal amount of £263,022,544 (including within such limit any relevant securities issued under paragraph (A) above) in connection with an offer by way of a rights issue:
 - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holders; and
 - (ii) to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,

and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with any treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or laws of, any territory or any matter.

The authority conferred on the directors to allot securities under paragraph (A) and (B) will expire on the date of the Annual General Meeting of the Company to be held in 2010 or on 27 September 2010 whichever is sooner, unless previously revoked or varied by the Company, and such authority shall extend to the making before such expiry of an offer or an agreement that would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of that offer or agreement as if the authority conferred hereby had not expired.

Disapplication of pre-emption rights

12 To resolve as a special resolution that, if Resolution 11 is passed, the directors be authorised pursuant to section 95 of the Companies Act 1985 to allot equity securities (as defined in section 94 of the Companies Act 1985) for cash pursuant to the general authority conferred by Resolution 11 (set out in this Notice of meeting) and/or where the allotment is treated as an allotment of equity securities under section 94(3A) of the Companies Act 1985 free of the restriction in section 89(1) of the Companies Act 1985, provided that this power shall be limited:

- (A) to the allotment of equity securities in connection with an offer of equity securities (but in the case of the authority granted under paragraph (B) of Resolution 11, by way of a rights issue only):
- (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - (ii) to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,

and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with any treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or laws of, any territory or any matter; and

- (B) in the case of the authority granted under paragraph (A) of Resolution 11 and/or in the case of any transfer of treasury shares which is treated as an allotment of equity securities under section 94(3A) of the Companies Act 1985, to the allotment (otherwise than under paragraph (A) above) of equity securities up to a nominal amount of £19,726,691,

and shall expire at the conclusion of the Annual General Meeting to be held in 2010 or on 27 September 2010 whichever is sooner (unless previously revoked or varied by the Company in general meeting), provided that the Company may before that date make an offer or agreement which would or might require equity securities to be allotted or treasury shares to be sold after that date and the directors shall be entitled to allot such securities or sell treasury shares accordingly in pursuance of such offer or agreement as if the power conferred by this agreement had not expired.

Company's authority to purchase its own shares

13 To resolve as a special resolution that the Company is authorised, generally and unconditionally, to make market purchases (within the meaning of section 163 of the Companies Act 1985) of its own ordinary shares of 25p each ('ordinary shares'), provided that:

- (a) the Company may not purchase more than 158 million ordinary shares, representing 10% of the issued ordinary share capital of the Company (excluding treasury shares) as at 5 May 2009;
- (b) the Company does not pay less than 25p for each ordinary share (being the nominal value of an ordinary share);
- (c) the Company does not pay for each ordinary share more than the higher of (i) an amount equal to 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 purchase is made and (ii) the price stipulated by article 5(1) of the Buy Back and Stabilisation Regulation (EC No.2273/2003);
- (d) this authority shall expire on the date of the Annual General Meeting of the Company to be held in 2010 or 27 September 2010, whichever is sooner (unless otherwise varied, revoked or renewed); 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.

Calling of general meetings on 14 days' notice

- 14** To resolve as a special resolution that a general meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice.

Republic of Ireland All-Employee Sharesave Plan

- 15** To resolve that the Marks and Spencer Group Republic of Ireland Sharesave Plan 2009 (the "Plan"), the principal terms of which are summarised in Appendix 1 to this Notice of Meeting, be approved and the directors are authorised to make such modifications to the Plan as they may consider appropriate to take account of the requirements of the Irish Revenue Commissioners 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.

Additional resolution requisitioned by LAPFF Special Resolution

Independent non-executive Chairman

- 16** To resolve that:

- 1 As shareholders of Marks & Spencer, we note the successful efforts by the Board of directors to shrug off the challenge to its independence from Sir Phillip Green and the leadership role played by Sir Stuart Rose and fellow executives in developing new ideas and reorganising strategies at store level. This process has benefited from the efforts of all staff in the Group at every level.
- 2 However, following the Company announcement of significant Board changes on 10 March 2008 and the appointment of Sir Stuart Rose to the position of Executive Chairman and Chief Executive, we are concerned at the increased risks now being run by the Board.
- 3 We believe that the Company's future progress requires more than just financial analysis. Among other factors, we believe that a Company's long run profitability and its ability to deliver returns to shareholders are affected by its corporate governance structure. A poorly governed company introduces a greater degree of uncertainty to its business model and so increases the investment risk for shareholders, employees and management.
- 4 We believe that the Marks & Spencer Board now exhibits a high degree of governance risk: all Board members have been appointed since Sir Stuart's nomination to the Board and several of the new Board announced last year have worked with Sir Stuart at other companies prior to their appointment to the M&S Board with the exception of the recent appointment of Jan du Plessis.
- 5 We recognise that the M&S Board required time to make the right choice of successor to Sir Stuart and to find a new independent Chairman. However in the increasingly difficult trading environment now facing one of our nation's greatest retail companies, we believe that the Board must move to reduce uncertainty and risk by disclosing its succession strategy.
- 6 In order to address our concerns over the succession strategy at the heart of the Company we as shareholders recommend that the Board takes all reasonable and practical steps to bring forward the appointment of an independent Chairman to July 2010.

By order of the Board

Graham Oakley, Group Secretary

4 June 2009, London

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

Notes:

- 1 Biographies of the directors seeking (re-)election are given in the accompanying report, including membership of the principal committees. The terms of their service contracts are such that Sir Stuart Rose's may be terminated by the Company giving 12 months notice and by Sir Stuart Rose giving 6 months notice; Sir David Michels' may be terminated by the Company giving 6 months notice and by Sir David Michels giving 6 months notice; Jeremy Darroch, Louise Patten and Jan du Plessis' may be terminated by the Company giving 3 months notice and by the directors giving 3 months notice.
- 2 Registered shareholders: Members are entitled to appoint a Proxy to exercise all or any of their rights to attend, speak and vote on their behalf at the AGM. Members may appoint more than one Proxy in relation to the AGM provided that each Proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A Proxy need not be a shareholder of the Company. A Proxy form which may be used to make such appointment and give Proxy instructions accompanies this Notice of Meeting. If you do not have a Proxy form and believe that you should have one, or if you require additional Proxy forms (to appoint more than one Proxy), please contact our shareholder helpline on **0845 609 0810**. Alternatively photocopy the enclosed Proxy form. Please indicate in the box above the Proxy holder's name, the number of shares in relation to which they are authorised to act as your Proxy. Also indicate if the instruction is one of multiple instructions being given. All Proxy forms must be signed and should be returned together.
- 3 To be valid any Proxy form or other instrument appointing a Proxy must be received by post or (during normal business hours only) by hand at Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6TW no later than 2pm on Monday 6 July 2009.
- 4 The return of a completed Proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 11 below) will not prevent a shareholder attending the AGM and voting in person if he wishes to do so.
- 5 The time by which a person must be entered on the Company's Register of Members in order to attend, speak or vote at the meeting is 2pm on Monday 6 July 2009.
- 6 Indirect shareholders: Any person to whom this Notice of Meeting is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a Proxy for the AGM. If a Nominated Person has no such Proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
- 7 The statement of the rights of shareholders in relation to the appointment of Proxies in paragraphs 2 and 3 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
- 8 The following documents are available for inspection at an agreed time (please ring **+44 (0)20 8718 9888**) during normal business hours on any weekday (Saturdays, Sundays and public holidays excluded), at the Company's registered office, Waterside House, 35 North Wharf Road, London W2 1NW. They will also be available for inspection at the Royal Festival Hall, London SE1 8XX from 1pm on 8 July 2009 until the conclusion of the AGM:
 - (i) copies of the executive directors' service contracts;
 - (ii) copies of the non-executive directors' letters of appointment;
 - (iii) copies of the directors' Deeds of Indemnity;
 - (iv) a copy of the current Memorandum and Articles of Association of the Company.

- 9 A copy of the draft rules of the Marks and Spencer Group Republic of Ireland Sharesave Plan 2009 will be available for inspection at the offices of Hewitt New Bridge Street at 6 More London Place, London SE1 2DA during normal business hours on any weekday (Saturdays, Sundays and public holidays excluded) from the date of this Notice of Meeting up to and including the date of the AGM and at the Royal Festival Hall, London SE1 8XX from 1pm on 8 July 2009 until the conclusion of the AGM.
- 10 Shareholders are advised that unless otherwise specified, the telephone numbers, website and email addresses set out in this Notice of Meeting or Proxy forms are not to be used for the purpose of serving information or documents on the Company (including the service of documents or information relating to proceedings at the Company's AGM).
- 11 As at 5 May 2009, the latest practicable date before the publication of this Notice of Meeting, the capital of Marks and Spencer Group plc consisted of 1,578,135,262 ordinary shares with voting rights. Therefore, the total number of voting rights in Marks and Spencer Group plc at that date was 1,578,135,262.
- 12 CREST members who wish to appoint a Proxy or Proxies through the CREST electronic Proxy appointment service may do so for the AGM and any adjournment thereof by using the procedures described in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf. In order for a Proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST manual. All messages relating to the appointment of a Proxy or an instruction to a previously appointed Proxy must be transmitted so as to be received by Equiniti (ID RA19) no later than 2pm on Monday 6 July 2009. Normal system timings and limitations will apply in relation to the input of CREST Proxy instructions. It is therefore the responsibility of the CREST member concerned to take such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor(s) or voting service provider(s) are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- 13 In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on Proxies and corporate representatives (icsa.org.uk) for further details of this procedure. The guidance includes a sample form of representation letter if the Chairman is being appointed as described in (i) above.
- 14 Please see the letter from the Group Secretary dated 4 June 2009 for further explanatory notes.

Appendix 1:

Summary of principal terms of the Marks and Spencer Group Republic of Ireland Sharesave Plan 2009 (the 'Plan')

Operation

The operation of the Plan will be supervised by the Board of directors of the Company (the 'Board'). It will be approved by the Irish Revenue in order to provide tax-advantaged options to employees based in the Republic of Ireland.

Eligibility

Employees and full-time directors of the Company and any designated participating subsidiary who are Irish resident taxpayers are eligible to participate. The Board may require employees to have completed a qualifying period of employment of up to three years before the grant of options. The Board may also allow other employees to participate.

Grant of options

Options can only be granted to employees who enter into Irish Revenue approved savings contracts, under which monthly savings are normally made over a period of three or five years. Options will be granted within 30 days (or 42 days if applications are scaled back) of the first day by reference to which the option price is set. The number of shares over which an option is granted will be such that the total option price payable for those shares will correspond to the proceeds on maturity of the related savings contract.

Options may not be granted more than 10 years after shareholder approval of the Plan. Options are not transferable, except on death. Options are not pensionable.

Individual participation

Monthly savings by an employee under all savings contracts linked to options granted under any Republic of Ireland sharesave plan may not exceed the statutory maximum (currently €500). The Board may set a lower limit in relation to any particular grant.

Option price

The price per share payable upon the exercise of an option will not be less than the higher of: (i) 80% of the middle-market quotation of a Company share on the London Stock Exchange on the day (or the three days) preceding a date specified in an invitation to participate in the Plan (or such other day or days as may be agreed with the Irish Revenue); and (ii) if the option relates only to new issue shares, the nominal value of a share.

The option price will be determined by reference to dealing days which fall within six weeks of the Company's announcement of its results for any period or at any other time when the Board considers there are exceptional circumstances which justify offering options under the Plan.

Exercise of options

Options will normally be exercisable for six months from the third, fifth or seventh anniversary of the start of the related savings contracts. Earlier exercise is permitted, however, in the following circumstances:

- following cessation of employment by reason of death, injury, disability, redundancy, retirement on reaching age 65 (or any other age at which the employee is bound to retire under his terms of employment provided it is between 60 and 66 years) or the business or company that the employee works for ceasing to be part of the Company's group;
- when an employee reaches 65;
- where employment ceases more than three years from grant; and
- in the event of a takeover, amalgamation, reconstruction or voluntary winding-up of the Company, except in the case of an internal corporate re-organisation where optionholders are offered the opportunity to exchange their existing options for equivalent new options over shares in a new holding company.

Except where described above, options will lapse on cessation of employment or directorship with the Company's group.

Shares will be allotted or transferred to participants within 30 days of exercise.

Plan limits

The Plan may operate over new issue shares, treasury shares or shares purchased in the market.

In any ten calendar year period, the Company may not issue (or grant rights to issue) more than 10% of the issued ordinary share capital of the Company under the Plan and any other employee share plan adopted by the Company.

Treasury shares will count as new issue shares for the purposes of these limits unless the institutional investors decide that they need not count.

Variation of share capital

If there is a variation in the Company's share capital then the Board may, subject to Irish Revenue approval, make such adjustment as it considers appropriate to the number of shares under option and the option price.

Rights attaching to shares

Any shares allotted when an option is exercised under the Plan will rank equally with shares then in issue (except for rights arising by reference to a record date prior to their allotment).

Alterations to the Plan

The Board may amend the provisions of the Plan in any respect, provided that the prior approval of shareholders is obtained for any amendments that are to the advantage of participants in respect of the rules governing eligibility, 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, the shares to be acquired and the adjustment of options.

The requirement to obtain the prior approval of shareholders will not, however, apply to any minor alteration made to benefit the administration of the Plan, 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.

Appendix 2:

Supporting statement for Resolution 16 requisitioned by the Local Authority Pension Fund Forum

The separation of roles at the head of a company is a central principle of our system of corporate governance. As the Higgs Review stated in 2003:

"Separation of the roles of Chairman and Chief Executive is one of the strengths of the UK corporate governance regime. It avoids concentration of authority and power in one individual and differentiates leadership of the board from running of the business."

The principal issue is one of risk. Combining the roles of Chairman and Chief Executive permits an unhealthy concentration of power, and blurs what should be distinct responsibilities. No matter how successful or important to a business an individual may be, corporate history has repeatedly shown that unfettered power poses a considerable risk to shareholders. In previous cases this has resulted in dominant individuals controlling companies in a way that has been detrimental to investors. Marks & Spencer should be particularly aware of this risk.

The need for a separation of powers is therefore widely accepted. The Combined Code provides an unambiguous signal of market expectations, and the response from companies has been clear. Today there is widespread compliance with this fundamental principle. Importantly there is no evidence that companies have difficulty managing the separation of powers, even where succession is an issue. Reviews of the Code carried out by the Financial Reporting Council have not reported any resistance to the separation of powers.

A key strength of the UK's system of corporate governance is the 'comply or explain' approach. Where UK companies depart significantly from one of the principles of the UK Combined Code on Corporate Governance, they are expected to provide an adequate explanation to their shareholders and the market more generally. Whilst we believe that Marks & Spencer mis-handled the communication of its decision to appoint Sir Stuart Rose to the combined posts, the Local Authority Pension Fund Forum welcomed the Company's willingness to meet with shareholders to explain its rationale following the announcement. We also recognise that the Company faces an uncertain future as consumers react to the increasingly hostile business environment. As such the desire to retain the current Chief Executive's experience to manage the Company in this difficult period is inherently sensible.

However, having reviewed the information provided and engaged with the Company management directly we continue to have significant reservations about the governance structure adopted by Marks & Spencer. Whilst we agree that retaining the current Chief Executive is in shareholders' best interests, we do not believe that this appointment must continue to be at the expense of losing an independent Chair. We believe that such a role is vital given the relatively 'new' nature of the Company's Board. In addition, whilst shareholders might be willing to tolerate the proposed arrangements as a temporary solution, the medium-term nature of the structure must increase the potential risk.

Combining the Chairman and Chief Executive posts at Marks & Spencer is not solely a risk for shareholders in respect of their investments in this Company. The decision of one of the UK's largest companies to diverge significantly from best practice as a medium-term strategy must undermine the belief – amongst both companies and investors – that good governance is critical to doing business. The Board's actions set an unhelpful precedent for the market as a whole.

We believe this decision has already sent a very negative signal to other companies about the value of the Combined Code. It provides the impression that governance considerations are unimportant when times are difficult, or when seeking to retain a particularly talented individual. In addition, it is arguably precisely in such conditions that a commitment to governance standards is most required.

Therefore the Forum believes that it is important that shareholders themselves send a signal both to the Company and the wider market about how they value governance.

We have stated to the Company our continuing support for Sir Stuart Rose as Chief Executive. It benefits neither the Company nor its owners if this issue is turned into a personal referendum.

However, we believe that shareholders must make clear their support for good governance. Therefore the shareholder resolution we have filed is intended to provide an outlet for investors wishing to send a signal to Marks & Spencer and the market about the value of corporate governance. Our intention is that the focus is kept on the issue of the concentration of powers and the risk this poses to shareholders. Our intention is not to micromanage the Company, but simply to urge Marks & Spencer to revert to standard market practice as soon as is practically possible. This is why we have suggested that the Company take all reasonable and practical steps to appoint an independent Chairman by July 2010.

Appendix 3:

The Board opposes Resolution 16 and recommends that you vote against it for the following reasons:

The Board is committed to good corporate governance

This is demonstrated in the boardroom and throughout the organisation. Central to the Combined Code is the concept of 'comply or explain'. The Company gave a detailed explanation of the rationale behind the appointment of Sir Stuart Rose to the combined role of Chairman and Chief Executive by writing to all shareholders in April 2008 and through the Annual Report and Accounts published later that year. The Deputy Chairman and other independent non-executive directors have had meetings throughout 2008 and during 2009 with major shareholders and shareholder representative bodies to give reassurance that the Board structure was working and that succession to the most senior roles in the business is a major priority. What was also stressed in such written and verbal communications was the desire to balance the medium and longer-term succession requirements with the need to retain the proven leadership qualities and significant retail experience of Sir Stuart Rose through the most difficult economic downturn the Company has experienced in many years.

The Board has put in place balancing controls to mitigate the governance concerns that the Board structure might otherwise create for the temporary period of non-compliance with the Combined Code:

- Public confirmation that by July 2011, the Board would revert to a separate Chairman and Chief Executive.
- Appointment in June 2008 of senior independent director, Sir David Michels, as Deputy Chairman with a specific brief to lead on all governance issues.
- Clear specification of duties of Chairman and Deputy Chairman to ensure proper division of responsibilities and balance of power.
- Appointment of Jan du Plessis in November 2008 as a new independent non-executive director to ensure a majority of independent directors.
- Enlarged responsibility of Ian Dyson as Group Finance and Operating director and appointment of Kate Bostock as Clothing director from March 2008 to provide executive development and allow Sir Stuart Rose more time to concentrate on strategic growth.
- Annual voting by shareholders for Sir Stuart Rose's appointment as a director rather than on the normal three-year cycle.

Balancing controls and mitigation have worked in practice not just in theory. Examples include the following:

- Deputy Chairman, Sir David Michels, has led governance issues through:
 - Meetings with shareholders;
 - Meetings with the non-executive directors without the Chairman present;
 - Chairing the Nomination and Governance Committee meetings;
 - Agreeing agenda with the Chairman in advance of Board meetings;
 - Regular updates with the Chairman;
 - Conducting the annual Board Performance review, including independent external assistance;
 - Regular meetings with the Group Secretary and Corporate Governance Group.
- Jan du Plessis joined the Board after the decision to combine the roles of Chairman and Chief Executive and has separately confirmed that, in his view, the current temporary system at Marks & Spencer is working well.
- Executive directors have responded to the challenge of greater responsibilities in their broadened roles, including Kate Bostock later adding 'per una' and more recently Home to her portfolio.
- Ian Dyson is leading the change programme '2020 – Doing the Right Thing' supported by Kate Bostock, John Dixon, Taniith Dodge and Steve Rowe. This followed the Board's strategic review of the business, led by Sir Stuart Rose.
- Below Board level – further changes in responsibility of the directors on the Executive Committee to broaden their experience and develop succession potential.
- Sir Stuart Rose was re-elected by shareholders to the Board at the July 2008 Annual General Meeting with 94.08% of votes in favour.

The Board is concerned that fast-tracking the appointment of a new Chairman would unnecessarily limit succession options

The timetable of separating the roles of Chairman and Chief Executive by July 2011 provides ample time jointly to develop internal candidates and evaluate the external market for the position of Chief Executive. It also permits parallel consideration of a future Chairman, all against a background of assured Board stability through the current difficult economic climate. Forcing the Board's hand to focus on an early appointment of an independent Chairman ignores the following risks:

- Risk that this could delay the timely appointment of a new CEO.
- Risk that Sir Stuart Rose might consider his early departure as Chairman to be the right time to leave the Board entirely.

The Board is very aware of the need to revert to recommended best practice and commits that there will be a separate Chairman and Chief Executive before July 2011 and possibly during 2010. However, the Board is determined not to be falsely constrained by expectations of certain delivery of this aim by the earlier date. By maintaining flexibility, the Board considers the highest chance of an orderly succession of first-class candidates comes with a timetable that allows some contingency to manage all expectations internally and externally.

In addition to the above arguments, the Board wishes to respond to other specific points raised by the requisitionists:

- It is not obvious to the Board that the requisitionists' concerns around the "relatively 'new' nature of the Company's Board" is a strong argument for the appointment of an independent Chairman given the length and breadth of experience of current Board members.
- The Board takes issue with the assertion that its "actions sent an unhelpful precedent for the market as a whole" as the decision to combine the roles was very specific to a set of circumstances affecting Marks & Spencer at a particular point in time. Given the amount of negative commentary this decision generated, it is likely to have the opposite effect to encouraging others to follow suit.
- As purported proof of the argument that the Board "now exhibits a high degree of governance risk..." the requisitioned resolution itself states that "several of the new Board announced last year have worked with Sir Stuart at other companies prior to their appointment to the M&S Board". If this is referring to the three new directors appointed in 2008, it is entirely untrue as none of them has previously worked with Sir Stuart Rose at other companies (Steven Esom, Kate Bostock and Jan du Plessis). If this refers to the Board as a whole, whenever appointed, there are not "several" directors, only two. Sir Stuart served on the same Board at Arcadia p.l.c. as Sir David Michels from 2000 to 2002. He also previously worked at other retail organisations with Steven Sharp who arrived with Sir Stuart in 2004 as part of the team brought in to defend a high profile approach to acquire the Company.

The resolution as proposed to shareholders does not enhance the prospect of an orderly succession and, indeed, carries inherent risk that could compromise careful planning. Nor, as it claims does it avoid the issue becoming a personal referendum as this is exactly how the requisitioned resolution has been, and will be, portrayed.

The Board believes that the resolution is not in the best interests of the Company, nor its shareholders generally. The directors consequently recommends that you vote AGAINST resolution 16 as they intend to do so in respect of their own beneficial holdings.

The venue

Royal Festival Hall, Southbank Centre, London SE1 8XX

southbankcentre.co.uk/visiting-us/royal-festival-hall

Date: Wednesday 8 July 2009

Time doors open: 12 noon

Meeting starts 2pm: Please arrive before 1.45pm to allow enough time for registration and security clearance.

Admission: Please bring your Attendance card with you. This is either attached to your Proxy form or, for those registered for electronic communications, it is attached to the email you have received. This will help us to register you more swiftly.

Refreshments: A light lunch will be available before the meeting. Refreshments will be available afterwards.

Shareholders with special needs: The Royal Festival Hall is easily accessible by wheelchair users and has lift access inside. The main auditorium is also covered with an assisted hearing system and handsets will be available from the information desk. For any further information on the special needs facilities at the venue, please call the Royal Festival Hall direct on: 0871 663 2587 (Monday to Friday 10am to 8pm, calls will be charged at 10p per minute from a standard BT landline. Calls from mobiles and other networks may vary).

Webcast: For shareholders unable to attend the AGM, there will be a webcast on our website. This will be broadcast live at 2pm on the day. Please go to marksandspencer.com/thecompany and follow the links to register for this. The webcast will also be available to download after the event.

Security: Standard security measures will be in place to ensure your safety. Please note that bag searches will be in operation, and any items deemed inappropriate will be removed and stored until the end of the event. Flash photography is not allowed at the AGM.

Shareholder feedback: If you wish to give feedback as a shareholder please complete and return, in advance, the reply-paid shareholder feedback card included within this pack or email chairman@marks-and-spencer.com

Transport: In line with our commitment to Plan A, we recommend shareholders use public transport to attend the meeting. For directions and transport information please see your Attendance card attached to your Proxy form enclosed.

Further information: If you have any queries about the AGM or the contents of this document, please call Marks and Spencer Group Secretariat on 020 8718 9888.

MARKS & SPENCER

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